Private Financing of Higher Education and Democracy
The Case of Tanzania and Kenya

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Abbreviations and Acronyms

ACHPR	African Charter on Human and People's Rights
ACHRESCR	American Convention on Human Rights in the Area of Economic, Social and Cultural Rights
ACRWC	African Charter on the Rights and Welfare of a Child
ADB	Asian Development Bank
ADRDM	American Declaration of the Rights and Duties of Man
ARU	Ardhi University
ASEC	Advanced Secondary Education Certificate
ATE	Association of Tanzania Employers
AVU	African Virtue University
BAED	Bachelor of Arts with Education
BED	Bachelor of Education
BVB	Bibliotheksverbund Bayern (Bavarian Library Network)
CAG	Controller and Auditor General
CAMFED	Campaign for Female Education
CAS	Central Admission System
CBE	College of Business Education
CDE	Convention against Discrimination in Education
CDF	Constituency Development Fund
CEMEA	Central Europe, Middle East and Africa Region
CEO	Chief Executive Officer
CHE	Commission for Higher Education
CHEPS	Center for Higher Education Policy Studies
CHET	Connecticut Higher Education Trust
CHRAGG	Commission for Human Rights and Good Governance
CIA	Central Intelligence Agency
CMA	Capital Market Authority
COAS	Charter of the Organization of American States
CRB	Credit Reference Bureau
CRC	Convention on the Rights and Welfare of a Child

CSP	Cost Sharing Phase
CUHAS	Catholic University of Health and Allied Sciences
CUEA	Catholic University of Eastern Africa
DFID	Department for International Development
DUCE	Dar es Salaam University College of Education
DRC	Declaration of the Rights of the Child
DWP	Domain White Pages
e.g.	*exampli gratia.* (for example)
EACEA	Education, Audiovisual & Cultural Executive Agency (Eurydice)
ECPHRFF	European Convention for the Protection of Human Rights and Fundamental Freedoms
ed(s)	editor
EEA	European Economic Area
Egerton	Egerton University
EHEA	European Higher Education Area
EPA	External Payments Arrears
et al.	*et alii/alia.* (and others)
etc.	*et cetera.* (extra)
EU	European Union
FEP	Free Education Phase
GDI	Gross Domestic Income
GDP	Gross Domestic Product
GSLS	Government Students' Loans Scheme
HCCs	Human Capital Contracts
HEAC	Higher Education Accreditation Council
HEI	Higher Education Institutions
HELB	Higher Education Loans Board
HESLB	Higher Education Students' Loans Board
HESLB-SLF	Students' Loans Forms
HIV/AIDS	Human Immunodeficiency Virus/Human Immunodeficiency Syndrome
HKMU	Hubert Kariuki Memorial University
i.e.	*id est.* (that is to say)
ibid.	*ibidem* (in the same place)
ICCPR	International Convention on Civil and Political Rights

ICESCR	International Convention on Economic, Social and Cultural Rights
ICEDAW	International Convention on the Elimination of All Forms of Discrimination Against Women
ICLR	Income Contingent Loan Repayment
ICRW	International Centre for Research on Women
IDM	Institute of Development Management
IDS	Institute of Development Studies
IGOs	Inter-Governmental Organizations
IJMC	Institute of Journalism and Mass Communication
ILO	International Labour Organization
IMF	International Monetary Fund
IMTU	International Medical and Technological University
IP	Internet Protocal
JAB	Joint Admission Board
JKUAT	Jomo Kenyatta University of Agriculture and Technology
JUCO	Jordan University College
K24	Kenya's First ever 24-hour Network
KANU	Kenya African National Union
KCB	Kenya Commercial Bank
KCSE	Kenya Certificate of Secondary Examination
KIU	Kampala International University
KNBS	Kenya National Bureau of Statistics
KNCHR	Kenya National Human Rights Commission
KNUT	Kenya National Union of Teachers
KRA	Kenya Revenue Authority
KU	Kenyatta University
KUPPET	Kenya Union of Post Primary Education Teachers
KTN	Kenya Television Network
Ksh.	Kenya Shilling
LAO	Loans Allocation Officer
LHRC	Legal and Human Rights Centre
LLC	Richmond Development Company
LoS	Loans Phase
MAS	Manual Application System

MDSD	Most Different System Design
MHEST	Ministry of Higher Education, Science and Technology
MMU	Masinde Muliro University
MoVET	Ministry of Vocational Education and Training
MP	Member of Parliament
MSSD	Most Similar System Design
MSTHE	Ministry of Science, Technology and Higher Education
MU	Moi University
MUHAS	Muhimbili University of Health and Allied Sciences
MUM	Muslim University of Morogoro
n.d	no date
NAM	Non-Aligned Movement
NECTA	National Examination Council of Tanzania
NGOs	Non-Government Organizations
NHIF	National Health Insurance Fund
NIDA	National Identification Authority
NSSF	National Social Security Fund
ODeL	Open, Distance and e-Learning
OECD	Organization for Economic Co-operation and Development
OLAS	Online Application System
op.cit	*opera citato* (in the work cited)
OUT	Open University of Tanzania
P(s)	page
PAYE	Pay As You Earn
PhD	Doctor of Philosophy
PIU	Pioneer International University
PSPF	Public Service Pensions Fund
PSSC	Parliamentary Social Services Committee
POAC	Public Organizations Accounts Committee
REDET	Research and Education for Democracy in Tanzania
R&D	Research and Development
REMU	Deposit Taking Microfinance
SADC	Southern African Development Community
SAPs	Structural Adjustment Programmes

SAUT	Saint Augustine University of Tanzania
SDL	Skills and Development Levy
SFO	Serious Fraud Office
SLA	Student Loan Agreement
SMMCO	Stephano Moshi Memorial University College
SRL	Standard Repayment Loan
SSL	Secure Socets Layer
SUA	Sokoine University of Agriculture
SUZA	State University of Zanzibar
SWAP	Sector Wide Approach to Planning
TANESCO	Tanzania Electric Supply Company Limited
TANU	Tanganyika African National Union
TCU	Tanzania Commission for Universites
TPDF	Tanzania Peoples' Defence Forces
TRA	Tanzania Revenue Authority
TZS	Tanzania Shilling
TSNP	Tanzania Students Networking Programme
TV	Television
TUMA	Tumaini University Makumila
UDA	Usafiri Dar es Salaam
UDHR	Universal Declaration of Human Rights
UDSM	University of Dar es Salaam
UDOM	University of Dodoma
UK	United Kingdom
UIDHR	Universal Islamic Declaration of Human Rights
UN	United Nations
UNDP	United Nations Development Programme
UNIDO	United Natiopns Industrial Development Organization
UNESCO	United Nations Educational, Scientific and Cultural Organization
UoA	University of Arusha
UoN	University of Nairobi
URL	Universal Resource Locator
URT	United Republic of Tanzania
USA/US	United States of America

USD	United States Dollar
USIU	United States International University
USLS	University Students’ Loans Scheme
v	versus
VAT	Value Added Tax
VEO	Village Executive Officer
VETA	Vocational Education and Training Authority
VRC	Voter Registration Card
WB	World Bank
WEO	Ward Executive Officer
WWII	Second World War
ZU	Zanzibar University

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Abstract

Higher education has undergone reforms since 1980s. One of those reforms is financing of the education. Apparently, African states were instituting democratisation process. That means higher education reforms and democratisation process were both crucial and inevitable. While financing reforms emphasized a reduced role of government in financing higher education on one hand, democratisation process emphasized among others protection and promotion of human rights by state parties on the other hand. Private financing of higher education was introduced in Africa in 1990s. This study used ‘a parallel demonstration of theory’ in Tanzania and Kenya as case studies to examine the extent of the impact of private financing on the poor in accessing higher education. Specifically, the study compared student loans schemes established by both governments (in response to protecting and promoting human rights) so as to explain whether the schemes have democratised access to university education by the poor. The study was organized through seven compact chapters.

Chapter one is background to the study. Through this chapter the study derives a connection between higher education and democracy for development and economic growth; of which both Tanzania and Kenya among the rest of the world strive to excel. Chapter two is the theoretical and conceptual framework. The chapter presents a debate concerning financing of higher education. There are three main perspectives to explain how financing of higher education should be. These include:- (a) public good theory, (b) Neo-liberal political economy, and (c) a rights-based approach to financing education. Out of the three perspectives three models of financing higher education are detected and examined promptly. They are public financing, private financing, and eclectic approach to financing higher education. Based on the fact that states have ratified international instruments of promoting and protecting human rights, and a bill of rights is included in national constitutions then a rights-based approach has emphatic arguments to bridge the gap between the model for financing higher education and democratisation in order to achive economic growth and development. Consequently, eclectic approach to financing higher education is desirable. Also, the chapter explains different concepts used by this study to provide a clear understanding of arguments.

Chapter three is research methodology. The study was designed to explain how private finaincing of higher education without greater involvement of government (through student loans, for instance) can have greater impact on students form low income families who could otherwise not be able to purchase commoditified higher education. A parallel of demonstration theory was used to examine certain irregularities in the implementation of private financing. For example, despite the fact that Tanzania and Kenya have had fundamental differences in three contexts (i.e. ideology, ethnicity and legal framework governing higher education) their outcomes in the implementation of private financing are similar. Data collection was done through interviews, questionnaires and review of documents. And, collected data were analysed qualitatively. Chapter four is Higher Education in Africa. Since the topic concerns two countries of the African region, this chapter is meant to provide a general overview of higher education in Africa, Tanzania and Kenya in particular. The chapter examines financing of higher education in Tanzania and Kenya since independence in order to highlight the impact of private financing of higher education. Chapter five is private financing and access to higher education in Tanzania. The chapter analyses how access to higher education by the poor is limited. The study found that this limitation is caused mainly by the Loans Board through inadequate finances, unworkable means testing, low loan recoveries, prioritization of courses, and misleading guidelines. Chapter six is private financing and access to higher education in Kenya. Just like Tanzania, this chapter analyses how access to higher education by the poor is limited (and to greater extent). Lastly, Chapter seven provides a comparative conclusion from the two cases. Some of these conclusions are:- (a) the extent of limited access to higher education is a function of government's involvement in financing higher education. That means the more government is involved in financing higher education the less is the impact on the poor. (b) Student loans are ineffective due to the application of ineffective means testing (which cannot identify the poor). And (c) student as a customer deteriorates the role of a student as a citizen.

Chapter one

Background to the Study

1.1 Introduction

For the past two decades there has been tremendous changes in higher education. Swaying policies of market economy, democracy, and human rights in thrall of liberalism;- which emerged after the collapse of socialist block and signified the rapid growth of capitalism have led to a demand for expansion, access, equity, quality and governance in higher education. The consequence of this has been a call to reform funding mechanisms. The thrust is thus the previous mechanism of public financing/funding has failed to accommodate all demands brought to higher education. This called for urgent reforms. The start point has been to involve the private sector in various ways including private financing. The latter is a challenge not only to developing countries but also developed ones. The peculiar nature of private financing to exclude people with low income to access higher education has been insoluble even after application of loan schemes. Nevertheless, development and democracy are extrapolations from access to higher education by every person without discrimination of any kind, including financial constraints. It is imperative, at least, at this point, to argue that the correlation between access to higher education and development depends very much on the mechanism of financing such education. Therefore, equity and equality of access to higher education is very essential to development endeavors in developing countries, Tanzania and Kenya in particular, and thus, a desirable reform to funding mechanisms should critically observe financial circumstances of individuals.

1.2 Setting the Scene

Studies on higher education and democracy are increasingly important in the contemporary world. An emphasis on equity and equality of access in higher education has become a focal point of researchers from different angles (i.e. development, democracy, policy analysis, human rights, and education to mention a few). For example, a considerable number of studies conducted by UNESCO, UNDP, WB, ADB, SARUA Leadership Dialogue Series, the

Council of Europe Higher Education Series, etc reveal this fact. As such, UNESCO in 1998 prepared a World Conference on Higher Education in the Twenty-First Century: Vision and Action where participants adopted a Declaration on Higher Education. Article 3 of the Declaration specifically provides for equity of access. In 2005, UNESCO came with "Guidelines for Inclusion: Ensuring Access to Education for All" with an emphasis on education as a human right. Consecutively, UNESCO has published a good number of publications written by authors from all over the world. To cite a few examples, in 2009 there was "*Trends in Global Higher Education: Tracking an Academic Revolution*" a Report prepared for UNESCO 2009 World Conference on Higher Education by Philip G. Altbach, Liz Reisberg, and Laura E. Rumbley; 2010 there was "*Equity and Quality Assuarance: A Marriage of Two Minds*" edited by Michaela Martin; 2011 there was "*Trends in Diversification of Post-Secondary Education*" edited by N. V. Varghese and Vitus Püttmann; and 2013 there was "*Making Education A Priority in the Post-2015 Development Agenda*" authored by Yusuf Sayed. Learning from UNESCO studies it is evident that there is a strong link between higher education and democracy and development. And this link is fastened by equity of access. In supporting this argument, the Commissioner responsible for Education, Culture, Multilingualism and Youth of the European Commission says "the Europe 2020 strategy for smart, sustainable and inclusive growth rightly recognises the key role education and higher education must play if our ambitions for Europe in a fast-changing global reality are to be realized." She went further to state that "the social dimension of higher education therefore demands our urgent attention. This implies widening access to higher education to as many European citizens as possible, and it is vital that this policy objective is at the heart of our education system" (Eurydice, 2011). Deducing from the Commissioner's last statement, widening access to higher education is a policy question which has to be addressed by government(s). Through policy making the government(s) is/are capable of widening access through equitable mechanisms.

Equitable access is defined with reference to 'social inclusiveness'. James (2007:1) proclaims that it is surprising difficult to define equity with precision. However, the concept is widely discussed. The various implicit and explicit conceptions of equity in higher education include: (a) those who have the ability to go on to university are able to do so; (b) there are no barriers to access to university; (c) the selection for university places is on academic merit; (d) the selection to university places is without discrimination on the basis of social class, gender, religion, or ethnicity; and (e) all people have the same opportunity to develop their talents.

Based on these conceptions, policies and decisions have been made to improve equity of access in higher education all over the world. For instance, European Council conclusions of 11 May 2010 note that “education and training across the European Union need to ensure both equity and excellence for not only economic growth and competitiveness but also to reducing poverty and fostering social inclusion”. In addition, “social inclusion through education and training should ensure equal opportunities for access to quality education, as well as equity in treatment, including by adopting provision to individuals’ needs. At the same time, it should ensure equal opportunities to achieve the best outcomes, by seeking to provide the highest level of key competences for all” (European Council Conclusions, May 2010). To broaden the discussion on equity of access in higher education, commentantors have argued countlessly over the vitality of equity of access in higher education for development and democracy. For instance, the WB (2009) says “there is a strong efficiency argument in favour of equity promotion. A talented but low-income student who is denied entry into tertiary education presents a loss of human capital for society. The lack of opportunities for access and success in tertiary education will lead to under- or un-developed human resources.” Based on this argument, some researchers have explained the problems facing Africa such as poverty, poor infrastructure, etc as a result of inadequate human resources among other factors. To cite some few examples;

> Bloom, *et al*. (2006) comment that “...if Africa had more people well trained in these areas (constructing roads, railways, power plants, telecommunications, etc) strengtherning the continent’s infrastructure would be easier. For example, road-building costs in Sub-Saharan Africa are as high as those in OECD countries – and are often three times higher than costs in middle-income countries – because of the need to import both equipment and trained expertriate personnel. ...if higher education can impower more Africans to work on infrastructure in their own countries, this circular problem may become easier to address.”

> UNESCO (1998) ‘*World Conference on Higher Education in the Twenty-First Century: Vision and Action*’ was convinced that “without adequate higher education and research institutions providing a critical mass of skilled and educated people, no country can ensure genuine endogenous

> and sustainable development and in particular, developing countries and least developed countries cannot reduce the gap separating them from the industrially developed ones. Showing knowledge, international cooperation and new technologies can offer new opportunities to reduce this gap."

The two examples provide us with two powerful conclusions. One, higher education has a significant role to play in development endeavours (to be explained into detail later). And one of such role is to provide human resources (human capital). A suggestion is, higher education should provide large number of skilled and educated human resource. It is this large number of skilled and educated human resource (human capital) which transforms the society through application of advanced knowledge and a use of new technologies acquired from higher education. Two, without equity of access no country is assured of getting large numbers of skilled and educated human resource which can transform the society economically, socially, politically and culturally. For example, Scott (2009) in his paper, "*Access in Higher Education in Europe and North America: Trends and Developments*" considers access in its broad definition as always been and remains the key driver of higher education development. And this development in higher education has led to socio-economic and poltical transformations in Europe and North America.

In developing countries, such as Tanzania and Kenya, equity of access in higher education is exceptionally important. The establishment of Africa Higher Education Collaborative (AHEC) with its first meeting held in Cairo, from 9th to 12th, 2008 aimed at improving equity and access to higher education in Africa. The need to improve equity and access is based on the argument that "increased access to quality higher education increases the capacity of the African continent to create future prosperity, improve public health, and advance sustainability[1]". In fact, improved access to higher education in various parts of the world has impacted into economic growth, development and democracy. For example, Vanderhoeven and de Groof (1994:62) argue that above half of the population in 1990s Europe have acquired higher education[2] as such France 63% and Germany 56% displayed the highest figures. Currently, 26% of the European workforce aged 25-64 holds a degree (EUROPA

[1] http://www.africahighered.org/ accessed on 15 March 2014

[2] This includes post-secondary institutions like vocational trainings, colleges, universities, and the like.

Facts and Figures, 2011). In terms of participation to higher education, generally, the United States (US) has a higher overall rate of participation (Cohen and Kisker, 2010:540). The numbers have expanded from 74 degrees conferred at Harvard University[3] in 1771 to 2,936,095 degrees conferred at 4,276 colleges and universities, while the number of students enrolled in higher education stood at 17,487,000 in 2005 (Cohen and Kisker, 2010: 436; Digest of Education Statistics, 2008: 269-270; 2011:277). Today the US is one of the wealthiest nation in the world. The national Gross Domestic Product (GDP) is approximately $ 15.7 trillion in 2012[4]. According to the Human Development Report (2013), the US remains the largest economy in the world in monetary terms and will remain so for the foreseeable future. It is also interesting to say that the quality of higher education in the US is currently making indelible impression. Among the top fifty (50) universities listed by Times Higher Education World Reputation Ranking[5] in 2012, twenty-nine (29) universities including the first are in the US and only eight (8) come from Europe.

The lessons from the US and Europe in terms of access to higher education are a breakthrough to Africa in the undertaking to improve equity of access for future prosperity. The "*how*" to improving equity of access in the US as well as Europe has been reciprocated in Africa and other developing countries. It is imperative to describe in brief how the US and Europe have been improving equity of access in higher education. Before this objective is accomplished, I would like to recall from previous discussions that addressing equity of access is a policy question[6]. Therefore, the role of government is very critical. Theoretically, there has been a debate over this role of government. Public good theory coincides with the idea that the government has a big role to play in improving equity of access in higher

[3] Havard University is the first institution established by the British colonialists in 1636. It is the oldest university in the US. It was named after the first college's benefactor, the young minister John Harvard of Charlestown, who upon his death in 1638 left his library and half of his estate to the institution, accessed from http://www.harvard.edu/history on 5 February 2013

[4] http://www.tradeeconomics.com/united_states/gdp accessed on 14 February 2013

[5] http://www.timeshighereducation.co.uk/world-university-rankings/2012/reputation-ranking accessed on 14 February 2013

[6] Supportively, Tapper and Palfreyman (2005:1) argue that "if higher education is an increasingly desirable social good, and possession of a degree is seen as an ever-more important credential in the job market, one might expect that, within a liberal democratic context, individuals will attempt to utilize their political rights to enhance their chances of accessing the best of what is on offer. Hence, access to higher education would almost inevitably, sooner or later, become a public policy issue to which political parties will need to respond." In other words, Tapper and Palfrey are saying access to higher education is very important for the society and thus it is a concern of the whole society. Therefore, it is a policy issue which needs to be addressed through a political process. Supportively, Sayegh (1994) explains that "the central role of the state in the formulation of higher education policies is shown by the fact that the executive and legislative authorities are involved in the process of drafting education legislation."

education. However, neo-liberal political economy approach sees the role that the government has to play is minimal. The human rights framework concludes that higher education is a human right; access to higher education should be on the basis of merit and not sex, income, age, racial, or language (a broader discussion of this part will follow on theoretical and conceptual framework). For example, in France, access to higher education has been seen as an individual right for those who have successfully completed their secondary school examinations (Deer in Tapper and Palfreyman, 2010). In practice, the government in the US and Europe has/is played/playing a big role in higher education. There are strong evidences to show how the government played/plays important role in higher education. These evidences are discussed under two frameworks.

First, the role of government in policy formulation and law making. Based on the primary objective, the government makes policies and laws which embed some elements of equity of access. These elements are manifested in the quantity and quality of producing skiled human resources and researches. In this respect, the government makes policies and laws guiding the provision and financing of higher education. Through these policies and laws on provision and financing of higher education in the US and Europe; access to higher education has been improving. According to Trow (1970) higher education systems have been moving from elite higher education (participation is less than 15%) to mass higher education (participation is between 15% and 50%) and to universal higher education (participation is more than 50%). Before massification[7] of higher education in Europe and the US, access to such education was limited. For example, from 1700 to 1900 less than 5 percent of Americans between the ages of eighteen and twenty-two enrolled in college while between World Wars I and II, this figure increased to about 20 percent (Thelin and Gasman, 2010). Similarly, Gumport, *et al.* (1997) state that prior to Worl War II, only a small minority of the US population – most of whom where male and white – continued schooling after higher school. Globally, the percentage of age cohort enroled in tertiary education has grown from 19 percent in 2000 to 26 percent in 2007, with the most dramatic gains in upper middle and upper income countries (Altbach, *et al.* 2009). For example, in the Netherlands, the proportion of highly educated people among the age group of 25-34 was 34 percent in 2000s (Beerkens-Soo and Vossensteyn, 2009) while

[7] Massification of higher education occurred after the Second World War in Europe (Rüegg, 2011; Tapper and Palfreyman, 2005; 2010; Zgaga, 2008; Geuna, 1996; Sayegh, 1994) and between 1950s and 1970s in the US (Geiger and Heller, 2011; Jeynes, 2007; Gumport, et al. 1997). However, Altbach, *et al.* (2009) say, the US was the first country to achieve mass higher education, with 40% of the age cohort attending post secondary education in 1960; and in Western Europe and and Japan rapid growth took place in the 1980s.

in low-income countries tertiary-level participation has improved only marginally, from 5 percent in 2000 to 7 percent in 2007 (Altbach, *et al.* 2009). It is important to explain in brief the specific policies and laws responsible for the improvements in accessing higher education in the US and Europe.

Policies on provision of higher education have been changing overtime (improving access to higher education has always been the focus). In Europe, public/government provision of higher education has ever been one strategy to increase participation of individual citizens in higher education. The advantages of public provision of higher education are concretized in very low cost of accessing higher education. Altbach, *et al*. (2009) put it plainly that "cost remains an enormous barrier to access, obviously affecting some social sectors more than others." With public provision, European countries instituted free and/or low cost access to higher education policies. For example, Johnstone (1998) states that "although tuition and fees have been long established in the US in the public as well as private sector, they have been generally absent from European higher education." These policies were guided by utilitarianism. Geuna (1996:37) asserts that higher education in general was considered essentially utilitarian and at the service of national interests. In the same vein, Tapper and Palfreyman (2010) express in other words that higher education was considered a *public good*[8] that should be used to fulfil desired social goals; and thus the state had an obligation to provide the required public resources and sustain its control of the universities. As a result of these policies, more than 600 new universities were established between 1945 and 1995 in Europe (Rüegg, 2011:20). Before 1945 there were only 200 European universities. Definitely, the increase in number of providers necessitated increased participation of individual citizens in higher education.

Even after commercialization, privatization and internationalization of higher education, public provision in Europe remains the dominant feature of higher education. It remains so because public provision transfers very low or no cost of producing higher education to individual students. Hubble (2012) puts plainly that "historically across Europe there tends to be a strongly held principal of free tertiary education. Although tuition may be free, many countries impose other charges such as registration and exam fees". However, other charges are very low. For example, in the academic year 2009/2010 Sweden, Finland, Austria,

[8] The issue as whether higher education was/is a public good shall be expounded on theoretical and conceptual framework

Cyprus, and Greece provide free of charge education while others charge very small tuition fee, as such Slavakia 15€, Poland 69€, France 147€, Germany 187€, and Czech Republic 28€ (EURYDICE, 2011:47; see also EUROPA Facts and Figures, 2011:4-5). Interestingly, today many countries in Europe (with the exception of UK where tuition fees are escalating) have been abolishing tuition fees in higher education. According to CESinfo DICE Report (2011) Austria abolished tuition fees for students who finish their studies within the designated study time in 2009; Hungary abolished all fees by referendum in 2008; Greece abolished fees for Greeks and EU Citizens; Slovenia abolished tuition fees for graduate studies (undergraduate studies were already tuition free); Swedish government passed a law to enable a general tuition fee of 97€ per semester for foreign students (non-EU/EEA or Switzerland citizens) from Autumn 2011 on; and Lithunian government passed a new law on higher education of 2009 which introduced the "the student's busket[9]". A more fascinating example is Germany. Among 16 States that constitute Germany only 7 States imposed tuition fees in the Winter Semester 2007/2008 after the Federal Constitutional Court, in January 2005, nullifying the ban on tuition fees as per the Federal Higher Education Framework Act (HRG - Hochschulrahmengesetz). After about 9 years, the seven States phased-out the application of fees making Germany a tuition free access to universities as it was for the past many years. Helbig and Tina (2012/2013) reports as follow;-

> "For thirty years, attending universities in Germany was free of charge. On January 26, 2005 the Federal Constitution Court overturned the ban on tuition fees in the Federal Higher Education Framework Act, ruling that it violated Germany's Constitution, which makes education the preserve of 16 States, or Länder, rather than the Federal government. Since then it has been up to each state whether to impose tuition fees. In the wake of the ruling, Bavaria, Baden-Wuerttenberg, Hamburg, Hesse, Lower-Saxony, North Rhine-Westephalia and Saarland introduced fees of 500€ per semester."

Until end of 2013, 6 States had abolished fees leaving one state (Lower Saxony) continue charging fees up to winter semester 2014 before abolishing such fees. Students will need to pay only small "semester fee" towards administration and "semesterticket" which covers public transport (European Commission Report, 2012; Gardner, 2013; EUNICAS, 2013; THE, 2014).

[9] Student's busket is a higher-education-voucher provided by the government

The US provides us with different but very interesting policies and laws towards improving access to higher education. In order to increase the number of providers (so as to increase participation of youth in higher education) both public and private providers were encouraged since the establishment of universities. Geiger and Heller (2011) say over 200 years, both public and private institutions have flourished, helping the US to achieve the highest level of participation in post-secondary education in the world for most of the twentieth century. However, private provision of higher education does not increase participation of youth from low-income families because of very high tuition fees charged by private institutions. For example, the tuition fees in the US average between USD 12,000 and 16,000 p.a; and graduate studies in Harvard cost up to 53,000 p.a. (CESinfo DICE Report, 2011). With high tuition fees students from low-income families were/are not able to enrol into those universities. For instance, in the academic year 1948/1949 the cost to educate a student at Williams College was $1,300 where undergraduate student's family paid $780 (tuition and board) towards the real cost of $1,300 (Thelin, 2006:10). Cohen and Kisker (2010: 26) demonstrate that few families had cash to pay tuition, low as it was, and support their children through a course of study. In conclusion, during mass higher education, Attewell and Lavin (2007:314) say "...overall, the chances for youth from a poor family earning a BA by age twenty-four are only 22 percent of the chances for youth from an affluent family." In order to improve equity of access to higher education, the government formulated a number of policies and laws.

These policies include: open admissions, affirmative action, remedial education, and establishment of community colleges and public universities. For example, Thelin (2006:6) commends that in 1950, undergraduate enrollments in the US were evenly divided between institutions in the private and public sector; and thus, by 1980 the public sector – including state colleges and universities as well as community colleges – enrolled about 79 percent of all undergraduates. This proportion has persisted into the 21st Century. Supportively, Douglass (2009:167) utters, "it is not an exaggeration to say that the socio-economic health and vitality of the US relies to the large extent on the future of the nation's public universities and colleges – where nearly 80 percent of all students are enrolled." He went further to provide an example of the University of Minnesota which enrolled from barely 1,700 students to more than 60,000 students at its main Minneapolis and St. Paul campuses in less than a century. In the same vein, Geiger and Heller (2011: 2) provide concrete figures for enrollment in both public and private institutions. They say "in 1970s, approximately three-quarters of the 8.6 million students attending college were enrolled in public institutions, with two-thirds of these in 4-year universities, and one-third in 2-year, or community colleges. One-quarter of students were enrolled in private non-for profit institutions and only 0.2 percent were in for-profit institutions."

In addition, Attewell and Lavin (2007) demonstrate that open access which was initiated in 1970 at the large multicampus system of City University of New York (CUNY) has had a greater impact on access. Access expanded from about 2.3 million undergraduates in 1950 to nearly 15 million by 2001. However, increased participation in higher education could not ensure equity of access per se. To be precise, youth from low-income families are less likely to attend than those from higher-income families. And the patterns are similar everywhere (Usher, 2009: 6). Attewell and Lavin went further to state that "...although lower class students are attending college in ever greater numbers, students from more preveledged backgrounds are outpacing them." That means there was/is a need to employ other strategies to improve equity of access. These include(d) policies and laws on financing of higher education. For example, the Morrill Acts (1862; 1890)[10]; Servicemen Readjustment Act of 1944 (GI bill of Rights)[11]; Higher Education Act of 1965 as amended in August 2008[12]; Rehabilitation Act of 1973; Age Discrimination Act of 1975[13]; The Americans with

[10] The Morrill Act of 1862 is also known as Land-Grants Act enacted on July 2 by the Congress after President Abraham Lincoln signed into a law. The law donated public lands to states for the purpose of establishing colleges. Each member got 30,000 acres of Federal land. Its implementation has had gargantuan impact in assuring access to colleges and universities. Sixty-nine (69) colleges were funded by these grants, accessed from http://www.loc.gov/rr/program/bib/ourdocs/Morrill.html on 15 February 2013; The Morrill Act of 1890 came as a response to impose just and equitable division of funds under the Act. The first Morrill Act was not adequate and discriminatory as many African-American did not get access to the established colleges. The implementation of the second Morrill Act led to establishment of sixteen (16) Land-Grant Colleges in the south for Blacks, accessed from http://jschell.myweb.uga.edu/history/legis/morrill.htm on 15 February 2013

[11] The Servicemen Readjustment Act of 1944 came after a stiff debate in the Congress over compensation of Veterans who returned from WWII. It was signed into a Law by President Franklin D. Roosevelt on June 22. The law gave both servicemen and women the opportunity to resume their education and technical training, provided reasonable unemployment allowance, and other benefits. The Act was updated in 2008 and 2011 to enhance more educational benefits such as provide living allowance, cover more educational expenses, money for books, and ability to transfer unused educational benefits to spouses or children, accessed from http://www.gibill.va.gov/benefits/history_timeline/index.html on 15 February 2013

[12] The Higher Education Act of 1965 was signed into a law by President Lyndon Johnson on 8 November. The purpose was to provide financial assistance to students of higher education. students were assisted with some scholarships, loans with reduced interest rates, and work-study programs. The Act has undergone several amendments since 1968. The amendment of 2008 had major modifications including reauthorization of Higher Education Act of 1965, as amended. It therefore, became Higher Education Opportunity Act of 2008 (Pell Grants). The new Act aimed at amending and extending Higher Education Act of 1965, accessed from http://www.enotes.com/higher-education-act-1965-reference/higher-education-act-1965 and http://www.gpo.gov/fdsys/pkg/PLAW-110publ315/html/PLAW-110publ315.htm on 15 February 2013

[13] The Age Discrimination Act of 1975 prohibits discrimination based on age in programs or activities that receive Federal financial assistance

Disabilities Act of 1990[14]; Tax Relief Act of 1997[15]; and The Cost Reduction and Access Act of 2007[16]. These laws have had impact on improving equity of access by increasing number of public institutions and individual students through financial assistance.

For example, GI bill of Rights extended access to higher education to veterans (returning soldiers from WWII) and their families (Gumport, *et al*. 1997:1). The benefit of this legislation comes out of its abilty to give qualified veterans choices about their education because scholarships and living expense stipends could be used at any accredited instiution (Thelin, 2007). That means, the legislation did not only expand veterans and their families' access to public institutions but also to private institutions as well. In other words, they were given same opportunity to develop their talents as those from affluent families. Generally, the great experiment in American post secondary education over past half a century has been the development of federal and state policies intended to make college accessible to almost every student who seeks to participate. Thus, attemps has been to increase varieties of educational settings and experiences from which students can choose, while making sure that students are able to afford tuition and other college expenses in every setting (Thelin, 2006:15). In simple words, Thelin vindicates the role of government in making sure higher education is affordable and accessible without restrictions of any kind, such as poverty, ethnicity, religion, or gender.

Second is the role of government in financing higher education. From previous discussions, it is aptly clear that the government has been very much involved in improving equity of access through policy formulation and law making. The implementation of such policies and laws is what matters at this point. It is out of execution of such policies where the government proved to have a very big role to play in financing higher education so as to ensure equity of access. Financing of higher education is a twofold conception. It implies financing higher education

[14] The Americans with Disabilities Act of 1990 (ADA) was signed into law by George H. W. Bush (senior) on 26 July. It was amended through ADA Amendments signed by George W. Bush on 25 September 2008 which became effective in 2009. The Act prohibits discrimination based on disability

[15] The Taxpayer Relief Act of 1997 was signed into law by President William Jefferson Bill Clinton in August. It provides educational tax incentives for eligible taxpayers. These benefits, called the American Opportunity Tax Credit and Lifetime Learning Credit , allow taxpayers to reduce their federal income tax based upon qualified tuition and fees paid, assuming the taxpayer rmeets eligible requirements, accessed from http://www.finance.umich.edu/finops/student/taxrelief97 on 15 February 2013

[16] The Cost Reduction and Access Act of 2007 was signed into law by President George W. Bush in addition to amendments to the HEA of 1965. Two programs were created. These are Public Service Forgiveness Program (PSFP) and a New Income-Based Repayment Plan (NIBRP). PSFP offers forgiveness for outstanding Federal Direct Loans for individuals who 120 qualifying payments after 1 October 2007 while working full time in a public service. NIBRP helps to make repaying education loans more affordable for low income borrowers, accessed from http://www.americorps.gov/for_individuals/benefits/ccraa.asp on 15 February 2013

institutions and financing students of higher education. In both cases access to higher education is very much influenced. Access to higher education connotes two things; the availability of the service (education) i.e. quantity (service providers) and entrance/admission to education institution. The availability of the service (quantity) concerns with the number of service providers, for this particular case is the public on one hand and private to the other. But, it also concerns the number of institutions (higher education) available. In most cases, the combination of both public and private providers has a bigger chance of widening access in terms of availability of the service. Yet, the entrance to higher education is highly influenced by availability of finances and performance levels. The latter is very much influenced by the former. Therefore, it is imperative to put it like this; entrance to higher education is greatly influenced by availability of finances. Throughout the development of higher education (from elite to mass to universal) the role of government in the US and European higher education has been enormous.

In Europe, for instance, there has been scholarships (grants/bursaries); loans schemes; subsidies; tax relief; etc in order to ensure equitable access to higher education. A number of commentators have argued in the same lines. For example, in Germany, France, Denmark, Sweden, Norway, Italy, Romania, Czech Republic, Hungary, Poland, and Slovenia, to mention a few, had their states principal founder and financier of universities (Geuna, 1996: 31-32; Sayegh, 1994). Similarly, Tapper and Palfreyman (2010:147) emphasize that in many European countries (with particular reference to Scandinavia[17]) access to higher education was/is funded out of the public purse because it was politically accepted on a broad front that this was desirable goal to pursue in the belief that it promoted individual social mobility while cementing the social order. Again, Enders, *et al*. (2005:76; 2011:7) and Jongbloed (2008:4) attest, in Europe, governments remain the primary funding source for higher education institutions based on a fact that the political responsibility of higher education and research is integrated into the overall policy networks for socio-economic development and innovation, and spread over a multi-layered web of local, (inter-) regional and (multi-) national institutions. Therefore, governments provide funds to manage higher education institutions, especially public institutions and they, to some extent, provide subsidies to private higher education institutions. Research funds were/are also provided by governments. For example, File, *et al*. (2005:87) states that one-third of European governments financed undergraduate

[17] Scandinavia countries are Denmark, Finland, Iceland, Sweden, Norway, Greenland, Faroe Island, Aland and Island

studies in private institutions. In addition, Enders, *et al*. (2005: 81) emphasizes that the government remains the dominant sponsor of higher education institutions but public money now derives from heterogeneous sources i.e. public and private sources for equally heterogeneous purposes.

Interestingly, equitable access to higher education is currently addressed both at national and regional levels. The EU has adopted policies that allow a citizen of the EU or EEA to have some prevelidges as nationals of the UE member countries. Such that, in the academic year 2010/2011; the following countries, Malta, Ireland, Denmark, and Cyprus had no tuition fee for nationals as well as EU citizens while non-EU foreigners were to pay €1,250-1,500 in Malta per semester; up to €36,000 p.a in Ireland; €6,000-16,000 p.a in Denmark; and max. €6,830 in Cyprus. This makes access to higher education affordable in the region. Again, there are various sources of funds that allow students to study within the region at low or no costs. Scholarships or grants/bursaries are also available. For example, there are: European Social Fund (Bologna Report, 2012:90); Erasmus Mundus Programe (European Commission, 2007; 2012)[18] and Complementary funding through various national level funds such as central political agreement (Bologna Report, 2012:90).

In the US, evidences that show the role of government in financing higher education are galvanizing. Nelson (2008: 262) limns the critical role of governments and contribution of such involvement. He says "federal role had become a central feature of American educational landscape, and subsequent developments have only confirmed this trend". And he went further (p. 263) to state that traditionally, education in the US has been considered a local and state responsibility. Therefore, financial support has been coming from both federal and individual states. For example, "in 1814, Harvard received a total of $ 100,000 from the common wealth of Massachusetts, Williams and Bowdoin received around $ 40,000 each, New York gave over $ 100,000 to Colombia, and University of Pennsylvania received nearly $ 300,000 from its home state (p.96). Between 1920s and 1940s, states provided nearly half of all higher education funds (p. 173). By 1964 Federal funds for academic research reached over $ 1.25 billion (p. 274). In 1996 annual funding for university-based research increased

[18] Erasmus Mundus Programe provides funds to both institutions and individuals. For instance, 200,000 students obtain funds from the programe in form of work or studies every year. This information was accessed at http://ec.europa.eu/education/lifelong-learning-policy/higher_en.htm on 3 November 2012; It is reported that 2.2 million students have already participated in exchanges since it started in 1987 (EUROPA Facts and Figures, 2011: 214)

from $ 3.4 billion in 1975 to $ 9 billion (p. 400). In 2004/2005 public institutions received 49% support from federal, states, and local sources (p. 535)"[19]. Financial support has been varying over the periods. It is not eerily to find nonexistence of any of the forms to support students during colonialism. From independence to 1990 there were federal and state grants and loan programs, and institutional scholarships in place so as to enhance access to higher education by students from low income families. Cohen and Kisker (2010) concretize the argument. In 1940s the number of loans was 11,081 which equals to $2,910,507 (p. 211). In 1934 Harvard University began a program of scholarships awarded to bright students from across the nation (p. 129). Furthermore, Federal grants increased from over $1 billion (1963/1964) to nearly $16.5 billion (1973/1974); state grants increased from $162 million (1963/1964) to $1.1 billion (1973/1974); institutional and other grants increased from $1.3 billion to $3.1 billion (p. 210). This is because tuition and fees have quadrupled.

Since privatization period student financial support has been increased in terms of multiple loan programs and other forms of support, there is also an introduction of voucher funding and tax benefits. Geiger and Heller (2011:1) validate this position by saying that, "privatization has brought fundamental changes on how Americans pay for higher education. The mushrooming of student financial aid in all its forms has transformed the economics of American higher education". According to the Guide to College Financial Aid Resources in Massachusetts (2008:14) the major source of student financial aid is the US Department of Education. *About 70% of the student aid that is awarded each year comes from the US Department of Education's programs* (approximately $73 billion in fiscal year 2005). This financial aid include: grants, loans, and work-study. Grants are targeted to low-income students. Indeed, most federal student aid is awarded based on financial need rather than scholastic achievement. Thus, *a student does not need to show financial need to receive student loans*. In other words, financial need assessment is required only when a student need grants. Generally, grants are in five categories while loans are in three categories. Starting with grants; there are (a) Federal Pell Grant (FPG) (b) Federal Supplimental Educational Opportunity Grant (FSEOG); (c) academic Competitivenes Grant (ACG); (d) National Science and Mathematics Access to Retain Talent Grant (National Smart Grant); and (e) The Teacher Education Assistance for College and Higher Education Grant (TEACH Grant); while loans are such as (a) Federal Perkins Loans (low-interest loans); (b) Federal Stafford Loan (for students); and (c) Federal PLUS (parent loan and undergraduate students). In

[19] Cohen and Kisker (*op cit*)

addition, federal work-study programs are executed in such a way that undergraduate students are paid by the hour.

Acquainted with sturdy experiences of improving equity of access from the US and Europe; developing countries, Tanzania and Kenya in particular, adopted a facsimile of some strategies in 1990s. As a result private financing of higher education was introduced as a means to increase access to higher education while maintaining democracy. This study was designed to examine the impact of private financing in accessing higher education by the poor. A comparative study of Tanzania and Kenya was employed to provide a deeper understanding of why current increase in participation (through multiple providers and introduction of tuition fees) could not democratize access to higher education by the poor. Two reasons were considered to the choice of this topic. One, the role of higher education in society is decisive. Tanzania and Kenya needs higher education to transform socio-economy, politics and culture especially at this point where technology is increasingly important than ever before. Only those with a knowledge economy are going to compete internationally. In order to realize the decisive role of higher education equity of access must be observed promptly.

Two, there has been a dearth of studies examining the impact of private financing (in Tanzania or Kenya) with particular *focus on access by the poor*[20]. Many researches have observed issues of quality, governance, expansion of private higher education, affirmative action, and financing of higher education in general. For example, for the past two decades, there were only about four main works that focused on financing of higher education with a narrow view on equity of access (by the poor). These include;- Ishengoma (2004) who wrote on cost sharing in higher education in Tanzania; Ngolovoi (2006) examined cost sharing in higher education in Kenya, and in 2008 she wrote financing of higher education in Kenya; and Otieno (2004) examined the loans scheme in Kenya. However, in all cases, the authors expressed clear doubts about access to higher education by disadvantaged groups including the poor as being threatened by the introduction of cost-sharing.

[20] Why focus is the poor? The major reason is that both Tanzania and Kenya have large populations of poor people. And, their access to higher education is extremely important for development of the two countries.

1.3 The Role of Higher Education

Higher education[21] connotes among other things, "the scope of knowledge and skills imparted within tertiary level of education, excluding both primary and secondary education."[22] Similarly, Geuna (1996) defines higher education institutions as institutions that offer education programs at the tertiary level. Eloquently and lucidly, McMullen, *et al*. (2000:26) explain that higher education encompasses postsecondary education offered in formal education institutions supported by the state or authorized and permitted to function by the state. They went further to delineate the scope of these postsecondary formal education institutions. These include: universities, colleges, community colleges, technical institutes, and institutions of professional training. Moreover, they further clarify that such institutions may be public or private, and most are authorized to grant degrees even though they may also offer short-term courses of study recognized by a diploma or certificate rather than a degree. Amalgamating the above conceptions, one may state that higher education refers to formal education institutions precept to impart skills and knowledge. It has to be conceded that such skills and knowledge are acquired after a successful completion of primary and secondary education. It is in no way that a person would access higher education before completing the two necessary levels. In other words, primary and secondary education provide fundamental bases for the individual to acquire particular skills and knowledge. However, this study confines itself to universities as epitomes of higher education.

The rationale behind this confinement is basically bifurcated. First, the nature of universities is multifaceted. They strive to maintain an atmosphere and level of intellectual ferment and questioning that is hardly seen in other institutions[23]. This is to say, they flamboyantly strive to impart skills and knowledge toward research and publication, teaching, and consultancy. Through these core activities, universities are preeminent. A number of commentators attest to the critical role played by universities[24]. Moreover, universities offer both degree courses

[21] As a concept, higher education will be thoroughly examined on the conceptual framework.
[22] URT, National Higher Education Policy, 1999; see also Sayegh, Raymond (1994) 'The Impact of History, Geography, and the Economy on Higher Education Policy: A Comparative Survey', CEPES UNESCO, Higher Education in Europe: Diversity of Structures for Higher Education, Vol. XIX, No. 4, Bucharest, Romania: METROPOL Publishing and Printing Company; Enders, Jürgen *et al.* (eds.) (2005:65) *The European Higher Education and Research Landscape 2020: Scenarios and Strategic Debates*, Netherlands: Center for Higher Education Policy Studies.
[23] McMullen, e*t al*. (2000: 31) *The Emerging Markets and Higher Education: Development and Sustainability*, RoutledgeFalmer Studies in Higher Education, Vol. 24, New York and London: RoutledgeFalmer.
[24] For example, UNESCO (1994, 1998, 2005, 2009, 2011); Ngara (1995); McMullen, *et al*. (2000); Luhanga, *et al* (2003); Benneh, *et al*. (2004); File, *et al*. (2005); Westerheijden, *et al*. (2005); Afoyalan, Michael O. (ed.) (2007); Zgaga (2008); Tapper and Palfreyman (2010); Trani and Holsworth (2010); Rüegg (2011).

and short-term courses and thus comprehend colleges, institutes, schools, vocational training, and professional institutions. It is in this sense universities are wider and universal in scope than other tertiary education. Second, the role of a university is indispensable. To an individual, it equips a person with variegated skills that are necessary in solving problems. Therefore, with such skills the individual is capable of tackling a range of socio-economic and political issues. It is equally valid to say that a university education transforms, totally, individual wellbeing from social, economic, cultural and/or political spheres. It is simply, the best to argue that university education plays dual role to an individual. One, it imparts critical thinking which is very essential in decision making (individual decisions). Two, it informs an individual with various skills in which once applied appropriately yield monetary and non-monetary benefits through employment[25]. Consequently, this leads to individual betterment.

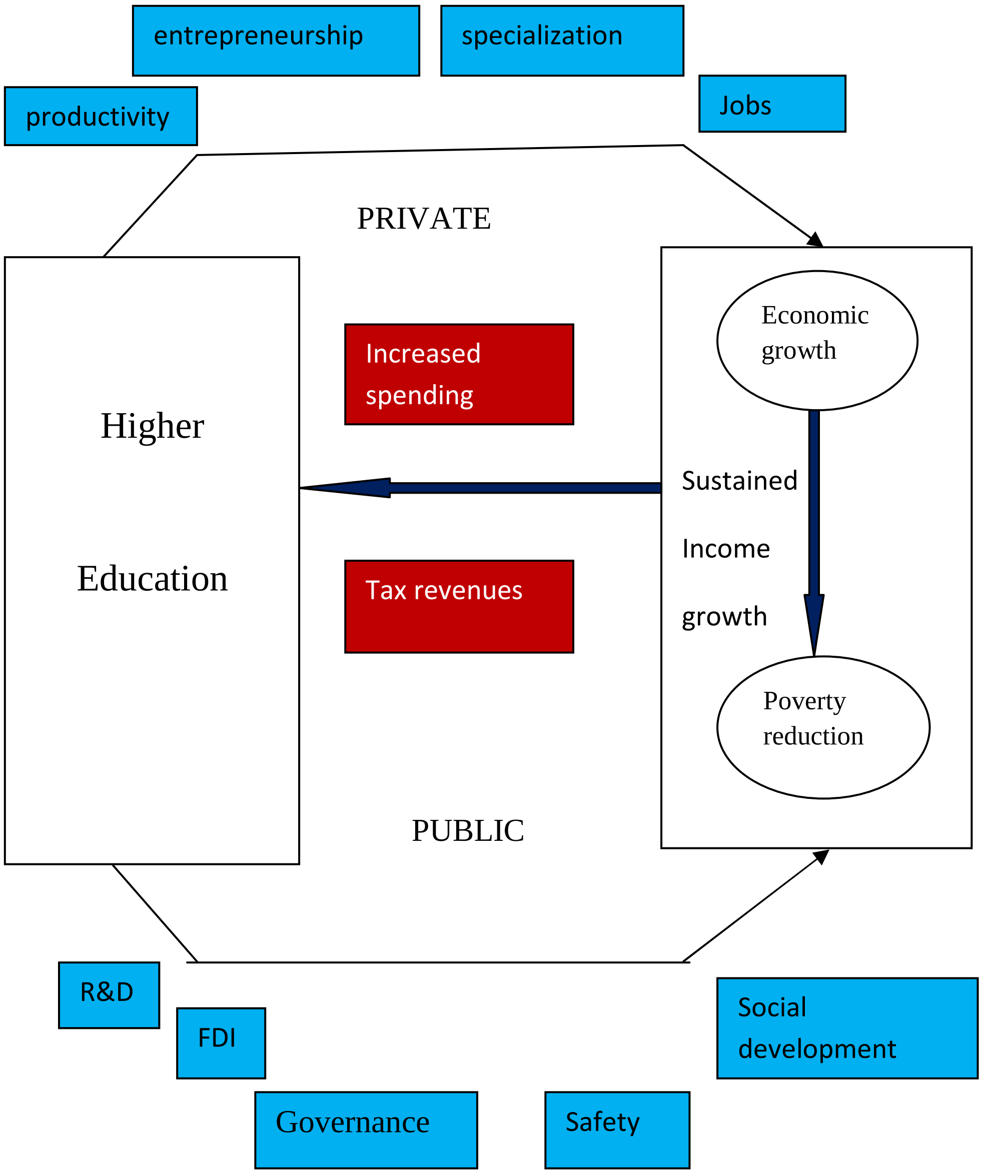
To the state and society as a whole, university education plays a critical role in economic growth and national development. University education produces highly skilled human resources that is heavily demanded in industrial and/or technological development; resource utilization; leadership; entrepreneurship and/or commerce; environmental care; infrastructure and transportation; legal framework; social services like education, health, water, and clothing, to mention a few; and all other socio-economic activities that presume the use of skilled labour force. All these benefits from higher education can be explained with evidences in four precise categories. They include:- (a) skilled human resource production; (b) science and innovation; (c) consolidation of democracy and citizenship; and (d) social services for human welbeing and development.

First, the role of higher education in producing skilled human resource has been and continues to be verily important in a society. The transformation from elite to mass to universal higher education signifies continued high demand for skilled human resource. This pressing demand is explicitly expressed in public policies. For example, the Kenya Vision 2030 (Sessional Paper No. 10 of 2012) intends to create globally competitive and adaptive human resource base to meet the requirements of a rapidly industrialising economy. Similarly, Tanzania Vision 2025 (URT, 1999) intends to achieve among other things, an educated society imbued with an ambition to develop; and an economy which is competitive with sustained growth for

[25] This refers to both self-employment and employment by the State/private sector

the benefit of all people. In addition, Vision 2025 intends to bring Tanzania with high level of education in terms of quantity and quality so as to solve society's problems and attain competitiveness at regional and global levels. The two examples suggest a clear link between high quality human resource and economic growth. Notwithstanding, continued improvements on equity of access to higher education in the US and Europe have been tied up by the need for economic growth (as explained in previous discussion). In 2005, for instance, the National Centre for Public Policy and Higher Education projected declines in educational and income levels if education does not improve. The projected decline in educational levels coincides with the growth of a knowledge economy that requires most workers to have higher levels of education (Policy Alert, November 2005). It means that there is a connection between high skilled human resources and high income hence economic growth. Supportively, Bloom, *et al*. (2006: 1) presents recent evidence which suggests that higher education is a determinant as well as a result of income, and can produce public and private benefits. They describe public and private benefits which necessarily lead to economic growth. These include;- greater tax revenue, increased savings and investment (and lead to entrepreneurial and civic society), improve nation's health, contribute to reduced population growth, improve technology and strengthern governance; as described in a simplified Fig. 1 below;-

Figure 1: Higher Education and Economic Growth



Source: Bloom, et al. 2006:16

From fig. 1 above, both private benefits such as employment, entrepreneurship, specialization and productivity; and public benefits such as research and development, foreign direct investment, good governance, security, and social development lead to sustained income growth. They create increased spending and tax revenues in which higher education flourish. For example, Bloom, et al. (2006: 17-29) provide a number of evidences. One, in a cross-esctional study, Barro and Sala-i-Martin (1995) showed that male education attainment had an increase in average male secondary schooling of 0.68years raises annual GDP growth by 1.1 percentage points while in tertiary education of 0.09 years raises annual growth by 0.5

percentage points. Two, in a time series analysis of the UK, Jonkins (1995) showed, in terms of index of total factor productivity and its relationship to different levels of education attainment, higher education qualifications (including undergraduate, postgraduate, and other tertiary graduate stock) increased by 1 percent, annual output grew between 0.42 percent and 0.63 percent. Three, a study in Taiwan by Lin (2004) showed that higher education played a strong role in the country's economic growth such that 1 percent rise in higher education stock (as defined by those who had completed higher education, including junior college, college, university or graduate school) led to a 0.35 percent rise in industrial output and that 1 percent increase in the number of grauduates from engineering or natural sciences led to a 0.15 percent increase in agricultural output.

According to that study, natural science and engineering had the largest effect on output (as compared to diffent disciplines). Four, Wolff and Gittleman (1993) showed that university enrolment rates are correlated with labour productivity growth. The number of engineers per capita is also associated with economic growth. Five, in a study of six developed countries, De Meulemeester and Rochat showed that higher education had a strong causal impact on economic growth in France, Japan, Sweden, and UK but no impact in Australia and Italy. The authors argue, "it is vital that the social, political, and economic structures and technological level of the society to which the education system belongs are such that graduates can actually make use of their accumulated knowledge." However, other commentators argue that higher education has positive impact on social, political and technological sectors (expauding in subsequent discussions on the role of higher education). It may be submitted that the nature of 'curriculum' is of prime concern to making such a positive impact. Six, Bloom, *et al*. (2006) present another evidence from the US; where workers from states with high proportion of college graduates earn significantly more than those in states with few graduates. Again, the study showed a positive correlation between higher education and entrepreneurship. Individuals with higher education levels were more likely to engage in entrepreneurial activity, and more-educated entrepreneurs created larger numbers of jobs than less educated entrepreneurs. Lastly, they found a positive and statistically significant correlation between higher education enrolment rates and governance indicators, including abscence of corruption, rule of law, abscence of ethnic tensions, bureaucratic quality, low risk of repudiation of contracts by governments, and low risk of appropriation.

Second is the role of higher education in science and innovation. Following socio-political and economic terrain of Middle-Ages which necessitated demands for expansion all over Europe, higher education gained its role in science and innovation. The need to train scientists, critical thinkers, as well as researchers became so apparent. This is because the rediscovery of classical-era knowledge transformed the university to foster a furtherance of scientific investigation, because science has become essential to university in search for the means to control nature to benefit civil society (Rüegg, 2011). Consequently, new institutions were developed. The new institutions focused on scientific research[26] resulting into scientific revolution. For example, Scotland, The Netherlands, and Germany, especially, the universities of Edinburgh, Göttingen, Halle, and Leiden remained important centres of research and training during the Enlightenment (Rudy, 1984). Therefore, new universities were founded and the old ones underwent a process of complete renewal (Geuna, 1996:27). The role of the university was redefined and new models[27] of teaching and research were adopted. It must be noted that the redefinition of the role of modern universities was meant to adjust the focus from universities being institutions for producing massive human resources to engagement in research and innovation. Rüegg (1992) asserts that the German model is responsible for the development of the modern research university because it focused on the idea of freedom of scientific research, teaching and study.

There was an evolution from teaching for knowledge (on its sake) to (knowledge for) productive thinking. For instance, the University of Berlin, an exemplar of Hamboldtian model was based on Friedrich Schleiermacher's liberal ideas with the purpose to demonstrate the process of the discovery of knowledge and teach students to take account of fundamental laws of science in all their thinking. This is simply one way to bolster a conduct of research

[26] The research funds were provided by the state. The funds enabled the creation of laboratories and libraries, and, for the first time, scientists were paid to carry out scientific research (Geuna, 1998:26). It is proper to argue that the contribution of the state in scientific researches through financing has lifted the European societies to the next level.

[27] These are the English and the German models. They played a critical role in restructuring higher education in Europe through a restructure of knowledge into disciplines. For example, in 1809, Wilhelm von Humboldt (1767-1835) and a small group of civil servants of the Ministry of Interior defined the aims, structure, and organization of what would have become a new model of the university. However, this ideal university would be an institution for the cultivation of excellence, which is free in the internal realm of research, privileged by the State and the Law, discharged in relation to the normal state of affairs in the broader society. At the basis of this model there is the combination of teaching and research (Geuna, 1998:29-30; and Spinner, 1993:142 in Geuna, 1998). The best example of the Hamboldtian model is the University of Berlin founded in 1810. Notwithstanding the fact that the Hamboldtian model became the German university model. It is worthy to acknowledge that the German university model had become the world standard. As such, British universities, Oxford and Cambridge, implemented very close approaches to the German model; Russian universities applied the German model; and French universities applied the German model gradually.

by the students. It is argued that with the development of scientific revolution, new knowledge was disseminated extremely fast. This was a catalyst for the industrial revolution[28] led by the Great Britain. Industrial revolution brought high precision and mass production and thus a need for highly skilled labour, and scientific innovation. It resulted to development in textiles, iron and steel in Britain and later steel, electronics and automobiles in Germany and the US. The impact of these developments was a constellation of socio-economic, political and cultural growth. Historians put this clearly that, there was growth of industries[29], creation of new and quicker transport networks[30], urbanization, population increase[31], agricultural revolution, political unification[32], organization of labour, and advocacy for human rights, to mention a few.

A different scenario of the "*Asian Tigers*" authentifies the important role of higher education in science and innovation as well as economic growth. Stiglitz (1996) writes in his article titled "*Some Lessons from East Asian Miracle*" higher education played a role to spurring the rapid economic growth. He presents four reasons, including education as ingredients for East Asian economic growth. To quote, "*the East Asian economies made enormous investments in human capital, educating large numbers of skilled engineers able to absorb and adapt the most advanced technology.*" To the contrary, Altbach and Umakoshi (2004: 19) argue that nowhere in Asia have early stages of contemporary economic development been dependant on higher education, more specifically, development has not been based on knowledge industries or on higher education. But, they admit the fact that significant investment in education (primary and secondary) did play a role. Their argument belied the actual role played by higher education. In fact, skilled engineers who absorbed and adapted the most advanced technology (responsible for economic growth) – according to Stiglitz – are never produced by primary or secondary level of education. In addition, increasing tertiary education appears to raise the rate of technological convergence toward a country's production possibility frontier (Bloom, *et al*. 2006: 30). After their finding, Bloom, *et al*. went

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[28] Industrial revolution occurred between 1750s and 1850 in Europe.
[29] Steel industries, textiles, food industries were installed; their operations gave rise to agricultural revolution, and the like.
[30] Canals, railways, and roads were the major transportation means. Until now Europe is said to have the best infractures that lead to socio-economic improvements.
[31] For example, in England population was doubled from about 8.3 mil in 1801 to 16.8 mil in 1850, whereas, Europe's population was forthfolded from 100mil in 18th Century to 400 mil in 19th Century (Encyclopedia Britannica: Facts Matter) accessed from www.britannica.com/EBchecked/topic/387301/Modernization/12022/population-change on 7 September 2012
[32] For example, unification of England and Scotland to form Kingdom of Great Britain in 1707 after Acts of Union of the same year, and Germany unification in 1871.

further to challenge the belief that tertiary education has little role in promoting economic growth.

Therefore, the contribution of higher education in the economy of "*the Asian Tigers*" is overt. Stiglitz (1998) says the absorption of innovation depends on the quantity of people educated to higher levels. To cite two examples of China and Japan, one would find evidences very interesting. By 1949 China had only 204 higher education institutions with total enrollment of 155,036; in 1960 the numbers multiplied to 1,289 institutions and 441,181 total enrollments. It is quite surprising within three (3) years (i.e. between 1957 and 1960) more than a thousand (1,000) universities and colleges were established[33]. In Japan, Fujimura-Fanselow (1997: 138-139) states clearly, in 1860s a high priority was placed on development of higher education in order to train an elite, who, equipped with the latest Western knowledge and techniques, would develop the science and technology necessary for Japan to catch up with the West. Simultaneously, the greatest part of the national education budget was given over to support higher education and for sending students overseas. The Asian economic growth which is referred to 'Asian Miracle' occurred between 1960 and 1996[34]. It is absurd to relegate the incisive role of higher education over primary and secondary education in explaining economic wonders of Asian countries.

It is argued thus the role of university education keeps on changing depending on the consecutive change of environment (socio-economic, political and cultural environment). Yet, its necessity escalates to unprecedented heights. The argument I am trying to make here is that the role of university education has never been obsolete with regard to socio-economic or political changes that constantly press new but complex demands in our societies. With globalization, higher education and universities in particular are directed to focus on knowledge and knowledge economy. Brinkley (2006: 3) defines knowledge economy more prosaically as what you get when firms bring together powerful computers and well-educated minds to create wealth. Its interpretation is that knowledge has high value in today's society of high softicated technologies and thus highly skilled people who are able to adapt such technologies can create wealth in competitive economies. Notwithstanding the fact that

[33] Min, Weifang (1997: 38) CHINA, Postiglione, in Gerard A. and Mak, Grace C.L (eds.) Asian Higher Education: An International Handbook and Reference Guide, USA: Greenwood Publishing Group Inc.
[34] Nelson, Richard R. And Pack, Howard (1999: 416) The Asian Miracle and Modern Growth Theory, The *Economic Journal*, Vol. 109, No. 457, pp. 416-436.

knowledge is the ultimate economic renewable – the stock of knowledge is not depleted by use. Indeed, the value of knowledge to economy comes from sharing with others (Brinkley, 2006: 4). However, economic success is increasingly based on upon the effective utilization of intangible assets such as knowledge, skills and innovative advantage (ESRC, 2005). All the three assets have been imparted to people by higher education institutions from one generation to another. The people who possess these assets are known as 'knowledge workers'. Narrowly, knowledge workers refer to high level skill evidenced by qualifications levels, for example by degree or equivalent. This definition fits the conventional view that one of the key indicators for investing in knowledge is the share of GDP devoted to higher education (Brinkley, 2006: 17). In other words, knowledge workers are those who have acquired high skills through formal education (and have attained some recognized qualifications) and make the best use of the skills. Conclusively, the role of higher education in knowledge economy is undisguised. It plays double roles; i.e. producing high skilled workers and high technologies which are very essential in economic development. To cite a few examples, the impact of knowledge economy in terms of process and innovation measures on employment produced by firms and new innovations in processes or products is very significant. The following table 1 provides clear evidence.

Table 1: Innovation Activity across Europe in 2000

Country	Share Turnover (%)	Share Jobs (%)
Germany	85	86
Sweden	79	73
Portugal	76	68
Belgium	73	72
France	73	71
Netherlands	71	68
Denmark	62	54
UK	66	64

Source: Adapted from Community Innovation Survey 2003

Depicted from the figure above is a more accurate picture of the importance of innovating firms in economic activity. In another study by OECD which adopted similar approach of three group indicators of innovation measures such as generation of new knowledge; industry-science linkages; and industrial innovation and technology found that new knowledge correlated strongly with industrial innovation and moderately correlated with industry-science links (Freudenberg, 2003).

Third is the role of higher education in democracy and citizenship. It is imperative to state that the linkage between higher education and democracy is a discussion which will follow in sub-section 1.4 of this chapter. Here, it is a discussion about the role higher education plays to consolidating democracy and citizenship. It is going to be more of explaining 'how' democracy and citizenship is consolidated through higher education. Education for democracy has ever been a priority for the Americans. Cantor (2013: 4) says "the mission of higher education in the US, for example, was greatly expanded in an earlier era of seismic change, during and after the Civil War". Through the Morrill Acts quite great number of colleges and universities were established. "These universities have served for generations as engines of opportunity, prosperity, and democracy". The 1947 Truman Commission recommended that community colleges make higher education accessible to the majority of Americans for economic and democratic benefits (Fonte, 2009: 44-45). The question is how those colleges bring democratic benefits? (the question on how higher education bring economic benefits has been discussed elsewhere in detail in this chapter).

In responding to the 'how' question, Fonte (2009: 45) says the thinking is that greater involvement in higher education boosts democracy and political equality through a culture of thoughtful civic participation. Inasmuch as research demonstrates that those with more higher education vote, volunteer, and participate in their local communities and political process at higher levels. Fonte's response shades some light to the outcome (benefits) of higher education attainment. This is the culture of thoughtful civic participation. The 'how' education and higher education in particular imparts the culture of thoughtful civic participation is accounted precisely by Nie, *et al*. (1996) in their book titled; "*Education and Democratic citizenship in America*". They say "...formal education is almost without exception the strongest factor in explaining what citizens do in politics and how they think about politics (p.2)". They continue further to explain in three major ways how education affects attitudes and behaviour of recipients. One, it is through '*socialization path*'. Here students are explicitly trained to see democracy as a preferable to its alternatives, accept the authority of democratic state and its officials, and take part in the duties of democratic citizenship.

Consequently, many higher education institutions have included ‘civic education’ in their curriculum. For example, Bratton and Van de Walle (1997) explain that university students were a driving force behind the popular protests that brought down autocratic leaders in many countries across Africa in the early 1990s. Two, it is through ‘*positional path*’. Formal education systematically categorizes citizens into various classes, networks, and situations. Nie, *et al*. (1996:45) put that “education attainment has a profound effect on the positions of individuals by placing them in more-or less-central network positions.” This categorization is associated with differentiated private benefits that citizens receive from education. Therefore, the more the higher levels of education the more citizens are, the more informed, enlighted, and engaged they would be. For example, Nie, *et al*. (p. 41) show tht “formal education has a dramatic impact on the ability of individuals to gather information on a variety of subjects, organize facts meaningfully, and efficiently process additional and related knowledge”. This is how education position citizens into classes or networks. Supportively, Almond and Verba (1963:316) say, “... the uneducated man or the man with limited education is a different political actor from the man who has achieved a higher level of education”. Meaning, the man who has achieved higher level of education is more active in politics than the man with limited education.

Lastly, it is through ‘*cognitive path*’. It is generally about ‘critical citizenry’. With the ability to access and process information as a result of cognitive skills acquired from education and higher education for that matter, citizens become critical. They understand very well the rules of the political game, engage in informed political discussions, account the performance of government, etc. To cite a few examples, Campbell (2006) argues, “an educated population is more likely to produce an informed electrolate, as voters are able to obtain, process and act upon information pertaining to the performance of their elected leaders. As public policies address increasingly complex topics, the information required to evaluate those policies becomes increasingly sophisticated – only underscoring the importance of education”. Above all, cognitive skills make individuals torelant. Campbell (2006) operationalizes torelance in respect for the civil liberties of unpopular groups, requires a relatively high level of abstract thinking, precisely what is ideally learned through formal education. Supportively, Beiter (2006: 26, 29) argues that a well educated citizenry is seen as critical for maintenance of democratic structures and ideals. Only an educated person can make an informed decision and dully exercise of his right to vote or stand for political office.

Fourth is the role of education in social services and development. All the above role higher education plays in a society present a foundation for development in a society. Development is an elusive concept with several meanings (Agbo, 2003). For purposes of this section, development refers to quality life and socio-economic status of the population (Abeli, 2010: 10) and thus a condition of well-being for society as a whole (Agbo, 2003). By this definition, development is indicated by quality social services, economic growth, improved democratic structures and practices. For example, social services include:- quality education, infrastructures, health services, water supply, electricity, etc. Higher education provides high skilled human resources who work for the people. Bloom, *et al*. (2006) support the indirect role higher education plays in social services and development. They say, "higher education indirectly produces well-trained teachers, it enhance the quality of primary and secondary education systems and give secondary graduates greater opportunities for economic advancement." Generally, UNESCO Newsletter (2007: 3) concludes that universities help to produce expertise, manage development, engineer social transformation, and preserve social values and cultural ethos. This has been and is still the justification for government to invest in higher education.

1.4 Higher Education and Democracy

Higher education and democracy are intertwined. While democracy emphasizes equal access, participation, accountability, good governance, human rights, and citizenship; higher education on the other hand builds a foundation for democracy especially in the contemporary world of complex politics. For example, among top twenty-five (25) countries[35] listed as fully democracies (Democracy Index, 2007; Democracy Index, 2012) majority were reported[36] to have affordable and accessible higher education. Access to higher education is thus one point to promotion and safeguard human rights. Supportively, Ambrose (1995:33) asserts unequivocally that 'the degree to which citizens enjoy democratic rights determines the measure of human rights protection those citizens enjoy, since both concepts are interdependent and mutually self-reinforcing'. This is to say, democracy is a replica of human

[35] Sweden, Iceland, Netherlands, Norway, Denmark, Finland, Luxembourg, Australia, Canada, Switzerland, Ireland, New Zealand, Germany, Austria, Malta, Spain, United States, Czech Republic, Portugal, Belgium, Japan, Greece, United Kingdom, France, and Mauritius.

[36] Usher, Alex and Cervenan, Amy (2005) *Global Higher Education Rankings 2005*, Toronto: ON Education Policy Institute; Usher, Alex and Cervenan, Amy (2010) *Global Higher Education Rankings: Affordability and Accessibility in Comparative Perspective*, Higher Education Strategy Associates.

rights, and thus, the more states respect and promote human rights the more democracy the states explicate. Democracy has been intractably defined. Usually, many commentators have opted for a definition that will solve their problems, assist economic progress, or influence public opinion (Ambrose, 1995:16). This study does not perverse from such motif rather it must be noted right from the outset that liberal definition of the concept is more proselytizing under this study. Democracy is as a result narrowly construed to mean electoral democracy. It is often accepted as a minimum measure of a democracy state. Individuals would cite free and fair elections, responsive government, multiparty competition, majority rule or popular control, accountability, decision making, as elements to define democracy.

Similarly, Beetham (2005:2) defines democracy as a procedure for taking decisions in any group, association or society, whereby all members have an equal right to have a say and make their opinions account. In the same vein, Birch (2007:110) asserts that in the 19th Century, the term democracy came into use to describe a system of representative government in which representatives are chosen by free competitive elections. Both conceptions lead to the whole notion of government of the people, for the people, and by the people. It is a government elected by the people for their benefits. It therefore, means a government that represents people's likes and dislikes and thus accountable to the people. In a more elaborative way, Tilly (2007:7) explains that there are four main types of definitions of democracy. These are constitutional, procedural, process oriented, and substantive, whereas, observers of democracy and democratization generally choose implicitly or explicitly among these definitions. According to him a constitutional definition concentrates on laws a regime enacts concerning political activity. This generally puts much emphasis on the form of a political system. The assumption is that there is a link between a form of political system and democracy. Accordingly, it paves a way to a distinction among constitutional monarchies, presidential systems, and parliament-centered arrangements. It also points out variations as federal versus unitary structures. It is imperative to note that this definition tends to focus on the practicability of democracy. Elements like legitimate government, accountable government, people's participation in decision making, responsive government, rule of law, independence of judiciary, public opinion, and separation of powers are more pronounced while defining democracy.

Procedural definitions of democracy single out a narrow range of governmental practices to determine whether a regime qualifies as democratic. The attention is directed to elections. All elements imbedded to elections such as a competitive multiparty political system, universal adult suffrage for all citizens, regular contested elections conducted in conditions of ballot secrecy, freeness and fairness are spruced up for democracy. Without a doubt, this definition attempts to restrain democracy to election processes. On the other hand, process-oriented definition differs significantly from other accounts. Notwithstanding, it is prima facie broader but restrictive. It is broader in terms of processes employed in achieving democracy. The emphasis is put on how well or bad the process is? However, it is restrictive in terms of the range of issues to be addressed. Definitely, it is restrictive to electoral processes. For instance, Robert Dahl in Tilly (2007:9) enlists effective participation, voting equality, enlightened understanding, control of the agenda, and inclusion of adults as primary to defining democracy. It is thus skeptical not to define democracy subtle to elections as far as process-oriented definitions are concerned. Therefore, the above definitions are equated to democracy with practices of governments in safeguarding civil and political rights of man. Elections are taken as primary in explicating the core elements of democracy. Yet, it is alluding that the above definitions provide a narrow conception of democracy.

Substantive definitions of democracy are broader. They focus on conditions of life and politics a given regime promotes. Elements like human welfare, individual freedom, security, equity, social equality, public deliberation and peaceful conflict resolution are prominent in defining democracy. The emphasis is exerted to the possible outcomes of democracy. In support of this broader view of democracy, Gastil (1993:5) observes that democracy connotes wide-ranging liberty, including freedom to decide one's own course in life and the right to play an equal role in forging a common destiny. It is generally, argued that democracy is well defined in terms of individual rights and liberties protected by a democratic form of government. Related to this outlook, Tandon (1979:1) argues that democracy is a material question. It concerns the lives of people in their daily struggle for existence. According to him, the material question is the root to democratic analysis and thus equal rights for people at the political and social levels. Marshall (1992; 2009) expounds the material question of democracy to have social dimension to public images (democratic citizenship)[37]. Democratic

[37] Marshall implied a comprehensive equality of rights to civil freedoms. He went further to state that political citizenship (democratic suffrage rights) indicates the right to participate in the political process which determines the conditions of one's life. Therefore, the focus of the argument lies on the individual citizen. The more a

citizenship at this juncture is understood in terms of civil liberties. Citizenship denotes the membership and identification with a city (nation/state) of one's birth, a collection of duties, an eligibility to participate in the adjudication processes of the city (Vincent, 2010:208). It is from this view point where one may argue that the life of a citizen has a very close link with democracy in a number of ways. Participation in civic duties by citizens assumes a guarantee of rights by democratic governments of the day. Vincent (*ibid*.) encapsulates that, 'citizenship designated the consciousness of the ends of human life as embodied in the institutional forms of the public life. It was a disposition, where the individual developed to a level of self-consciousness and ethical awareness inclusive enough to be identified with the public sphere of the whole community'. It is submitted that the relationship between citizenship and human rights is undeniable.

A citizen actively participates in civic affairs with implicit proviso that a range of rights are guaranteed. However, democratic citizenship is a crucial element of civic culture. Civic culture has dual functions in building democracy. First, it concerns with the acceptance of the authority of the state. In simple terms, it concerns with legitimacy of the state. The point is, all legitimate states are to a greater extent accountable to the people and thus, ensuring a higher respect of human rights. The second relates to a belief in participation in civic duties. It calls for peoples' participation in all matters of their concern. Stiglitz (2002:165) says "participation does not refer simply to voting. Participatory processes must entail open dialog and broadly active civic engagement, and it requires that individuals have a voice in the decisions that affect them." Generally, Birch (2007:146) points out that the existence of channels for public participation in the political process is likely to increase the propensity for citizens to comply voluntarily with governmental rules and orders; and that if people have had the opportunity to play some part in the selection of public officials, to communicate their views on public issues, and to exert pressure on decision makers, they are more likely to accept that governmental decisions are legitimate, even if they disliked, than would be the case if citizens did not have such opportunities. Almond and Verba (1963:9) reiterate that theories of democracy from Aristotle to Bryce have stressed that democracies are maintained by active citizen participation in civic affairs, by a high level of information about public affairs, and by a widespread sense of civic responsibility.

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citizen is protected with rights and freedoms the more active participant in political process would be. In turn, the political process determines individual's life (political, socio-economic and cultural welfare).

It is therefore, proper to argue that democracy exists where citizens are active participants. Citizens become active participants when they are guaranteed a range of rights (civil and political, socio-economic and cultural rights). In other words, the democratic governments have to fully promote and safeguard human rights. Notwithstanding the fact that, to social rights the provision of social services to those in need is central to ensuring the general welfare of others. Other commentators such as Huber (1992; 1997) go as far as saying that unless individuals have sufficient resources to meet their basic social needs democratic principles of political equality and participation are meaningless. Without prejudice, this study employs a broader definition of democracy due to its nature and demands. The question of access to education is one of the most important bases of democracy and human rights. With education citizens become informed, responsible, and above all active participants in political, socio-economic and cultural affairs. These include: decision making, accounting the government, voting, organizing political parties and interest groups/pressure groups, and working hard for developmental purposes, to mention a few. A number of commentators have argued in the same line. For example, Marcy (2002) says "......the need for citizens to be educated assumes profound importance. Education in this vision of democracy calls on classical notion of an informed citizenry – individuals who are able to think, reason, analyse, and reflect with discrimination and care." Similarly, Lipset (1959:79) states that "education presumably broadens men's outlooks, enables them to understand the need for norms of torelance, restrains them from adhering to extremist and monistic doctrines and increases their capacity to make rational electoral choices." He went further to conclude "the evidence bearing on the contribution of education to democracy is even more direct and strong in connection with individual behaviour within countries."

Education is a right (ICESCR, 1966 Article 13). Rights are the foundation of democracy. Education is therefore a foundation of democracy. Nash (2009: 94) says human rights are designed to enable conditions for democracy, in the case of absolute rights to personal freedom, and to be interpreted flexibly relative to the interpretations of particular political communities in the case of great majority of human rights. To her conclusion, human rights are fundamental to any form of democracy as popular rule. However, rights are the most critical issue today in terms of their guarantee and protection. The most important part of the ongoing debate and discussion is on scope and nature of such rights. This leads to universality and cultural relativity arguments. To universality, rights are human entitlements. Man acquires such rights by virtue of being human. They are therefore homogenous and specific across all cultures. For example, Donnelly (1984, 1989, 2003, 2007) states, very precisely, that 'human rights are rights one has because one is a human'. Argumentatively, such a statement provides a superficial understanding of the universality of human rights as it fails to clearly capture the scope of such rights. This does not annihilate substantial counterarguments posed by cultural relativity. In another setting, Henkin in Ambrose (1995:29) comes in to revivify Donnelly's argument by demonstrating the universality nature and scope of human rights. He asserts that "human rights are universal moral rights that are fundamental to human existence and can neither be transferred, forfeited, or waived. They are demands or claims individuals or groups make on society and are deemed essential for individual well-being, dignity, and fulfillment." This argument is broader enough to espouse universality of human rights in two expositions.

First, the nature of human rights is by itself universal. Being moral rights, it means, they are natural and unquestionable. In the same line of thinking, they are not optional but deserving to human beings. And thus, no one may be deprived without a great affront to justice. Some commentators have come to a conclusion that human rights are laws, principles, claims, standards, entitlements, and natural; their application is uniform across all geographical societies. Second, their scope is also universal in that; individual well-being, dignity and fulfillment are taken care-off equally because all human beings are equal. Therefore, their protection and guarantee should be universal. To that end, Fagan (2009:6) explicitly expresses that 'human rights exist not to ensure life *per se* but to protect and promote the conditions for a certain quality of life for all. In this respect, human rights are inherently normative.' That quality of life is intended to encase individual well-being, dignity, and fulfillment for which every human being deserves. It is argued here that there are certain omnipotent governing authorities and/or nefarious cultural practices that seem to infringe human beings from enjoying their natural or birth rights to the fulfillment of quality life. Therefore, universalizing human rights would, to a greater extent, prevent any vicissitudes.

Connectedly, Sriram, *et al* (2010) put that human rights are used to call for or defend certain actions. It is therefore, a demand to protect and defend human rights globally. This is justified by human rights instruments. There are a number of international as well as regional instruments designed to protect and safeguard human rights in the world. These include: Universal Declaration of Human Rights (UDHR) of 1948, American Declaration of the Rights and Duties of Man (ADRDM) of 1948, Charter of the Organization of American States (COAS) of 1948, European Convention for the Protection of Human Rights and Fundamental Freedoms (ECPHRFF) of 1950, Declaration of the Rights of the Child (DRC) of 1959, Convention against Discrimination in Education (CDE) of 1960, International Covenant on Civil and Political Rights (ICCPR) of 1966, International Covenant on Economic, Social and Cultural Rights (ICESCR) of 1966, International Convention on the Elimination of All forms of Discrimination against Women (ICEDAW) of 1979, African Charter on Human and People's Rights (ACHPR) of 1981, Universal Islamic Declaration of Human Rights (UIDHR) of 1981, American Convention on Human Rights in the Area of Economic, Social and Cultural Rights (ACHRESCR) of 1988, Convention on the Rights of the Child (CRC) of 1989 and African Charter on the Rights and Welfare of a Child (ACRWC) of 1990. UNESCO[38] is for a very long time being involved in global protection of the right to education.

The universality of human rights is generally, encapsulated by Shivji (1989:21) that "human rights are universal moral rights, something which all people, everywhere, at all times ought to have, and something of which no one may be deprived of without grave affront to justice, something which is owing to every human being simply because 'he is human'." With an appreciation from universality arguments, it must be acknowledged that universalism is continuously and vehemently challenged on oversight of material conditions of a given space and time. It is in this sense that human rights should not pretend to harmonize all the diversities globally. However, cultural relativity has a better explanation to encounter global diversities.

[38] UNESCO is an abbreviation of United Nations Education, Scientific and Cultural Organization. It is a specialized agency of the United Nations Organization designated to contribute substantively on democracy and human rights with an emphasis on equality, peace building and sustainable development through education for all, gender equality, and fostering cultural diversity. Initially, it was formed on 1st to 16th November 1945 by representatives from about 44 countries for the purpose of creating an organization that would embody a genuine culture of peace. It was a prima facie mechanism to prevent an outbreak of another world war. Therefore, 37 countries founded UNESCO in 16th Nov. 1945 by signing a constitution that came into force 4th Nov. 1946. However, UNESCO preceded International Bureau of Education (IBE) that existed from 1925 to 1968 with its premises in Geneva. Since 1969 IBE has been part of UNESCO Secretariat under its own statutes. Part of this information was accessed from http://www.unesco.org/new/en/unesco/about-us/who-we-are/history/ on 10th August 2012.

Cultural relativity argues that human rights are specific to a certain locality. This framework tends to appreciate cultural diversities all over the globe. And thus, what may be defined as a right in one cultural setting must not necessarily be a right to another cultural setting. For example, the right to marry between two persons of the same sex may be a right to the Western culture but a flagnant to African and Islamic cultures. Fagan (2009:54) complements that “cultures and societies have differed and do differ fundamentally, and this is reflected in the existence of a bewildering range of different moral beliefs and customs.” The central focus of cultural relativity arguments falls into a contestation between individual rights and group rights. As universality advocates view individual rights precede group rights; their counterpart, cultural relativity argues that rights of the group are primordial to the rights of the individual. For example, human right in African context is mainly based in communal right. Communal right is understood in terms of human dignity and access (Ambrose, 1995: 31). Barrington (1995) clarifies human dignity rights in two ways. First, right to a fair share of the community’s resources. This is by no means an explanation to economic rights. And thus touches access to social services such as education. Second, the need to feel secure in one’s kinship or social system and in one’s exercise of custom, ritual, culture; and the need to feel that those who are in power have some legitimacy and are not arbitrary. It is argued that the second way touches socio-cultural rights as well as solidarity rights. To a greater extent security is highly emphasized. The main point put forth by cultural relativity is that there is no individual outside the society and thus rights of the society must precede individual rights. This is an acknowledgement of societal values. Since societal values differ from one society to another then the nature and scope of human rights differ accordingly.

One justification put forward in connection to the nature and scope of human rights by cultural relativity perspectives is the existence of regional and national instruments to protect and safeguard human rights. However, various cases discussed by Ramcharan (2005) show that protection of human rights cut across regions irrespective of cultural differences. In addition, Ramcharan (2008:54) states vehemently that ‘there is a minimum body of basic human rights that belongs to every human being regardless of his or her country of origin or philosophical, religious, or other beliefs.’ And thus, ‘regional and national charters may add to the universal body of human rights but may not detract from them.’ This argument bears a meaningful suggestion that the universality of human rights may be implemented at regional or national levels through various instruments. However, such a regional or national instrument should not by anyway contradict universal standards of human rights. This is crystal clear when referring to, for example, ACHPR of 1981 as it states in the preamble that, the Charter recognizes "…*fundamental human rights stem from the attributes of human beings which justifies their national and international protection*…" while reaffirming "…*to achieve a better life for the peoples of Africa and to promote international cooperation having due regard to the Charter of United Nations and the UDHR*." Moreover, Articles 2 to 17 of the Charter are a quintessence of a part of UDHR. It is very interesting to note that this bundle of Articles is more appealing to the right of the individual rather than rights of a group as cultural relativity commentators vociferously put it. It is imperative to say, human rights are universal in nature and their implementation involve both national and international efforts. The outcome of this leads to two competing views over the nature and scope of human rights. The skepticism of each side over the arguments provided by the other side has led to a development of human rights into three generations. It is important to express that this study inclined to follow the universality of human rights in respecting and protecting the right to education.

The UDHR[39] adduced the three generations suffice to human rights universally. The first generation of human rights comprises civil and political rights. They are found in Article 3 to 21 of UDHR. These include: right to life, liberty and security; right to recognition everywhere as a person before the law; equality before the law; right to an effective remedy; equality to a fair and public hearing; right to privacy; right to have a family, home; freedom of movement and residence; right to a nationality; right to marry and found a family; right to own property; freedom of thought, conscience and religion; freedom of opinion and expression; freedom of peaceful assembly and association; and right to equal access to public service, right to take part in the government, right to vote and be voted. The second generation pertains to economic, social and cultural rights. They are constituted in Article 22 to 28 of UDHR. Such rights are right to social security; right to work; right to rest and leisure; right to standard of living adequate for the health and well-being; *right to education*; right to freely participate in the cultural life of the community; and right to social and international order in which the rights and freedoms set forth in UDHR can be fully realized. The last generation forms solidarity rights. These are Articles 29 and 30 of UDHR. Their base is Africa.

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[39] United Nations Website – www.un.org/en/documents/udhr/index.shtml accessed on 17th August 2012.

The robust of solidarity rights is self determination. These include: group and collective rights; right to self determination; right to economic and social development; right to health environment; right to peace; right to national resources; right to be different; and right to communicate[40]. It must be noted that the arrangement of such rights into first, second and third generation is not based on their importance rather on the historical development of societies. The first generation rights came out of stiff struggles against inhumanity. Governments of the days acted with atrocious acts of brutality. The American and French revolutions in the eighteenth century provide us with a strong argument towards the foundation of civil and political rights. In accordance with, Lerner, *et al.* (2006:3) argue that "both nations struggled to forge new representative governments that would best promote the natural rights of citizens. The nations produced contemporaneous statements of rights – France, the Declaration of Rights of Man and of Citizen on 26 August 1789, and the United States the Constitution and the Bill of Rights on 15 December 1791." The two documents became very important in drafting the UDHR. And thus, they cogently define modern human rights. For example, Article 1 of Declaration of the Rights of Man and of Citizen states that 'men are born and remain free and equal in rights. Social distinction may be founded only upon the general good.' This is a prime basis for all other human rights today and/or their universality. Concomitantly, most of rights enumerated in the United States Bill of Rights are also enumerated in the UDHR[41]. It is appropriate to argue that the persistence of political terror in western countries in 17th and 18th centuries culminated to a prompt demand for protection and promotion of political and civil rights.

The second and the third generations of rights emerged between the 19th and 20th centuries to fill up the economic, social and cultural gap left by the first generation of rights. This is due to the fact that political and civil rights were meant to fade, to a large extent, political vicissitudes in the western countries, whereas, trivializing economic, social and cultural aspects. To the contrary, economic, social and cultural rights are panaceas to the non-western countries' problems. It must be conceded that during this particular time is where the cultural debate was gaining momentum to a precise discerning of global diversities hence differences in defining the nature and scope of rights. As alluded to, the western culture is quite different

[40] Alston, Philip (1982) 'A Third Generation of Solidarity Rights: Progressive Development or Obfuscation of International Rights Law?' *Netherlands International Law Review*, Vol. 29, Issue 03, December 1982, pp. 307-322.
[41] Lerner, Lee K. *et al*. (eds.)(2006:295) *Human and Civil Rights: Essential Primary Sources*, USA: Thompson Gale.

from non-western culture and thus, what is considered as a right in western societies must not necessarily be the case in non-western countries. In the same vein, civil and political rights that seem to be crucial in western societies, to the contrary, non-western countries see them not as important as economic, social and cultural rights. Sørensen (2007:10) argues that without tough social and economic rights, rights with respect to the state could not be fully enjoyed. The gist of his argument is that the realization of political and civil rights (rights with respect to the state) is strongly founded by a full enjoyment of economic, social and cultural rights, and thus, without state rights new forms of inequality in terms of power, wealth and status could systematically stymie realization of social and economic liberties. However, the second generation of rights was proclaimed in the Mexican and Russian revolutions in the early part of 20th century, while the third generation is usually associated with decolonization process of African countries in the 20th century and beyond.

Education as a right[42], yet a foundation of democracy, is subcategorized into three main levels. These levels are primary, secondary (middle) and higher education. It must be noted right from here that the proclamation of education as a right does not by whichever way exclude any of these levels. The three levels are stipulated but with differentiated emphasis in the primary instruments for protecting and safeguarding human rights (including right to education). Such that, Article 26(1) of UDHR states that "everyone has the right to education. Education shall be free, at least in the elementary and fundamental stages. Elementary education shall be compulsory. Technical and professional education shall be made available and *higher education shall be equally accessible to all on the basis of merit*." On the other hand, Article 13 (1) of ICESCR states that, "the States Parties to the present Covenant recognize the right of everyone to education. They agree that education shall be directed to the full development of human personality and the sense of its dignity, and shall strengthen the respect for human rights and fundamental freedoms. They further agree that education shall enable all persons to participate effectively in a free society, promote understanding, tolerance and friendship among all nations and all racial, ethnic or religious groups, and further the activities of the United Nations for the maintenance of peace." In conjunction,

[42] Right to education is very broad and challenging. Its realization has been debated on the basis of resources. Others have gone far to confine this right to elementary education leaving behind secondary and higher education levels. However, this part will not devote itself to such debate rather much of it pertaining to historical development of the right to education, universal recognition of the right to education, fundamental importance of education as a right, practicability of the right to education, and whether or not there exist boundaries on the right to education, will be dealt extensively in the next chapter on theoretical and conceptual framework.

section (2) (a)-(e) of the same Article states that "the States Parties to the present Covenant recognize that, with a view to achieving the full realization of this right: (a) primary education shall be compulsory and available free to all; (b) secondary education in its different forms, including technical and vocational secondary education, shall be generally available and accessible to all by every appropriate means, and in particular by the progressive introduction of free education; (c) *higher education shall be equally accessible to all, on the basis of capacity, by every appropriate means, and in particular by the progressive introduction of free education*; (d) fundamental education shall be encouraged or intensified as far as possible for those persons who have not received or completed the whole period of their primary education; and (e) the development of a system of schools at all levels be actively pursued, an adequate fellowship system shall be established, and the material conditions of teaching staff be continuously improved."[43] Reading the two Articles altogether, one may come up with adequate explanations to the scope and nature of right to education and mechanisms to its realization.

First, the nature of right to education is embedded in the objectives of such right. One, it enables all persons to participate effectively in a free society. Looking at effective participation broadly, it refers to active citizenship and its impact on development and democracy. It is suggestive to state that effective participation of *all* persons in a free society is what brings development and democracy. Arguably, a full realization of the right to education gives a vivid account of developmental and democratic prospects. For example, Altbach, *et al*. (2009: 67) say multiple and diverse responsibilities of higher education are ultimately key to the well-being of modern society. Two, it promotes peace building, peace keeping and peacemaking. It is imperative to argue that education promotes understanding, tolerance and friendship. Therefore, high level of understanding, tolerance and friendship bolster good relationship between and among nations and/or people regardless of differentials in terms of wealth, gender, power, and status. And thus, it curtains all possibilities for nations and/or people to venture into conflicts/wars. In fact, McMullen (2000: 26) indicate that higher education contributes to national intergration and breaking down of ethnic discrimination and hatred, and to help encourage a unifying national identity. Moreover, higher education provides the body of national leadership that makes a national existence viable. Three, it aims to full development of human personality and sense of dignity. As argued in the above,

[43] See also Article 26 (1) to (2) of UDHR.

personality and dignity are directly linked to person's well-being. This is acquired through equal access to economic resources of a nation. McMullen, *et al*. (2000: 21) clarify this point clearly as they say higher education plays an important role in their quest for sustainable development. Four, right to education strengthens respect for human rights and fundamental freedoms. It is inimical not to argue that right to education lays a fundamental base for successful realization of any other rights be it civil and political, economic or socio-cultural.

The scope of the right to education is very broad to include all levels, since they are interdependent, and the access to all levels is made equal without restrictions of wealth, ethnicity, race, gender and the like. The realization of the right to education is expressed through the financing of the education. Two financing mechanisms have been proclaimed by the international instruments for protecting and promoting human rights. First, education shall be free of charge. It is free in that there will be no direct costs accrued to the individual in accessing such education. That means the whole burden is taken care-off by respective governments. The first mechanism is therefore, public financing/funding. However, this provision refers to elementary/primary education. Article 13 (2) (a) and Article 14 of ICESCR specifically provide for compulsory and free primary education. Nonetheless, it was further stated that other two levels may have other appropriate means, basically *not restrictive*, so as to make equal access to the education by all on the basis of merit, and particularly progressing towards free education. Two points may be deduced from that provision. One, it is perfectly plausible that a full realization of right to education is to make it generally available and accessible through imposition of free of charge education, and that should be the focus of all governments. Meanwhile, where there are constraints in terms of resources to make education free of charge, other appropriate means of equality in accessing education should be pursued. Two, to make primary education free of charge before other two levels might sound a bit mischievous, notwithstanding the fact that primary education has a lesser contribution to the full realization of objectives putforth in respect to the right to education. Yet, it is axiomatic that primary education is lesser expensive compared to higher education. Therefore, it is logical to start with free primary education progressing to the next levels when resources allow.

Second, when free education is not possible, especially at secondary and higher education levels, *adequate fellowship system*[44] shall be imposed. Fellowships refer to financial support in various ways. These include: educational grants, scholarships and/or bursaries, assistantships, and loans. The first responsibility to ensure adequacy of financial support rests in the purview of governments. Implicitly, it is hereby suggested that costs of education may be shared between the governments and individuals or private sector. It is in this view that private financing/funding was seen desirable and appropriate to accentuate access to education by all. Arguably, private financing/funding is restrictive in nature, when adequate fellowships are devoid, the right to education is denied greatly.

The focus of this study is access to higher education. With the increased recognition that the globalization of markets, the interdependency of international financial systems, the expanded role of technology, and high-speed communications have created an enormous need for highly skilled technical , professional, and managerial leaders[45], I argue that access to higher education by all persons on the basis of merit/ individual capacity is good enough to make a full realization of all objectives stipulated by the instruments with regard to the right to education. This argument is supported by the following points. The first is technological development. Both individual and national developments depend heavily on technology. As the world is coming with new but sophisticated technologies that require high skilled labour, for instance, disqualifies both primary and secondary education[46] attendees to compete hence live atrociously. Therefore, the pristine of human personality and dignity is derogative, and thus, obfuscation of other human rights. Meticulously, Zgaga[47] (2008:3) unfolds that '*higher*

[44] It is stated in Article 13 (2) (e) of ICESCR.
[45] ADB (2011: 1) *Higher Education Across Asia: An Overview of Issues and Strategies*, Philippines: Asian Development Bank.
[46] Tomusk (2005: 149) deliberately, eulogizes higher education in the world of science and technology by stating that the world of developing technologies offers a good pretext for establishing an order where people of higher qualifications move up and those of lower qualifications down. As long as total wealth continues growing, the plus-sum game assures that most people moving down will not get hurt too badly to threaten the order significantly while occupying lower positions maintain a hope in education's emancipator powers.
[47] Zgaga, Pavel is not only a professor and an expert in higher education but also has been a practitioner of the field for a considerable period of time. His expertise can never be underestimated. His contributions in terms of theories and practices are dazzling and a breakthrough to solving persisting challenges in higher education in the contemporary world. From 1992-1999, he was a State Secretary for Higher Education and later (1999-2000) a Minister of Education and Sports in Slovenia. However, in 1998/1999 he was the head of the working group on 'Education, Training and Youth' during EU accession negotiations. After his return into academe he has engaged in the Bologna Process, serving as general rapporteur, year 2001-2003, meanwhile, he was Dean of the Faculty of Education from 2001-2004. He became a member of the Board of Bologna Follow-up Group in 2004/2005 and a rapporteur of the BFUG Working Group on External Dimension of the Bologna Process in 2006/2007. On top of that he is a co-founder of the South-East European Educational Cooperation Network; and member of the advisory boards of several journals, like 'Theory and Research in Education' and 'Journal of Education Policy'.

education is no longer primarily a personal call or privilege; it is a social demand: modern societies cannot function without increasing the number of educated and skilled people who work in the economy and public services or without expanding the research and knowledge that drive modern civilization.' This argument is of prime concern. It indorses a suggestion that modern societies demand large amounts of skilled labour, research and knowledge that is crucial to the development of democratic society[48]. It is equally proper to argue that a democratic society is not only capable of guaranteeing promotion and consequently, protection of human rights but also transforming citizen's welfare and national economic growth. Second, contemporary politics is complex. The necessary education to encounter the complexity of politics is higher education. It is alluding that effective participation in socio-economic, political and cultural issues is solely facilitated by adequate but reliable information and knowledge of the issue at hand, considering the fact that the state of politics goes frenzy in the contemporary world. It is out of these two seductive points I am dissuaded to focus on the right to higher education.

1.5 Conclusion

Higher education is very important in spurring development projects. Prodigious experiences from the US and Europe are lessons to other parts of the world including Africa, Tanzania and Kenya in particular. Governments have been exerting considerable emphasis on higher education. Equitable access to higher education is the central theme in every state. Higher education is a right to every human being. Access to such education should be guaranteed through equal and fair mechanisms progressing to free of charge. States are foremost responsible in ensuring equitable access. It is through policy formulation and financing. Financing of higher education has been diversified since 1980s to include: application of scholarships and grants/bursaries; loans and tuition fees; work-study programs; and tax exemptions. These diversification ways of finances were adapted by most developing

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He has also been involved in several national and European research and development projects in higher education; some of his recent published works are: *The Importance of Education in Social Reconstruction, Six Years of Graz Process: Developments, Current Status and Future Prospects of Education in South-East Europe (Ljubljana and Vienna, 2005; in English); Reconsidering Higher Education Governance (Strasbourg, 2005); Higher Education in Transition, Reconsideration on Higher Education in Europe at the Turn of Millennium (Umea, 2007)* accessed from www.pef.uni-lj.si/tepe2008/zgaga.htm on 16 September 2012.

[48] In addition, UNESCO (1998) on "*World Conference on Higher Education*" is convinced that higher education has given ample proof of its validity; and the society become increasingly knowledge-based so that research and innovation now act as essential components of cultural, socio-economic and environmentally sustainable development of individuals, communities and nations.

countries including Tanzanai and Kenya. Policies on financing higher education were formulated to enable large numbers of citizens to access the education.

Chapter Two

Theoretical and Conceptual Framework

2.1 Introduction

There have been divergent views on how education, and higher education in particular, should be financed. This situation culminated into an endless debate on who should pay and why he should pay (probably pay higher) for the cost of education. The thrust of the debate surrounds two important aspects. The first is benefits of higher education. Commentators have a little disagreement to that aspect. Some admit that higher education benefits an individual and the society. The other group denies all vast benefits brought by higher education into a society; instead they insist a greater share of benefits is accrued by the individual recipient of the education through employment. The second is about quality of higher education products. There are two groups commenting at this part. The first group attests that quality of education products is higher when provision and financing of the service is left to private sector while regulated by market forces of demand and supply. The market is believed to be efficient and effective in provision of social services. Enthusiastic to this framework buy ideas from neo-liberal political economy scholars like John Stuart Mill (1776); Jeremy Bentham (1781); Francis Wayland (1837); William Stanley Jevons (1888) and John Maynard Keynes (1936); to mention a few. The works of Prof. Johnstone, D. Bruce (1972; 1973; 1978; 1980; 1981; 1986; 1987; 1988; 1991; 1993; 1995; 1997; 1998; 2002; 2003; etc); financial institution such as the World Bank (1988; 1994) and General Agreement on Trade in Services - GATS (2000) have influenced the introduction of cost sharing and commercialization of higher education worldwide.

The second group argues for public provision and financing where the government is capable of controlling quality, equality and equity at the same time. For examples, scholars like Garrett (1992; 2007); Bhalla (2001); Kent (1997); Pasque (2010); Bergan (2005); Ehrenberg (2005); Chapman (2006); Nixon (2011); Kaul *et al*. (2003); Desai (2003); Jongbloed (2004); Pusser (2006); Anton, *et al*. (2000); Duczmal (2006); and Cooksey (2011) are proponents of public goods and public responsibility to ensuring quality, equality of opportunity, and economic growth. This debate has brought two antagonistic theories: public good theory and neo-liberal political economy. In a way of making two ends meet, a rights-based approach puts emphasis on promotion and protection of human rights by governments. Proponents of human rights views are Ljungman (2004); Lohrensheit (2005); Cohen (2004); Kapur and Duvvury (2006); UNESCO (2003); and Archer (2005); to mention a few. Since many countries around the world have ratified instruments for promoting and protecting human rights; and other countries go further to make them binding then guaranteeing access to higher education should be of prime importance in determining which way to follow. To such emphasis, many countries if not all have opted for a merger of good qualities of public good and neo-liberal political economy while observing keenly promotion and protection of human rights by governments.

2.2 Theories on Access and Financing Education

Access and financing are two concepts that reinforce each other. It is through financing where access can be expanded or constrained. There are two modalities of financing higher education. These are public financing and private financing. Financing of higher education is very challenging, not only to developing countries but also developed ones. While there is a need to increase access to higher education, governments claim to have inadequate resources. This raises the question under a hot debate: who is responsible for higher education financing? As described in previous discussions, three theories provide adequate explanations. Tackling the question of *who* is responsible for higher education financing leads back to issues of access. Some commentators argue that access is expanded when financing is diversified to private individuals. It is simply because there would be numerous providers to widen the choices while improving quality. For example, Johnstone (2004: 2-4) says the rationale for cost sharing focuses on a presumption of greater efficiency (when there is a charge or a price that reflects at least some of the real costs and trade-offs involved) and quality (due to the fact that tuition fee induce both a hardworking student and one who is more perceptive and demanding of the institution; and institutions provide what the student as well as potential employers want).

Others argue, individual financing promotes access by those who are capable of paying for the service while those with little or no ability to pay for the services are denied the access. Douglass (2009) expresses that cost is a deterrent to low-income groups accessing higher education. And, he went further to question the extent to which access to higher education can be equal without corresponding policy to address the social conditions that disadvantage some population groups while benefiting others. This is where most governments go wayward. Through legal and institutional frameworks, most developing countries have proven failure in designing mechanisms suitable to cater for access to higher education by every person who demonstrates the ability to learn. In order for governments to design appropriate mechanism to ensuring equity[49] in access, objectives and role of higher education in the society must be reviewed. It is meaningless to promote access to higher education by one group and ignore others for the sake of expanding enrollments. It is therefore, imperative to say eclectic approach to financing higher education is desirable only when there are appropriate legal and institutional mechanisms of identifying those who have the ability to pay and those not (more details in sub-section 2.2.4).

2.2.1 Public Good Theory

Public goods, as mostly referred in economics, connote goods that are non-rival or non-excludable[50]. Non-rival or non-excludable good is the one which is not prevented by others from consumption. That means every individual consumes a good without obstructing others from consumption. Samuelson (1954) puts that consumption of the good by one individual does not reduce the amount of good available for consumption by others; no one can be effectively excluded from using that good. For examples, national defense, breathing air, street lighting, and knowledge. Fischel (2000: 3) defines non-rival to refer to enjoyment of the good by one consumer which does not diminish availability for other consumers to enjoy; while non-excludability means it is too costly for the providers of public goods to collect a payment from those who benefit from it. Therefore, public good refers to a thing or object we all have a common interest in having available for public consumption (Kaul *et al*., 2003); commonstock[51] (Anton, 2000: 4); common goods[52] (education, environment, etc) if desired by each of all (Fisk, 2000: 43); goods for all or most of us and they can be satisfied for one

[49] Haarder (2013: 2) on a Conference on Equity in Higher Education for Economic Development defines equity as a very important aspect in education as it brings about many positive effects, among other things, it can mobilize talent. Hoareau (2013: 4) goes further to correlate equity and economic growth based on the report by Empower European Universities, EEU (2012) The State of University Policy for Progress in Europe, a Maastricht – Based Foundation, Maastricht (Netherlands) and Brussels (Belgium). One prominent indicator of equity, Nettles (2013:5) says is representation (e.g. enrollment and degree conferred). Representation refers to a democratic concept encompasses inclusion of all segments of population, for instance, in terms of age, gender, race or tribe, wealth (rich or poor), etc.

[50] Samuelson, Paul A. 1954; Kaul, *et al*. 1999; Kaul, *et al*. 2003; Batina and Ihøri, 2005; Johnson, Paul M. 1994-2005; Cowen, Tyler 2009; Sonntag, Diana 2010.

[51] Commonstock, according to Anton, is social property from which, like a public park, we have a right not to be excluded. The use and enjoyment of a commonstock is typically administered by state “in the name of people”; moreover, the management and administration of a commonstock should be accountable to all stakeholders

[52] Common goods calls for participating the society for delivering to individuals certain individual goods.

only if they are satisfied by others (Holmstrom, 2000: 69). This is to say there are some goods which may be consumed while excluding others from consuming the same. This kind of exclusion occurs due to either private property rights or low production of the goods. For example, food may be consumed by one individual while excluding others from consuming the same (because s/he pays for the good and thus has private property rights and/or copyright ownership[53]). With exclusion these goods become private goods. Private goods are by nature competitive. Following consistently the above examples one would notice two things.

First, there is a concern of production costs. That means no explicit costs are charged for a use of public goods, while in private goods the consumer of the good has to pay for the costs of production. It does not mean that the cost of producing public goods is never paid for. But, the question who pays for the production of public goods? will be dealt later. It is imperative to state that due to competitiveness of a private good and non-excludability of a public good individual demand curves are added horizontally and vertically respectively. To expound this, Musgrave (1969:126, 134-135) says “the condition of non-rivalness in consumption (or which is the same, the existence of beneficial consumption externalities) means that the same physical output (the fruits of the same factor input) is enjoyed by both A and B. This does not mean that the same subjective benefit must be derived, or even that precisely the same product quality is available to both. Due to rivalness of consumption individual demand curves are added vertically rather than horizontally as in the case of private goods”. To abridge this, Batina and Ihøri (2005: 9) provide clearly that the key to understand the rule involves the duality of pure public good relative to a private good; whereas, for a private good everyone pays the same price, but is free to consume as much or as little as they want, consumers adjust the quantity they consume given the market price. The authors convey two messages. One, the price of the good varies depending on whether the good is public or private. The price of private good is the same to all consumers. For instance, the price of *pommes* in one shop in Bayreuth is 1,70€ and that applies to all consumers. The price of public good is not the same (different or not fixed); each consumer pays for the good depending on his/her ability to pay (income earnings). Batina and Ihøri (2005: 9-10) explain that for a pure public good everyone consumes the same amount of the good but willing to

[53] Sargeson (2002) argues that the absence of individual property rights and market mechanisms in the production, distribution and consumption of public goods is thought to render these goods susceptible to undersupply and over-consumption. In other words, Sargeson is convinced that public goods should be provided by the market through demand and supply mechanisms.

pay a different price for it; consumers adjust their willing-to-pay (WTP)[54] for the good given the quantity supplied. However, public goods are paid for through taxation. Each citizen pays tax depending on his/her income. Two, it is about quantity of the good (availability) versus consumption. Batina and Ihøri suggest that public goods are available to everyone at the same quantities. But, private goods are available to consumers who pay for the price of the goods. That means its supply is limited.

Second, who produces a good under question is aptly viable. Again the idea of cost of production may have implicit or explicit linkage to goods provider. Traditionally, public goods are produced by states/governments/public and private goods are produced by private sector (individual, company, non-governmental organization, etc). The decision to make certain services public goods or private goods rests on the government/public. For example, in the contemporary world where market is left to produce goods and services, government intervention is justifiable. Saich (2008: 6) explains this justification on various grounds such as market failure, the priorities of the political and social elites, or on the grounds of producing a more equitable outcome for development. Similarly, Marmolo (1998: 1) explain the conventional justification for public provision is market failure. She went further to clarify the rationale for public provison as the basis for existence of utility interdependencies across demanders; where individuals choose what goods are public at the constitutional level. Therefore, for purposes of promoting national development certain services (for example higher education) are important if they are provided as public goods. This broad objective is expressed in the constitution of a nation. At this point in time, the producer of public goods may be public sector or private sector. Who pays for the cost of producing public goods that are produced by either public or private is yet to be tackled. Saich (2008: 7) provides a detailed explanation concerning costs of producing public and private goods. Notwithstanding that prime concern of this discussion is the bearer of costs of producing public goods but it is not a crime to have a look at both public and private goods. Saich demonstrates through a matrix of provision and financing of public services (goods) as follow:

[54] According to Lindhal Financing Mechanism, Batina and Ihori say, each individual who benefits pays a share of marginal production cost based on his/her WTP for the public good, where the sum of the shares is equal to one design. In addition, person-specific lump sum taxes can also be used to finance the first-best level of the public good accordingly distribution of utility and equity are maintained.

Figure 2: Public and Private Provision of Services

	Provision	
Financing	*Public (Government)*	*Private*
Public (Taxation)	Government provides both the service and funding. Free to consumer at point of use.	Private provider of publicly funded service.
Private (Voluntary)	Private payment for government-mandated or publicly provided service.	Service purchase directly from private supplier or indirectly through private insurance

Source: Based on Bloom *et al*. (2001: 184); Ramesh (2002: 148); Saich (2008:7)

Two ways of paying the costs of producing public goods are depicted from the above figure. These are taxation and private voluntary contributions. The government collects taxes from the public through which public goods are made available to every individual. During consumption the individual pays nothing. It actually sounds like a free service while it is not. This situation leads to provision of the service by both public and private. However, the private sector provides public goods that are funded by the government. Examples of such goods provided by both public and private but funded by the government are education and health. The government fund public goods which are produced by private sector through various mechanisms ranging from contracting out of government services to non-government entities or government entities to provision of vouchers and scholarships (Saich, 2008:7). The second scenario is a bit complicated as it involves both the government subsidies and private contributions. Saich says it is wider in coverage i.e. from mandated insurance schemes to attending state-run universities or visiting national parks. An example of this is the introduction of a pension system of workplace-based contributions from both the employer and employee at a fixed rate and from a voluntary third pillar. It must be put clear that pension system, for instance, are tricky to be grouped as voluntary contributions. However, this does not preclude voluntary contributions from philanthropic organizations (such as donations and charity[55]). Therefore, voluntary contributions and pension systems provide another source of fund for the government to provide public goods. Pension system is a very good example of practices by most African countries including Tanzania and Kenya. For example, according to

[55] Batina and Ihøri (2005:108) commend charity as more efficient at producing the public good than another. So, contributions (i.e. taxation, pension scheme, etc) may not be perfect substitutes in production. For example, Andrew Carnegie and Henry Smith Prichett, the founders of Carnegie Foundation in 1945, believed that 'private power could be [used] for public good'; a belief that encouraged a strong association between higher education and the wealthy in the US (Pasque, 2010: 16).

National Audit Office (2010) there are five different pension funds in Tanzania; namely, Local Authorities Pension Fund (LAPF), Provident Pension Fund (PPF), National Social Security Fund (NSSF), Public Service Pension Fund (PSPF), and Government Employees Provident Fund (GEPF). The government entered into a contract with four pension funds inorder to construct the University of Dodoma. In terms of contribution, the pension funds injected considerable sums of money as follow;- LAPF (TZS 13.4 billion); PPF (TZS 39.9 billion); NSSF (TZS 35.218 billion); and PSPF (TZS 105.9 billion)[56].

Another crucial issue is whether education and higher education in particular is a public good. To delve into such an issue one has to understanding the nature of public goods. There are two categories of public goods namely pure and non-pure or impure public goods. According to Kaul, *et al*. (2003), only a few public goods are completely pure goods. The distinction is based on a possibility whether a good can be procured by the public or private without affecting accessibility of the good by every individual. They explain pure public goods are things or conditions not subject to market mechanisms either because they are not profitable or because their price cannot be effectively fixed. Suggestively, pure public goods are to be provided solely by the government (public). These include goods like clean air and clean oceans; commonly accessible roads; peace and stability; personal safety and security; law and order; free trade; economic stability; curbing infectious diseases and traffic regulations[57]. Impure public goods have some sort of competitive and non-competitive qualities, but not as in private goods. It means thus, they may be subjected to market mechanisms under the control of the government to ensure access by every individual in the society. Notwithstanding, the prominent feature of public good is accessibility and availability. And thus, the provision of public goods is a key element of the quality of life (UNIDO, 2008). Examples of non-pure public goods are access to higher education and health, wildlife and fishstocks[58].

[56] CAG Report for the year ending 30 June 2010 (2010/2011).
[57] Kaul, *et al*. (2003) *Providing Global Public Goods: Managing Globalization*, New York: Oxford University Press.
[58] Andersen and Lindsnaes (2007:38) Global Public Goods: Concepts and Definitions, Andersen and Lindsnaes (eds.) *Towards New Global Strategies: Public Goods and Human Rights*, Leiden and Boston: Martinus Nijhoff Publishers.

The debate whether higher education is a public good or not has been very conspicuous in the 19th century. For purposes of this discussion, it is necessary to capture such a debate in brief. The debate is more appealing today where globalization (commercialization of services including education) has reached a high notch. The situation on which leads to exclusion of some groups from consuming the good; either because it is expensively produced by the private sector and/or the government has neglected its prime role to fund public goods and/or ensure equitable access to public goods. In order to grasp the debate appropriately one has to observe two points. These are;- (i) whether or not higher education is of common interest in the society; and (ii) the consequential role of the government. There is no dispute on the first part that members of all societies in the world agree to have common interest in higher education. For example, Fisk (2000: 53) discloses that people everywhere are largely in favour of public goods such as education, health and political participation. This is because national, regional and global development is enough to justify a common interest. Supportively, Kaipeng and Juan (2012: 581) state in their work, "*Public Good or Private Good?*" that "higher education has for long playing key role during social development, benefiting not only individuals, but the whole society, so the noble and core values of higher education for the sustenance of societies should be protected". They went further to emphasize that "higher education should not be viewed as a commodity from which private profits can be made, but as public good equally accessible to all". Disputation comes to the second part, which is the role of government. The gist of disputation centres at what extent the government should discharge its prime role to ensuring availability and accessibility of higher education. Proponents of higher education as public good; such as Kaipeng and Juan (2012); Nixon (2011); Giroux (2011); UNESCO (2009); McMahon (2009); Tilak (2009); Chambers and Gopaul (2008); Vally (2007); Tierney (2006); Pusser (2006); Desai (2003); Kaul and Mendoza (2003); Galabawa (1994) and the Robbins Report (1963) commend the government should discharge its role to investing in higher education.

The weak side of the debate argues that higher education provides more private benefits to individuals and thus governments should not involve themselves heavily in funding the good. For example, Shaw (2010: 241) says "purchasers of education benefit directly from what they pay for." It means therefore, consumers get profits out of their investment in higher education. Supportively, in a statement for the Warwick Higher Education Summit on 28 January 2012, Universities Minister Rt Hon. David Willetts MP said, "it is the students who, regardless of these wider benefits, stand to accrue substantial individual reward through attending university, and so it is right that the balance of funding shifts from the state to them in the long term". In addition, St. John (2006: 8) argues that there are substantial returns to individuals from their investment in higher education. This kind of thinking is more of cost conscious than what the actual role of government should be. The role of government is quite explicit in the theories of state i.e. the social contract theory developed by Thomas Hobbes (1651), John Locke (1689), and Jean-Jacques Rousseau (1762). Even though the theorists had disagreements on some issues but they all agree that there is a social/political contract between the government and citizens which has to be pretty kept. This contract is based on legitimacy and sovereignty. Citizens cede part of their sovereignty in turn of protection from a legitimate government. Protection from 'state of nature[59]' is wide to include peace and security, and provision of services including education. Therefore, the prime role of government in service provision is incontestable. In conclusion, Kaul and Mendoza (2003:92) in their chapter '*Advancing the Concept of Public Goods*' end the debate on what is public good or private good through 'A Triangle of Publicness'. It is out of this triangle higher education is a justifiable public good as follow:

> "The triangle looks at public good from three perspectives. The first is *publicness in consumption*: is a good consumed by all? The second is in *publicness in net benefits*: are the good's net benefits equitably distributed? The third is *publicness in decision making*: who decides to place this good in the public domain?"

There is no doubt as to whether higher education is consumed by every member (who demonstrates the ability to) in the society. That means it does not exclude any individual from consumption on *prima facie*. Some kind of exclusion may appear when the government refuses to discharge its role fully. The World Conference on Higher Education by UNESCO (2009: 2) commends that higher education as a public good is the responsibility of all stakeholders, especially governments. There are a number of reasons where a government refuses to discharge its role such as rent seeking behavior, politicization of duties, lack of capability, failed states, huge debts, improper prioritization of services, uncritical citizens, lack of accountability, illegitimate governments, improper implementation of policies, and diminished role of governments in the society as a result of market economy. Many governments in developing countries are characterized by all the above.

[59] Thomas Hobbes characterizes the state of nature as solitary, poor, nasty, brutish and short.

The net benefits of higher education are multifarious and equitably distributed by the government in various ways. One, it is through taxation and budget allocations. Usually, those who consume the good (higher education) are expected to get employment[60] after completion of their studies. The government collects taxes (income tax) from all people who get employment. The collected taxes are consolidated into a pool of revenues where developmental plans are implemented afterwards. For instance, infrastructure is developed out of consolidated revenues and every individual is never excluded from a use of such infrastructure. Two, societal development benefits every member equitably. For example, roads or rail construction and schools or hospitals are some of many examples of benefits from higher education whether directly (e.g. researches and innovations, medical universities, engineering and technological universities, and preparation of teachers) or indirectly (contribution of knowledge, employment creation, income tax, etc). Three, politically, universities are made think-tanks for government's smooth implementation of policies for national or regional development. On the other hand, politicians are produced by universities. This is a requirement in developed countries where elected officials need to have at least a degree. For instance majority members of the Congress[61] in the US hold bachelor's degrees. Such that 93% of house members and 99% of Senators hold bachelor's degrees in law, economics, business administration, medical, political science to mention a few. Their knowledge is very important in policy and law making. Likewise, in Kenya, section 22(2) of the Elections Act 2011 (Revised 2012) states that "Notwithstanding sub-section (1)(b), a person may be nominated as a candidate for election as President, Deputy President, County Governor or Deputy Governor only if a person is a holder of a degree from a university recognized in Kenya". Its implementation was seen in the General elections 2013.

[60] The theory of human capital as expounded by Becker (1993, 1994) suggests that education or training raises the productivity of workers by imparting useful knowledge and skills, hence raising workers' future income by increasing their lifetime earnings.

[61] The congressional Research Service (2012; 2013) notes that the vast majority of members (95%) had an academic degree. For example, the 112th US Congress in session from 2011 to 2012 consisted of 541 elected officials from 50 states, five territories and the district of Columbia, whereas the Senate has 100 members and House of Representatives has 435 members and 6 non-voting delegates. Amongst, 168 Representatives and 57 Senators had a law degree (of these three Representatives and two Senators had a Masters of laws - LLM); 83 Representatives and 16 Senators had often Master of Business Administration (MBA); 23 Representatives (but no senators) had a PhD; 17 Representatives and 3 Senators have a Medical degree (MD); 5 Representatives (but no Senators) have an Associate's degree as their highest degree. However, only 27 Representatives and 1 Senator have no educational degree beyond a high school diploma (Peterson, 2012: 12-15; Manning, 2012: 4; and 2013: 4).

Fourth, higher education produces educated population which is useful in many respects. Citizens not only become critical and able to make informed choices when democratic elections are held but also have economic purchasing power. For example, Putnam (2000: 186) says education is one of the most predictors – usually, in fact the most important predictor – of many forms of social participation – from voting to associational membership, etc. Again, Dee (2004) agrees that more schooling increases both voter turnout and torelance. To cite a concrete example, Luescher-Manashela (2011) conducted student surveys at the University of Nairobi (Kenya), University of Dar es Salaam (Tanzania) and University of Cape Town (South Africa) in search for "*University in Africa and Democratic Citizenship: Hothouse or Training Ground*?". Three main findings are worthnoting. They include;- (a) students of all campuses are significantly more likely to be critical and impatient transformative democrats than their respective citizens and their same age peers without higher education; (b) with respect to cognitive engagement and political participation, all three universities therefore offer significant advantages to the politically interested and politically participatory student; and (c) A minority of students on each campus can be described as active citizens in the sense that they always prefer democracy and either participate in protesting/demonstrations or act in informal capacities as official student leaders on campus. Generally, in comparison to fellow citizens, students are much more likely to be active citizens. It was confirmed that active citizenship was not due to youthfulness but because of conditions associated with being at university.

Moreover, the decision to make higher education a public good is collective through legitimate governments. Buchanan (1999: 120) says "…all decisions are necessarily public, whether these be concerned with supply of particular goods or with rules that govern behavior." That means the decision to declare certain goods public and/or make rules for the supply of such goods rests on the people (public). Lappin (2013) makes the point clear, in a democracy this is a matter of social policy, reflecting the norms of the electrorate. It is frequently the case that there is a direct relation between the goods that a community chooses to take as public, and the contribution that universal access to these goods makes to the economic prosperity of the community. Similarly, Marmolo (1998: 27) argues that indivudals choose what goods are public at the constitutional level based on degrees of utility interdepecies in consumption. Since government is a representative body of the people then higher education was made public good for a very long time. This is justified by the establishment of large number of public institutions of higher education coupled with public financing. Tapper and Palfreyman (2010: 145) convey that in the immediate post-1945 years higher education was considered a public good for fulfilling desired social goals. Supportively, Tilak (2009: 449) says for a very long time higher education has been viewed as a public good. Supposedly, the challenges have started after privatization of higher education. McMahon (2009: 1) indicates that the degree of privatization of higher education has been increasing since 1980. However, commentators still argue for the public good and the benefits that societies accrue from higher education. Altbach, *et al*. (2009: 37) utter, the role of higher education as a public good continues to be fundamentally important and must be supported. The financing of higher education was/is the responsibility of respective governments. Currently, through the Bologna Declaration, Bergan (2005: 13) stresses, "it sets out, ministers asserted that building the European Higher Education Area is a condition for enhancing the attractiveness and competitiveness of higher education institutions in Europe. They supported the idea that higher education should be considered a public good and is and will remain a public responsibility (regulations, etc), and that students are full members of the higher education community."

However, in neo-liberal perspective, Bergan argues against the role of state in higher education and went further to derive a new interpretation[62] of public good (as stipulated in the Bologna). He says public good refers to 'good quality higher education which should be enjoyed by as many qualified persons as possible on equal terms' (p.15). It is absolutely tricky to think of 'good quality higher education', 'enjoyment by many qualified persons', and 'equal terms' without making serious reference to provision, financing and institutional and legal framework. In assessing each of them private realm is highly inefficient. UNIDO (2008) argues that "because of the characteristics of public goods, leaving their provision to the market will result in undersupply with respect to the socially desirable level". In fact, it is only those who are financially 'blessed' would be able to purchase goods and services under market operation. It is preposterous to think of equal terms and enjoyment by many persons under the market where purchasing power is a determinant. Concurrently, Jongbloed (2004: 1-5) argues that mechanisms for public funding contain important incentives to achieve higher education three goals: quality, efficiency, and equity of access. Surprisingly, Bergan agrees with Jongbloed when he asserts "..it is equally clear that public authorities can not reasonably

[62] In order to suit his own perspective irrationally.

run away from an obligation to provide substantial funding" (p.20) and "student support is intimately linked to the public responsibility for making higher education accessible to wider groups and more individuals" (p.21). The two statements corrode fundamentals of his antecedents.

Public good theory has two major assumptions. First, provision and allocation of public goods and services in a free market is not efficient. This is contributed by individuals who pursue their own self-interests resulting into market failure. For example, in situations where resources are scarce, absence of control to abuse of monopoly power, market fail to meet the need for public goods (e.g. education and health), information is inadequate or incomplete, markets are unstable, and income gap among earners is wide. Bhalla (2001: 24) states that market failure is generally known to occur when resource allocation is not optimal and a change would improve the welfare of all consumers without making anyone worse-off. Nevertheless, market failure is typically attributed to market power[63], imperfect information, externalities[64], and public goods (Link and Scott, 2011: 4; Caplan, 2006: 184). Externalities occur when one person's actions affect another person's well-being and the relevant costs and benefits are not reflected in market prices (Cowen, 2009). There are two categories of externalities. These include: positive (e.g. research and development) and negative (e.g. air pollution) externalities.

According to Caplan (2006) positive externalities are benefits that are infeasible to charge to provide while negative externalities are costs that are infeasible to charge to not provide. He went further to argue that externalities undermine individual selfishness whereby if selfish consumers do not have to pay producers for benefits; and if selfish producers are not paid, they will not produce; and thus, a valuable product fails to appear. From the above discussion, free markets neither handle externalities nor provide public goods efficiently. Linking to this is the economic principle of human society. Andersen and Lindsnaes (2007:31) replicate an argument as follow:

[63] Market power refers to the ability of a firm to alter the market price of a good or service. Winston (2006: 13) says competition under these conditions could therefore result in industrywide bankruptcy or a monopoly survivor. And thus unregulated monopolist is likely to extract consumer surplus at the expense of total welfare.
[64] Tullock (2005:1) defines externality as something which occurs as a sort of byproduct of any action. For example, if I mow my lawn, the noise may annoy my neighbor. In other words, externality is a cost or benefit passes on from one individual to another without imposing prices. There are two kinds of externalities. These are positive (often associated with free rider problem) and negative (e.g. air pollution or war) externalities.

> "If the individual is to spend his money for private and public uses so that his satisfaction is maximized, he will obviously pay nothing whatsoever for public purposes…of course, if everyone were to do the same, the state will soon cease to function. The utility and marginal utility of public services (Mazzola's public goods) for the individual thus depend in the highest degree on how much the others contribute, but hardly on how much he himself contributes…Equality between the marginal utility of public goods and their price cannot, therefore, be established by the single individual, but must be secured by consultation between him and all other individuals or their delegates."

This is where public good theory comes in with an alternative. Gazier and Touffut (2006: 1) are more concerned with the adjectival '*public*' as it suggests universal accessibility and some level of state involvement. The theory sees a direct liason between accessibility and state involvement in provision of public goods. It recommends government intervention in the provision and allocation of goods and services, specifically, goods which we all have common interest. In other words, it is allocation of goods and services that portray public interest. Without hitting around the bush, higher education is one of goods of highly public interest. Its provision requires government intervention. Government intervention may be seen in other ways like formulation of public policy. An example of such policies may be economic regulations by setting efficient prices, and/or prevent other firms from entering the market (Winston, 2006:13). These regulations are capable of controlling externalities. Other policies include tax and financing policies. It is therefore, justifiable for government to intervene when market fails to efficiently allocate services. The expression that government is capable of providing public goods is summarized by first economist Paul A. Samuelson in "*the Pure Theory of Public Expenditure*" when the state is said to have an extensive and well-tuned government machinery at its disposal and public goods are tax-financed; state is able to predict which goods its citizens wish to consume so as to be produced in the amounts planned by state; and goods can be distributed to benefit all citizens[65].

The second assumption is very important. It primarily questions the ability of the market to allocate goods and services equitably. It presupposes that only the government has ability to allocate services and redistribute equitably. Samuelson (1954: 356) argues that goods

[65] Andersen, Erik Andre and Lindsnaes, Birgit (2007: 30) 'Public Goods: Concepts, Definition, and Method' Andersen, Erik Andre and Lindsnaes, Birgit (eds.), Towards New Global Strategies: Public Goods and Human Rights, Leiden and Boston: Martinus Nijhoff Publishers.

produced by the market (private goods) have an element of variability in the benefit that can go to one citizen at the expense of other citizens. It is highly suggestive that the poor who can not compete in market transactions are vulnerable. Notwithstanding the fact that "markets in developing countries may either not exist or when they do they may be incomplete and highly imperfect. In such situations, the market outcomes in terms of efficiency and equity may not be socially desirable. The government is assumed to step in to promote social welfare" (Bhalla, 2001:25)[66]. In fact, all arguments provided in defense of government role to service production and allocation has considerations that government is capable of ensuring accessibility, equity and affordability of services. Garrett (1992) expounds this justification as follow:

> "The public goods justification for state, so impressive to economists and political scientists, goes roughly like this. While a market system may allow self-interested individuals to create and allocate many goods optimally, there exists a class of goods collective or public goods that are not produced adequately in a market system. These collective goods are goods that all individuals want but for whose production it is often not individually rationally rational for people voluntarily to do their part to secure a collectively rational income. The state can step in and force us all to contribute toward the production of these goods, and we can all thereby be made better-off."

Garrett's submission not only justifies the role of government but also demonstrates how the government is capable of ensuring access and affordability of public goods. Public financing is one strategy to make public goods available and accessible to all citizens. Provision of subsidies and tax exemptions is another strategy. Centralized economies and egalitarianism justifies public financing. For example, both Tanzania and Kenya had one time admitted and followed centralized economies and/or egalitarianism. Mkapa[67] (1999:15) remarks "egalitarianism is the basic reason for the monopoly of the provision and financing of education in Tanzania." Centralized economies validated the role and ability of governments to maintain equitable access in the society. For instance, Galabawa (1994: 36) writes it is a belief vested to a government which can provide equal access to educational and social opportunities, social equity, citizen consciousness, and common values. He went further to say provision of education is a national concern. This argument bears a strong feeling that a

[66] See his book, "*Market or Government Failures? An Asian Perspective*" published by Palgrave Macmillan.
[67] The President of Tanzania of the third regime: 1995 – 2005.

service or good of national concern (public interest) must not be left to the market instead governments have the capability to ensure availability, accessibility and affordability.

Higher education as public good should be accessible to every able individual in the society. To comment on this, Garett (2007: 104) while making a distinction between national public good and global public good based on financing and burden sharing, he says national public goods are typically financed out of general tax revenues (the public purse). It has been provided and funded by governments since then. Omari (1999) in his book, "*Higher Education at Crossroads in Africa*", signifies that traditionally higher education is to a large extent funded by the state in all countries of the world, and that about an average of 85% of the fund is provided in the US and Europe (not UK). To expand the justification for the role of government and issues of access, Lumumba-Kasongo (2000) has gone far to relate public good and democratization of education where collective well-being is highly connected to political participation and collective goods. Kent (1997:181) simplifies that public goods requires that an individual has a place in society, a basis for belongingness, for self-esteem and self-support. Arguably, an individual would not have sense of belongingness if s/he is denied access to services of high priority like education, and thus, participation in socio-economic activities is likely to cease. The centrality role of governments in accentuating equitable access to higher education has never been underestimated among commentators, societies, activists, and international organizations. UNESCO (2009)[68] puts an emphasis that governments should implement policies portraying equity of access.

There are various degrees of arrangements (forms) where governments fund higher education in order to ensure equity of access. They range from bearing total costs of education to partial assistance (especially in the era of commercialization). One would argue partial assistance should not in any way overhaul the prime role of government in securing public goods. Public funding include: centralized system, performance based system, market-oriented system, and voucher system. Centralized system is a line-budget approach whereby institutional budget is

[68] UNESCO (2009) states clearly that higher education as a public good is the responsibility of all stakeholders, especially governments. Governments and institutions must encourage women's access, participation and success at all levels of education. Higher education must purse the goals of equity, relevance and quality simultaneously. However, equity refers to successful participation while ensuring student welfare. This include appropriate financial and educational support to those from poor and marginalized communities.

subdivided into expenditure categories (line items)[69]. According to Jongbloed (2004) these line items are determined by referring to unit cost or capacity, for example, funded number of students. It thus means, the government specifies the exact number (quota) of students to be enrolled and funded (input based). This practice was also done in Kenya. Nyaigotti-chacha (2002: 138) asserts that for a number of years after independence, governments financed the cost of education of all students who joined public universities. However, the numbers were fewer and demands made on its finances were manageable. This system is also based on previous budgets. Jongbloed (2009) provides an experience of Germany where the system is based on a rolling-on of the previous year's budget with possible modifications due to inflation. If changes are made in policy or institutional strategy imposing an increase on budget; negotiations have to be made between higher education institutions and the ministry of education. Negotiated allocations may be accommodated to other funding mechanisms in order to address equity and wide participation[70]. For example, Austria, Romania, and UK apply this combinatorial. Again, purpose specific funding is linked to centralized system as it is based on expenditure categories.

In most cases, centralized planning embeds three mechanisms of public financing (input based, negotiated funding, and purpose specific). Colgan (1994) validates a substantial funding through centralized system by governments before commercialization of higher education. He provides various examples to include Australia, where higher education appropriated about 90% of its revenue from the government and about 90% of French universities' revenues were from the public. Even after commercialization of higher education most governments are involved highly in financing higher education in others forms like loans to students, grants/scholarships, and work-study programs. Jongbloed (2009:4) concludes that in Europe governments remain primary funding source for higher education institution. Recently, Eurydice (2011:37) confirms a substantial funding by governments in Europe, 70% or more of public funding is distributed. It may be argued, centralized system of funding is as good as it diversifies access to the majority poor students in both developed and developing countries. For example, the German-speaking community of Belgium, Ireland, Italy and Cyprus apply this approach of funding at 100% while Hungary displays 91%. Performance-based system is a more recent approach to fund universities.

[69] Jongbloed, Ben (CHEPS 2009:9) Higher Education Funding Systems: An Overview Covering Five European Jurisdictions and the Canadian Province of Ontario, Center for Higher Education Policy Studies: Netherlands.
[70] Eurydice, 2011.

Usually, a formula is applied to determine a successful institution in terms of the number of students passing exams (Frolich, *et al*. 2010: 10). However, the system depends on the number of credits. Different countries apply in various ways. Colgan (1994) says Denmark applies performance-based as a ‘taximeter model[71]’. Sweden applies the system as a mix of enrollment numbers and credits, while in the Netherlands, a mix of the first year (freshmen) and the number of masters degrees conferred determines the funds allocated to universities (Jongbloed, 2004). This system is very problematic when applied to financing students’ education costs. There are variations in performance of an institution from year to year. When performance drops it consequently affects a share of grant from the government and students who depend for assistance from the government are affected greatly. Moreover, Jongbloed (2009: 11) asserts in the context of a fixed and constrained state budget, the consequences of this model were that the increased number of students within a fixed budget led to each university to receiving less money per student (i.e. reduction in price). The other problem lies in the fact that universities do not control education production and that research is always an inherently risky gamble[72].

Market-oriented system of public funding[73] refers to demand and supply mechanisms of market where higher education institutions are invited to submit tenders for a given supply of graduates or research activities, the most competitive of which are selected for funding (Frolich, *et al*. 2010: 10). Competition and a use of contracts are the prominent features of this funding system. A winning institution after stiff competition has to sign a contract so as to ensure quality of products. This system of funding is very common in developed countries. The poor developing countries have no vigor or zeal to seek tenders regionally or internationally. However, several research tenders are brought to higher education institutions. Voucher system is a demand-driven and input-based through clients or students. Its application is wide and yields desirable products. Voucher is a sort of coupon with a prescribed purchasing power over a specified service (Blaug, 1967). Jongbloed and Koelman (2000: 5) describe voucher system as representing a large degree of demand-side financing

[71] Holm-Nielsen (2013: 1) provides an example of Aarhus University (Denmark) where only 25% of the total income comes from the study taximeter (state financed tuition fees) and 75% is independent of student yearly enrollment (which guarantees more financial stability).
[72] Salerno, Carlo (CHEPS, XXIII) Obstacles and Opportunities: Financing Europe’s more unified Higher Education Area, University of Twente, Netherlands: Center for Higher Education Studies.
[73] Public funding and public financing are used interchangeably in this study.

where a student (or prospective student) receives a bundle of vouchers. While, Jongbloed (2004) explains under this system each student is given a limited number of vouchers, representing the value of which can be used up in a flexible way. Arguably, access to both public and private universities by poor students is accentuated. Above all, consumers (students) have the power to decide on an institution and/or program of their choice. This is the essence of democratization of higher education. Interestingly, unlike other forms/systems of public funding, this one may be combined with other variants ways to assist needy students (course fees and loans) and still maintain wider choice of the consumer (poor). For example, vouchers may be applied parallel with grant and loan systems. This combinatorial system is very common in developed countries than in developing countries. It is found that both grant/scholarships and loans are applied to increase poor's participation in higher education. In Kenya and Tanzania, students receive loans and/or grants/bursaries. Voucher system *per se* is not very much common. Jongbloed and Koelman (2000: 5) verify that practical experiences are very rare. Recently, there are some evidences of voucher applications in the US.

Like any other theories, public good theory is never 100% perfect in terms of applications. There are a number of limitations. Free-rider problem and the prisoners' dilemma are major challenges for a practical and successful public good theory in societies. Free-rider was firstly recognized by David Hume (Stroup, 2000: 485). It refers to an access to services and goods without incurring any cost whatsoever. The costs of producing public goods are borne in on the people through taxation. It is thus, a problem where an individual accesses public goods but hardly pays tax (escaping from paying taxes/tax evasion) or pays little. In addition, Pasour (1981: 453) asserts that the individual motivated by self-interest has an economic incentive to free ride at the expense of others. It suggests that an individual capable of paying taxes may evade fostering his/her personal interests. The situation becomes worse in absence of laws, justice, and morals. Arguably, corrupt governments can hardly handle the problem of free ride. Consequently, it leads to a situation where the government under-produce and/or under-provide services and goods of public interest due to inadequate tax revenues. Likewise, a government governed by rule of law and promotes justice and morals in the society is, to a greater extent, capable of minimizing the problem of free riding. Prisoners' dilemma is an exemplar of free riding. It analyzes how individuals may not be willing to cooperate (e.g. pay tax) due to their selfish interests. This to some extent proves the failure of governments to collect taxes.

However, Stroup (2000: 486) in his article, "*Free Riders and Collective Action Revisited*", argues that the problem of free riding seems to this day to be almost entirely in the context of market failure. He was trying to make a link between the role of government in regulating the market and public policy making. Public policy involves interested parties including businessmen/women. Therefore, rent-seeking tendencies obscure most governments from collecting just and appropriate taxes among others. Just taxation refers to the one which accommodates economic equilibrium; and thus, both rich and poor citizens have to participate in paying taxes for public consumption (Lindhal, 1919). In addition, Beamer (1999:23) says every citizen should enjoy a positive difference between a public good provide and taxes paid for. But, higher income citizens should pay more for certain goods than should lower-income citizens because they stand to loose more if the good is not provided.

Rent-seeking[74] is most common in market operations. It is claimed that bureaucrats accept bribe[75] to legitimize benefits to clients by using their discretionary powers conferred to them legally. For example, tax authorites take bribes in order to waive the tax burden of taxpayers. This may be done illegally or legally through tax exemptions. This problem is more severe in developing economies like Africa. The other weakness of public good theory follows like this. While it strongly emphasizes the role of government to ensure provision of public goods, it is silent on the part of weak states (in terms of policy making, political instability, government failure, etc) where governments cannot ensure provision of such goods. Regardless of limitations public goods theory portrays, higher education has not ceased to be a public good and thus, requires governments' attention. Vally (2007:25) in his article, "*Higher Education in South Africa: Market Mill or Public Good*?" calls academics to lead the defense for higher education as a public good and an autonomous sphere of critical democratic citizenry, and

[74] In public choice theory, rent-seeking is an attempt to obtain economic rent by manipulating the social or political environment in which economic activities occur. In simple terms, it is spending resources in order to gain by increasing one's share of existing wealth, instead of trying to create wealth. In many market driven economies much competition for rent is legal regardless of purported harm it may do to an economy (Krueger, 1974). Mbaku (1998) points out some rent-seeking behaviour in developing countries to include bribery, corruption, smuggling and black market deals. For a precision, Cooksey (2011: 3) in his work, "*Public Goods, Rents and Business in Tanzania*", defines rent-seeking narrowly as the subversion of state policy-making and regulatory functions to particularistic, mostly, business, interests. Non-state actors seek rents by attempting, at the extreme, to 'capture' the state or, more frequently, to influence state actors through bribery and rent-sharing.

[75] Bribe refers to persuading conducts that act in favour of someone. There two different forms of bribe such as concrete some of money or inducements. There are several names applied in this regard. These include: corruption, graft, boodle, payola, payoff, subornation, nobble, and sop.

resist commercial and corporate values to shape the purpose and mission of our institutions. His call for a defense not only signifies the critical role of higher education but also emphasizes the prime role of government to provide higher education. The provision of higher education may be in various strategies described above so as to ensure accessibility and availability of the good. Similarly, Gazier and Touffut (2006:1) skyline the point that public goods must be produced in sufficient quantities, yet the traditional mechanisms of private enterprise do not work.

2.2.2 Neo-Liberal Political Economy Approach

Neo-liberal political economy approach refers to the political economy of the neo-liberalism. While political economy simpy refers to the relationship between politics and economy; there are various meanings of the term neo-liberalism. This study does not delve into those meanings of the term rather provide a definition suitable for the demands of the study. To start with, what is liberalism? Ryan (1993; 2012) defines liberalism as a set of political theories which emphasizes at least four major things;- (a) individuals ought to be free to choose between different meaningful options in life-defining decisions; (b) society ought to be subjected to the rule of law and to democratic governance; (c) state power ought to be exercised with caution and within constitutional limits, for instance within a system based on the separation of powers, as suggested by earlier liberals such as Locke and Montesqueiu; and (d) market ought to be an institution efficient to distribution of resources. Simons, *et al*. (2008:2; 2011) define economic liberalism to mean policies that reduce government constraints on economic behavior and thereby promote economic exchange (marketization) and political liberalization to refer to policies that reduce government constraints on political behavior, promote free political exchange, and establish rights to political participation: (democratization). Galston (1991) contends that liberalism is understood as a commitment to a distinctive conception of human good and social justice. According to these views, liberalism may simply refer to liberty, democracy and human rights, limited government and the power of market.

The four aspects of liberalism are viewed through the interrelationship between politics and economy (and consequently the society). Liberalism therefore focuses on how power and resources are distributed in the society for sustainable prosperity and well-being (Mosco, 2009; DFID, 2009; Gills, 2001). This interrelationship is traced back to the origins of state.

Different theories, such as '*Natural Theory*', '*Divine Theory*', and '*Social Contract Theory*', explained the relationship between politics and economy in such a way that the state assumed prodigious powers over the market. These powers were conferred naturally, divinely, or contractually. At this point state was sovereign and had control over people and their properties. The emerging economic order in the 17^{th} century started to challenge the powers of the state (Pijl, 2009; Nurmi, 2006; Gide, 1902). The debate started by advocating freedom of an individual in opposition to state control. Thinkers of this particular time are classified as classical liberalism (Thorsen, 2011; Clarke, 2005). Notwithstanding, liberalism is split into two main groups, such as classical liberalism – e.g. Adam Smith, Alexis de Tocueville, and Friedrich von Hayek – and neo-(modern) liberalism – e.g. John Stuart Mill, L. T. Hobhouse, and John Rawls (Ryan, 1993: 362, 364). According to Vanberg (2013: 1) liberalism within the classical liberal tradition share common core;- (a) the emphasis on individual liberty as foundational principle of desirable social order; and (b) a prima facie preferences for markets as institutional arrangements within which voluntary contracts are the principal means by which individuals coordinate their activities. For example, Adam Smith (1776:651) in his famous book, "*The Wealth of Nations*", expresses that 'every man, as long as he does not violate the laws of justice, is left perfectly free to pursue his own interest in his own way, and to bring both his industry and capital into competition with those of any other man, or in order of men'. This expression conveys three messages. One, human being has freedom to pursue his/her interests. To smith, private interests through competition and greater freedom have incentives to morally reproachable behavior in which the ultimately anticipated social outcome are produced.

Hegel (1896) in his book, "*Philosophy of Right*", not only propagates for free markets as ethical[76] institutions of economic order but also incorporates the concept of morality as key in economic order. He says 'morality is self-determination'. To expand this Ver Eecke (2008:46) explains that morality is a commitment by the individual himself, and thus it is a higher form of freedom than the freedom embodied in property rights because property rights require an external enforcement. Ver Eecke's emphasis follows Hegel's argument; economic order (free market) educates individuals on the principle of subjectivity so that individuals follow their

[76] 'Ethic' refers to a theory of the good and bad, right and wrong. Ethics are generally understood in utilitarianism. Utilitarianism is a doctrine that in its standard nineteenth-century formulation, directs us to produce "greatest happiness". In its most useful modern reformulation, it is "the moral theory that judges rhe goodness of outcomes – and therefore the rightness of actions insofar as they affect outcomes – by the degree to which they secure the greatest benefit to all concerned" (Goodin, 1995: 3). To Hegel, therefore, markets are capable of producing greatest happiness in terms of quality, quantity and efficient products.

own interests. Two, markets should be left free to operate in a competitive way. The suggestion is that markets can do better in achieving efficiency, effectiveness, and quality when not interfered, especially by state controls. Caplan (2006: 185) puts that “free market is ever optimal. It is optimal from a standpoint of free, voluntary actions of all participants and in satisfying the freely expressed needs of the consumer. The government interference will necessarily and always move away from such optimum”. In other words, Hegel (1896) explains that free market is more capable, than a command economy. Generally, classical liberalism fully supports free market/trade and competition. Munck (2005: 65) recounts the economic order created by the market is deemed superior in terms of efficiency and equity compared to any deliberate or engineered form of societal organization.

Three, there must be laws of justice to observe any violations by individuals and/or private firms/corporate. It concerns the role of government. Classical liberalism limits the role of government to security purposes. For instance, Wayland (1837: 391) admits, security of persons, property, and reputation is absolutely essential both to individual happiness and individual accumulation. Classical liberalism presupposes a separation between state and market in functioning. It opposes vehemently control of state in all aspects of life including economy. Friedman (1962: 55) make it clear, “the role of the state was no longer to restrict and to tax trade, but to use all its powers to extend the freedom of trade within and beyond its national boundaries”. In addition, Wayland (1837: 391-392) expounds limitation of state power. He was against government regulation of money and belived that government has no right to prevent the exportation or importation of specie, to alter the value of money, or to fix the relative value between the precious metals. He went further saying legislature has no authority to protect business (banks) against the consequencies of their own misconduct. Banks should be obliged to redeem their bills in specie, but otherwise not to be subjected to legislative interference. Therefore, the role of state in a free-market economy includes national defense, an impartial system of laws, and a set of public works and institutions (Bellinger, 2007: 118). Generally, classical liberalism differs from neo-liberalism in some aspects but they share fundamental assumptions on supremacy of free market. In other words, classical liberalism is a foundation of neo-liberalism. For example, Clarke (2005: 56) says the fundamental assumptions underpinning neo-liberalism remain those proposed by Adam Smith.

Thorsen (2011) defines neo-liberalism as a new ‘paradigm’ for economic theory and policy making. In that sense, it is a political program or ideology whose goals include most prominently the diffusion, deepening and preservation of constitutional democracy, limited government, individual liberty, and those basic human and civil rights which are instrumental to any decent human existance. This definition highlights two fundamentals similar to classical liberalism. These include;- (a) individual liberty; and (b) competitive markets. On individual liberty, neo-liberalism proponents are in agreement with classical liberalism. For example, Mill (1848) in his main article, “*Principles of Political Economy*” stands firmly for individual liberty against powers of state. His theory of liberty advocates a number of human rights such as freedom of speech, right to own property, and others. Liberty as social justice, John Rawls (1921 - 2002) in his work, “*Theory of Justice*” puts an emphasis on morality and fairness. Justice to him is fairness; two principles of justice are derived. First, the principle of equality establishes equal basic liberties (such as freedoms and fundamental rights) for all citizens. Second, the principle of distributive justice guarantees liberties (to all citizens) through a fair distribution of opportunities. On the other hand, a competitive market is the general argument among liberalism frameworks. Friedman (1962: 55) states that neo-liberalism rests on the elementary proposition that both parties to an economic transaction benefit from it, provided the transaction is bilaterally voluntary and informed. His argument points at free markets both national and international levels. This proposition leads to involve states around the globe. It therefore suggests free markets lead to competition hence efficiency.

Accordingly, Munck (2005: 66) states that market symbolizes rationality in terms of an efficient distribution of resources; and government intervention, on the other hand is deemed desirable because it transgresses that rationality and conspires against both efficiency and liberty. Munck provides one crucial aspect which differentiates neo-liberalism from classical liberalism. This is the aspect of government intervention in market operations. Neo-liberalism believes government intervention is necessary in the functioning of the market in order to achieve efficiency. It raises two important questions;- (a) why neo-liberalism belives government intervention is desirable; something which classical liberalism denied vehemently? (b) in what ways should government intervene market operations? The response to the first question rests on the concept of market failure. UNIDO (2008: 7) puts that “the market is a powerful mechanism of coordination and social assignment. But there are some situations where it cannot operate well causing social inefficiencies leading to market failure and externalities." For example, market failure appears if any of the following occurs. They include;- time-inconsistent preferences, information asymmetries, non-competitive markets, principal-agent problem and public goods. However, Stiglitz (2004: 20) once remarked, information asymmetry has impact to the government in regulation and taxation. In such circumstances, the intervention of state is required. Again, Fisk (2000: 45) in his chapter, "*The Battle for Public Goods*" argues that the theory and practice of neo-liberalism has been to attack public goods, notwithstanding the fact that justice is realized by establishing and maintaining public goods.

How the government intervenes is the second question to be responded to. The most effective way of intervention is through government policies. Therefore, the government's intervention is viewed through taxes, subsidies, wage and price controls, and regulations. For example, Mill accepts state intervention based on two grounds. One, based on utilitarian[77] grounds, the government is allowed to impose taxation. Two, legislative interventions are necessary for the purpose of animal welfare. Generally, Palley (2005: 24) concludes that contemporary neo-liberalism emphasizes the efficiency of market competition, the role of individuals in determining economic outcomes, and distortions associated with government intervention and regulation[78]. The acceptance of government intervention to facilitate smooth operation of free markets has gained impetus in the contemporary world. Nevertheless, for neo-liberalism, the market is not only the most efficient way to allocate resources but also the optimum context to achieve human freedom (Friedman, 1962).

The emphasis on free markets and human freedom (liberty) has always been intact. Munck (2005: 64) says the notion of self-regulating market was at the core of classical liberalism and still is today reflected on the discourse of global neo-liberalism which is now referred to globalisation. He went further to explain that the fount and matrix of globalisation has

[77] Utilitarian grounds connote ethical considerations towards political consequences. Goodin (1995: 4) explain these political consequences to be most centrally pronounced in the conduct of public life. They provide a complete political theory, a complete normative guide for conduct of public affairs. Utilitarianism recommends that people's conduct be guided by more indirectly utilitarian mechanisms such as obeying rules of conduct or developing traits of character, themselves chosen on utilitarian bases, rather than trying to apply the utilitarian calculus directly in each instance. Arguably, self-interest inner-felt behavior of individuals is most likely a hindrance towards contributing for public goods depositing impediment to accessing the goods by the majority.

[78] According to Chicago School of Economics – key figures are;- Milton Friedman, George Stigler, Ronald Coase, and Garry Becker.

undoubtedly been the global market – with emphasis on competitiveness at all levels of society and at various scales of human activity. According to Guess (2001: 76) neo-liberalism at global level is concerned with the public/private distinction primarily because of an interest in defending what it calls 'the public sphere' or the 'private realm'[79] not from religious inquisition but from all kinds of intrusion. It is an ideology entrenched to protect private property in the name of liberty. Harpur (2010: 12) attributes to defining globalisation as:

> "a theory of political economic practices that human well-being can best be advanced by liberating individual entrepreneurial freedoms and skills within an institutional framework characterized by a strong private property rights, free markets, and free trade. The role of state is to create and preserve an institutional framework appropriate to such practices. The state has to guarantee, for example, the quality and integrity of money. It must also set up those military, defense, police, and legal structures and functions required to secure private property rights and to guarantee, by force if need be, the proper functioning of markets. Furthermore, if markets do not exist (in areas such as land, water, education, health care, social security, or environmental pollution) then they must be created, by state action if necessary. But beyond these tasks the state should not venture."

Adduced to, neo-liberalism is inseparable from globalisation (Saad-Filho and Johnston, 2005: 1). At a glance, the market has growned bigger at the expense of the minimal state. Goods and services have been privatized and thus financed privately. As a result, neo-liberalism converts the citizen into a consumer; the complex and empowering vision of citizenship in its classical presentation was reduced; and political notion of citizenship become banalised (Munck, 2005: 65). The query is how can market ensure equity of access to goods and services? With a particular focus on higher education, it is argued, the role it is supposed to play in the society is highly obscured. Commentators argue that free markets in higher education have greater repacursion on equity of access and consequently societal development. Massy (2004: 13, 24) in his chapter titled, "*Markets in Higher Education: Do They Promote Internal Efficiency?*" remarks, in today's environment at least; market forces themselves do not produce satisfactory results. Infact, a close look at the specifics of higher education leads one to conclude that pure market solutions do not fully serve the public interest. For example, Bergan (2005: 16) emphasizes that public authorities have some kind of responsibility in

[79] Pitkin and Shumer in Pasque (2010: 15) understands public realm to mean freedom, the opportunity for action, individuality, the pursuit of glory, and relations of mutuality among peers. The private, household realm was only a means to public life. It meant necessary, production to satisfy bodily needs, shame, and absence of individuation, and relations of hierarchical domination.

higher education which should be at the very minimum extend to the make-up of the education system. Minimizing the responsibility of government in higher education affects equity of access to the education and thus creates the society of the haves and have-nots. Generally, Stiglitz (2004: 22) once observes, "… perhaps the most noted were the controversies concerning development strategies, where the *Washington Consensus* policies, based on market fundamentalism with perfect information inappropriate for developed, but particularly inappropriate for developing countries – had prevailed since the early 1980s". Stigliz suggests that privatization policies introduced in 1980s were inappropriate in the developing countries particularly. Because, market fundamentals with perfect information are almost absent in Africa, for instance. This is shown in his earlier article tittled, "*Information and the Change in Paradigm in Economics*" published in year 2002. He says;-

> "models of perfect markets, as badly flawed as they might seen for Europe and America, seemed truly inappropriate for developing countries like Kenya. While many of key assumptions that went into the competition equilibrium model seemed not to fit these countries. However, there are imperfections of information, the absence of markets, and pervasiveness and persistence of seemingly dysfunctional institutions such as sharecropping. Massive unemployment characterize African cities; unemployment that cannot be explained either by unions or minimum wage laws (which, even when they exist, are regularly circumvented) p. 460."

Deducing from Stiglitz's observation, in Africa only a few will have access to goods and services under market models due to imperfections of information. For example, Massy (2004: 14) says "higher education markets decentralize decision making on both demand and supply side of the provider – consumer. Each participant in the market place responds to signals from other participants about the price, quality and availability of goods demanded and on offer". Because of imperfections of information, decision making on both demand and supply side, i.e. provider – consumer become unsound. As a result, there may be underproduction or overproduction of goods (on provision) and poor quality or absence of goods (for consumption).

Marketization[80], commercialization[81], commoditization[82] or privatization[83] of higher education came (20thC) as a response to development in innovation and technology. To be precise, the General Agreement on Trade and Services (GATS) included education in services to be traded in January 2000 (Tilak, 2011: 31)[84]. Commoditization traditionally refers to changes in market conditions and competition leading to previously distinct brands becoming undifferentiated products[85]. The greatest concern is quality, efficiency and effectiveness of services. Competition, arguably, facilitates quality of products. Consumers, as they demand for quality, are a catalyst towards efficiency and effectiveness of goods and services. This leads to consumerism tendencies. In economics, consumerism refers to economic policies placing emphasis on consumption whereas free choice of consumers should dictate the economic structures of society. In other words, consumption of goods and services is through access to the market. Undoubtedly, students become customers and universities suppliers. Within a nation state, to take a citizen as a mere customer takes away his/her political

[80] Duczmal (2006: 63) defines marketization (or liberalization) as the opening up of a market to competitive forces. Marketization may also be referred to private higher education. Private higher education connotes generally privately funded and the institutions are privately owned. In that case, public ownership does not translate automatically to state monopoly or lack of competition; nor private initiative does automatically encompass competition. This means marketization can happen in both public and private institutions. The good pattern of this is the introduction of tuition fee and competitive course programs in both public and private higher education institutions. Jongbloed (2003) defines marketization as policies that are aimed at strengthening student choice and liberalizing markets in oreder to increase quality and variety of services offered by the providers of higher education. Conclusively, marketization is broad to include privatization. Other terms commonly used to refer to marketization are commercialization and commoditification; and to some extent internationalization.

[81] In Bok's perspective, Nixon (2011: 9) utters commercialization refers to a process based on rapid growth of money-making opportunities provided by a more technologically sophisticated, knowledge-based economy whereas, students have been metamorphosed from apprentices to customers and teachers from master craftsmen to merchants.

[82] According to Nixon (2011: 10) commercialization of higher education leads inexorably to commodification. He further says there is agreement among commentators that academic practices with institutions of higher education have come to be valued in terms of their ability to be translated into cash or merchandise and not in other ways, such as aesthetic or recreational pleasure. Therefore, commercialization or commodification is rightly understood in terms of money or value for money.

[83] Duczmal (2006:63) defines privatization as the transfer of the ownership of sets from government to the private sector. It is a process that takes place in public higher education institutions. Similarly, Verghese (2001: 6) defines privatization as the application of private sector or market principles in the operation and management of the institutions of higher education while the ownership rests within the public domain. Duczmal continues, in higher education, however, it is an aspect of the general, historical phenomenon of shifting balance between public and private higher education. The first instance, private institutions are organizations that have private ownership or private founder. Privatization as a shift in the balance of financing, therefore, refers to transfer of financing responsibility from the state to individual students and their families or employers. In higher education, Whitney (2006: 30) in the chapter, "*Lost in Transition: Governing in Time of Privatization*" refers to the shifting of the proportion of public, state-appropriated funds to non-state sources such as student tuition and fees, contracts for services and grants, and gifts as the principal institutional funding sources.

[84] Historically, trade in education include;- goods, services and intellectual property. The WTO Framework allows trade in goods through Genereal Agreement on Trade and Tariffs (GATT) in 1994; the GATS which emerged in 1995, focuses on trade in services and Trade Related Aspects of Intellectual Property Rights (TRIPS) followed in 1996.

[85] Harpur, John (2010) Innovation, Profit and The Common Good in Higher Education: The New Alchemy, UK: Palgrave Macmillan.

participatory rights and duties. The US is the pioneer of commercialization of higher education among others. Historically, the US has put much emphasis on innovation and technology through higher education. She emerged victorious in the WWII and thus became supreme in the advancement of technology.

Following the rapid expansion of economies of East Asia (between 1960s and 1990s), which is referred to ‘Asian Miracle’, technology grew up very fast to the point of threatening supremacy of the US technological advancements. Supportively, Harpur (2010:11) puts clearly that the possible loss of technological supremacy deeply unsettled US policy makers at the time. Apparently, the oil crisis of 1973 increased pressure for change. A number of strategies were sort ranging from abating the role of state to internationalize higher education. Abated role of state went parallel with cutting down public expenditure (even in public goods). For example, in the UK and the US emphasis was laid on reducing the number of employees in the public sector, privatizing public services where possible, and cutting public spending in general – practices quickly unfurl in other states (in both developing and developed countries)[86]. It may be argued thus, the need to abate the role of state in the economy was primarily the US’s; Africa, for example, was caught up in the cobweb of technological supremacy battle (between the West and newly technologies of East Asia) while still in a ‘coma’ in terms of technological advancement. It is irrational if Africa could have willingly chosen to limit role of government in the economy while majority of people are sinking in extreme poverty. But, there was no any other choice since Africa survives, to a greater extent, on international Aid (from the West).

The internationalization of higher education is a strategy with fervor to venture into commercialization for the purpose of getting innovative technological development through brain circulation. The magic of this strategy is the ability to deploy new technologies from all over the world. The US was optimistic to acquiring new technologies from and particularly the East Asian Tigers. For example OECD (2004) reports Asia to have big number (43%) of students studying in the OECD area. Asian students represent almost two-thirds (2/3) i.e. 60% of all foreign students in North America. Specifically, China (including Hong Kong) sends the largest number (10%) of all international students in the OECD while Korea and Japan send

[86] Harpur, *ibid.*

5% and 4% respectively. Generally, more than two-thirds (2/3) i.e. 70% of all Asian students abroad study in three English-speaking destinations: the US, UK and Australia. The immediate consequence of internationalization[87] of higher education is mass access. This is ever demanded by all states in order to realize the role of higher education in the society. Supportively, Harpur (2010: 2) explains that the production of human capital, educated research-savvy graduates, is deemed so crucial to innovation that universities are encouraged to spin off cohorts of entrepreneurs. Therefore, change was necessary if not inevitable. A deployment of technology-supported education[88] is a means to innovation and technological development. All these changes in the way of providing higher education imposed budgetary burdens to states to handle. And thus, a call for private sector to provide and finance in a way deemed desirable.

Duczmal (2006: 35) interprets the emergence of private higher education as a response to an increase in demand for higher education and inability of public higher education to accommodate this demand. This is where higher education acquires a new status, i.e. commodity. Yet, it has never ceased to be public good. In the words of Universities Minister David Willetts (2012) in the Warwick Higher Education Summit, that "these new funding changes do not mean that the government ceases to recognize the public value of the sector, nor that it ceases to make significant funding available to higher education"; is beyond doubt justifying higher education as a public good. In fact knowledge as an outcome is nonrivalous. Firms investing in the production of public knowledge find themselves not being the sole private beneficiaries[89]. In other words, knowledge is a pure public good. But, higher education as a commodity has to be sold and purchased under demand-supply mechanisms. Arguably, any private provision before this era was not purely business. It was heavily subsidized by governments and students who studied into private universities were also accessing grants/scholarships and other means of assistance. For example, Duczmal (2006: 64) argues in

[87] OECD (2004) stipulates that higher education has become increasingly international in the past decade as more and more students choose to study abroad, enroll in foreign educational programmes and institutions in their home country, or simply use the internet to take courses at colleges or universities in other countries. It has been noted that the number of foreign students in OECD countries has doubled over the past 20 years to 1.6 million. For instance, in 2001 the US alone accounted for a big share of 30% of foreign enrollments and the four leading English-speaking countries account for 54% of all foreign students in the OECD area. Other examples of internationalization are witnessed through internet-based and satellite-linked distance education as the case may be to the introduction of Open, Distance and e-Learning (ODeL) programmes and universities world-wide such as the African Virtual University (AVU).

[88] According to Harpur (2010: 3) these include: computer-mediated learning, digital classrooms, e-learning, and technological-enabled educational courseware for distance learning.

[89] Harpur, *ibid*.

1999 that higher education provider is private if it is responsible for its own funding, no matter what the sources are. For this reason he is tempted to inspect that private universities founded in the Netherlands and Belgium were not “private” because state regulations allowed them to receive direct state funding. Additionally, he stresses, in page 36, that usually government fully incorporates private institutions into higher education system in terms of state subsidies, state scholarships for students, safeguarding quality, and gathering and disseminating information about private institutions. A more detailed discussion has already been provided in previous sections.

The two features of commercialized higher education; which are private provision and private financing are what matters the most under this study. The critical queries are: how can private sector provide public goods? and how can private provision maintain equity of access, affordability, and availability of higher education? with a review of various models to financing higher education under private provision, it might be easier to respond to such questions. Under certain conditions, private sector can provide public good. Neo-liberalism prescribes a number of government interventions to make the market work. Ringe (2009: 12) in her work, “*Tuition Fees and Equal Access to Higher Education in Germany and the EU: An Analysis from a Law and Economics Perspective*”, argues that market failure creates barriers to access higher education and makes tuition fees without additional financial support by the government for students from weak financial backgrounds inequitable. The purpose for government intervention is to ensure accessibility, affordability and availability. In this respect, government has two ways of intervention. First, it is through financing. In cases where government cannot provide public goods by itself, private providers are invited to provide such goods while financed by the government. In the previous section, various mechanisms through which government finances public goods (including higher education) were discussed into detail. Some of mechanisms are suitable to financing higher education which is provided by private sector (so as to observe equitable access).

The second way of intervention involves policy making. Government formulates policies which incorporates aspects of equity, availability and affordability. For example, accreditation of universities should reflect regional disparities in order to ensure equal distribution of providers of public goods. This is to say, private providers should be encouraged to establish universities country-wise and not only in urban areas where consumers may be found in huge numbers. The cost of higher education must be accentuated by the government in order to derive affordability of the good. This is a challenge to most developing countries where the unit cost of education is not actualized. The government also formulates tax policies where private providers may have tax exemptions and/or subsidies. The greatest challenge to almost all countries has been what is the best way to make private provision of public goods viable? Woodhall (2003a) comments that challenges facing higher education in developing countries and industrial are persistent inequalities of access and outcomes, problems of quality and relevance. This leads to two implications;- (a) implicitly, private provision has led to persistent inequalities of access and outcomes, problems of quality and relevance; and (b) increased private financing of the public good has affected equity of access in higher education. Accordingly, Douglass (2009) expresses that, "without question, financial assistance is key to expanding access to new populations. Research is still inconclusive on the most effective way to amerliorate cost as a detrerrent to low-income groups, but the need to address economic barriers to higher education remains critically important".

In neo-liberal perspectives, higher education should be financed privately since higher benefits are accrued by the consumer. For example, Alfred Marshall[90] in Dill and Teixeira (2011: IX) considers education being a source of important benefits to the individual. In addition, Salerno (CHEPS, XXIII) attests that it is inequitable to charge low or no tuition fees because individuals' returns to education exceed those received by society. In that alignment, Article 14(b) of the World Declaration of Higher Education in the 21st Century[91] calls for private financing of higher education based on an argument that benefits from education cut across the whole society. It follows that free higher education is inequitable. In order to solve such inequality cost sharing must be introduced. Circumspectly, Pasque (2010: 18) says "the monetary returns alone, in the form of enhanced earnings of workers and improved technology, are probably sufficient to offset all costs. Yet, over and above the monetary returns are personal development and life enrichment of millions of people, the preservation of cultural heritage, the advancement of knowledge and the arts, a major contribution to

[90] Alfred Marshall (1842 – 1924) was one of the most influential economists of the time. His book, "Principles of Economics, 1890" was the dominant economic textbook in England for many years, accessed from http://www.econlib.org/library/Enc/bios/Marshall.html on 18 March 2013.
[91] World Conference on Higher Education Assembled at UNESCO Headquarters in Paris, from 5 to 9 October 1998.

national prestige and power, and the direct satisfactions derived from college attendance and from living in a society where knowledge and the arts flourish".

To elucidate these words in precision, Pasque is trying to weigh monetary returns as individual benefits and non-monetary benefits that the society obtains from higher education. Contrary to most arguments put forth by commentators in favour of tuition fee, he found out that the societal benefits are much more than what the individual accrues from higher education. However, the non-monetary benefits, so to state, are later convertible to monetary benefits hence national prestige and power. Succinctly, Duczmal (2006: 56) says the benefits[92] to society as a whole (i.e. social benefits) exceed the benefits that accrue to individual recipients of the education. Altogether, Pasque (2010: 9) concludes that educating the private individual will contribute to the public good through increase in economic growth.

Cost sharing may take different forms such as tuition; other user charges; diminution of students' grants/scholarships; and official engagement of private higher education sector[93]. Cost sharing through tuition is the application of fee paid for instruction including room and board. Previously, the cost of instruction, room and board was covered by the government. In the US where higher education is the responsibility of states, fees have been introduced at high rates to 'fill-in' the gap left by federal government. In general, tuition fees are a mechanism designed to substitute state funding as a result of its withdrawal. The introduction of fees, in neo-liberal perspective, has an implication that customers (students and their families) who are also taxpayers will be relieved from paying taxes. To the contrary, in developing countries, Tanzania and Kenya particularly have complex systems of tax. Yet, taxes co-exist parallel with fees on goods and services including higher education. Therefore, after the introduction of cost sharing access to higher education is determined by the ability of

[92] Duczmal (2006: 57) puts an analysis of social and private benefits from higher education. Social benefits include: (a) financial benefits such as greater productivity, national and regional development, reduced reliance on government, financial support, increased consumption, increased potential for transformation towards knowledge-based economy, (b) non-financial benefits such as national building and development of leadership, democratic participation, greater social cohesion, reduction in crime rates, improvement in other levels of education, social mobility; and private benefits include: (i) financial benefits such as higher salaries, employment, higher savings, improved working conditions, personal and professional mobility (ii) improved quality of life of oneself and one's children, more informed decision making, improved social status, increased educational opportunities, healthier lifestyle and higher life expectancy.

[93] Johnstone, Bruce D. (2003: 351-352) Cost Sharing in Higher Education: Tuition, Financial Assistance, and Accessibility in a Comparative Perspective, Sociologicky/Czech Sociological Review, Vol. 39, No. 3, pp. 351-374.

consumers (individuals) to pay tuition fees. This has two consequences. To the poor, access to higher education is restrained due to low purchasing power while to the rich, access is widened through multiple providers and choices. As such, rich fellow may not only choose to study within or outside a country (due to cross-border mobility of students, cross-border international mobility, and internationalization[94]) but also what providers and/or programs to attend (due to cross-border supply, consumption abroad, commercial presence, and movement of natural persons under GATS[95]). In this regard, Wimile (1997) explains that "while the rich can afford private alternatives, the poor are left in the cold". Musoke (1993) adds that "give a rich man less food and he becomes thin, give the poor less food and he dies". These expressive phrases provide two conclusive statements.

First, the rich is more advantaged in terms of access, quality, choice and availability while the poor is stranded in a denial of the right to realize a better future. Second, the poor is detrimentally affected than the rich when subjected to same undesirable conditions of the market. Since most developing countries are populated by the poor then it is equally very difficult to realize the benefits of higher education in the society. In similar attacks to the imposition of tuition fees, Omari (1991:37) is puzzled why user fees are made in developing countries and yet developed countries fully fund their universities and uphold the principle that higher education should be accessible to all applicants who qualify by ability and aspiration irrespective of the ability to pay. With an acknowledgement to the time when this contribution was made, i.e. 1991 many countries were yet to introduce tuition fees. While most African countries introduced cost sharing in 1990s, European countries, with the exception of UK which introduced fees in 1998[96], have introduced tuition fees towards 2007.

However, the Nordic countries are until today substantially funding their universities. For example, other European countries charge very low tuition fees[97]. Again, the Bologna process

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[94] See Tilak, 2011 in his book "*Trade in Higher Education: The Role of the General Agreement on Trade in Services*" UNESCO.

[95] See Tilak, 2011 for more details.

[96] UK (1998) Teaching and Higher education Act 1998, chapter 30, section 26 (the Act to be abbreviated as Act 1998c 30). This came after the main's recommendation of the Dearing Report in 1997 to introduce tuition fees to cover 25% of the cost of a student's degree, averaged over different programmes (Lappin, 2013).

[97] http://www.mastersportal.eu/students/articles/tuition-fees-for-students-in-europe/ accessed on 15 March 2013.

(2010)[98] has positive impact to improving access to higher education in Europe. For instance, EU (European Union) students have the same rights as they move to another EU member state; and thus, tuition fees remain as low as for citizens of such a state. Another interesting aspect about tuition fees in Europe is that some Master and PhD programs are also free of charge access. The state is still financing such programs. For example, in Germany, there are currently no tuition fees. Interestingly, unlike other European countries, there is no distinction made among EU, EEA or internationals for PhD students in terms of tuition policy[99]; in Austria, no tuition fees is charged to EU or EEA except non-EU or EEA pay low fees of about 370€ per semester[100]; in Denmark, university education is free to EU or EEA students and students participating on exchange programme[101]; in France, tuition fees are very affordable (range between 150€ and 550€) and very low tuition fees for Masters and PhD (i.e. 250€, 380€ respectively)[102]; in Italy, tuition fees depend on the university chosen and on the income of the student family, the same applies to EU, EEA or Swiss students[103].

But, UK displays a different version of Europe in terms of tuition policy. Since 1998 tuition fee has been skyrocketing. It applies to all students from within and outside the country. For example, annual tuition fees rose from UK pound 1000 (1998) to 9,000 maximum (starting September 2012) with fees due on entry to university[104]. From all above evidences it is imperative to argue that European states have extensively been considering higher education as an investment to economic development, tuition fees are rather significant to impeding constraint for the poor to access higher education. Based on the impact of tuition fee, it is

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[98] Bologna process started with Sorbonne declaration of 25 May 1998 and finalized in March 2010 with the Budapest-Vienna Declaration. The process aimed at creating European Higher Education Area (EHEA). With the EHEA a number of issues were discussed. One of the issues is financing of higher education. Financing of higher education is fundamental to achieving Europe of knowledge economy. For example, through the Bologna process i.e. Bologna Declaration of 1999; Prague Communique, Berlin Communique, Bergen Communique, and London Communique, strategies to make higher education accessible, available and affordable to a larger Europen society were deliberated promptly and passed.

[99] http://www.mastersportal.eu/articles/358/overview-of-tuition-fees-in-germany.html accessed on 15 March 2013.

[100] http://www.oead.at/index.php?id=140&L=1 accessed on 15 March 2013

[101] http://www.mastersportal.eu/articles/342/studying-in-denmark-overview-of-the-tuition-fees.html on 15 March 2013.

[102] http://www.mastersportal.eu/articles/355/tuition-fees-and-living-costs-in-france.html accessed on 15 March 2013.

[103] http://www.mastersportal.eu/students/articles/tuition-fees-for-students-in-europe/ accessed on 15 March 2013

[104] Institute of Mechanical Engineering, Westminster (2011) Higher Education Tuition Fees, accessed from http://www.imeche.org/Libraries/News/IMechE_PS_Tuition_Fees_v3_2.sflb.ashx on 15 March 2013; Hubble, Sue (2012:1) University Tuition Fees and Student Support Across Europe, House of Commons Library; Prunache, Roxana (n.d) Studying in The UK: Invest in Your Education, accessed from http://www.mastersportal.eu/articles/337/tuition-fees-in-the-uk-invest-in-your-education.html on 15 March 2013.

arguable; neo-liberal framework does not work to democratize access to the majority poor. Galabawa (1994) once comments in clear terms that for years neo-liberal framework of cost sharing had undermined access to education among the poor in Tanzania.

User charges are another version of cost sharing. User charges present the imposition of fees to recover some of the expenses of institutionally provided and formerly heavily subsidized residence (Johnstone, 2002: 8-9). In a similar vein Omari (1991:37) says user fees in developing countries are presented in the ways like cost recovery, cost reduction and in the spirit of relieving the state of the burden of giving quality, affordable and equitable access to education. It must be remembered these costs were covered by the state during free higher education era. Currently, some states provide free of charge university access (based on tuition fee) but charge small amounts of user fees depending on services to be provided. User fees include: administrative fees (application fee, registration fee, ID charges, etc), students contributions (student union fee), medical capitation fee (health insurance), graduation fee, caution money, meal expenses, books and stationery expenses, transport costs, research and field trips expenses, and faculty requirement expenses. Various higher education institutions apply user charges depending on institutional policies. Some of these costs are mandatory and paid to the university at the beginning of studies. The direct costs payable to university are paid once or twice a year. For example, in Europe these charges are mandatory and do vary from one institution to another. All students must pay a sum of 17.50€ in Austria as Austrian Student Union and an Accident Insurance Fee (Österreichische Hochschülerschaft, ÖH) per semester[105]; Semesterbeitrag (semester contribution)[106] is charged in all universities in Germany[107], as such in Baden-Württemberg students must pay 40€-120€, Bayern is 50€, Berlin semesterbeitrag is 266.70€, Hamburg semesterbeitrag is 269€, Bremen semesterbeitrag is 220€, Mecklenburg-Vorpommern semesterbeitrag is 40€-130€; in France health Insurance is free until the age of 20 years, thereafter a student has to pay 200€ per year, in addition, cost of living and books is added[108]; and in UK students do not pay some of user charges because

[105] http://www.oead.at/index.php?id=140&L=1 accessed on 15 March 2013.
[106] This refers to student contribution which includes semesterticket for free public transport for the whole semester. It may be higher in some universities where a student is be able to travel beyond university town (university prescribed by university regulations), and low in universities where students can use public transport only within university town.
[107] http://www.mastersportal.eu/articles/358/overview-of-tuition-fees-in-germany.html accessed on 15 March 2013.
[108] http://www.mastersportal.eu/articles/355/tuition-fees-and-living-costs-in-france.html accessed on 15 March 2013.

they are covered in tuition fee (upfront cost), but they have higher living costs than any state in Europe.

In developing countries such as Tanzania and Kenya, students pay direct costs[109] payable to the university. Some of these costs are ambiguous as they were supposed to be part of tuition fee but others are irrational in some ways. For example, Daystar charges installation fee of Ksh. 2000 (US$ 23)[110]; UoN charges Library fee of Ksh. 2000 (US$ 23). Also, almost all universities (Tanzania and Kenya) charge examination fee and/or graduation fee. It is not known why a student should pay fee for library, examination, and graduation because university study like any other learning process requires guidance (in class through lectures), extensive reading (a library is a clear destination point), and examination to investigate the depth of knowledge a student has acquired from reading. The purpose of tuition fee is to cover the cost of instruction/learning, whereby, library and examinations form a part of learning. Moreover, a student is expected to graduate after a specific time frame (the commonly and internationally known) such as: three (3) years for a first degree (Bachelor); two (2) years for a second degree (Master) and three (3) to five (5) years for a third degree (PhD). It is absurd to impose fees for services which a student must get due in course of his/her studies after paying tuition fees. In addition, there are other user fees which are not directly paid to university. These include: living costs, cost of research and field trips, faculty requirement, and books and stationery. These ones are more expensive and if tampered could affect quality of education so badly.

Cost sharing through diminution of student grants/scholarship and imposition of a loan scheme is another variant. In neo-liberal perspective, grants or scholarships are critically challenged because they constrain government budgets and interfere with market operations.

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[109] These include ID fee, Registration fee, Examination fee, Medical Capitation fee, and Student Union fee (UDSM, 2011/2012 Academic Year); Administrative fees i.e. Examination fee, Student Union, and ID (SAUT, 2012); Medical Fund, Caution fee, Registration fee, Library, Examination fee, ID, Student Union (for most universities in Kenya). The prominent feature of administrative fee or direct cost payable to the university is low in public universities and a little bit higher in private university. For example, UDSM charges TZS 74,000 (equivalent to US$ 46) for ID, Registration, Exam fee, Medical capitation, and Student Union; SAUT charges TZS 113,000 (equivalent to US$ 67) for Exam fee, Student Union, and ID; UoN charges Ksh. 18,000 (equivalent to US$ 211) for Medical fund, Caution fee, Registration fee, Library, and ID, plus exam fee @ Ksh. 1000 (equivalent to US$ 12); Daystar charges Ksh. 29,070 equivalent to US$ 340 (Athi-River Campus) and Ksh. 37,070 equivalent to US$ 434 (Nairobi Campus) for Medical fee, Installment fee, and Transport cost, N.B US$1 equals to Ksh. 85.5 and TZS 1621.50 as at 16 March 2013.

[110] US$1 = Ksh. 85.5 as at 16 March 2013.

With an assumption that greater benefits of higher education are accrued by individuals through employment then providing grants or scholarships to students is highly inefficient. Instead, a loan scheme should be used to mitigate inefficiencies. Loan scheme refers to a system of borrowing a sum of money with the expectation of paying back at interest. The assumption is that the borrower is able to achieve his/her objectives (usually, business) and the lender is going to benefit out of such loan (interest). In higher education, a student (borrower) is expected to acquire a good paying job after graduation so as to be able to repay the loan. The misty circumventing employment opportunity is so acute to ruin graduands' prospects. It is worth noting, the number of loan defaulters[111] grows higher with higher education loans than business loans. More prompting, higher education loans are insecure (risky) while business loans are highly secured. Consequently, financial institutions like banks, credit institutions, etc are never willing to provide loans to students. This is because of market failure. It "arises when lenders in a free capital markets cannot reliably predict the future wage of an individual student which is dependent on labour market, individual's ability for a chosen programme, and efforts put forth to study and work hard. As a result, student loans would be restricted to low risk customers i.e. those who can provide collateral"[112].

Nonetheless, students themselves are reluctant to borrowing from financial institutions partly because of complexities involved during borrowing and repaying[113] or a student is not sure of the outcome after studies. In support of this, Ringe (2009: 66) attests that students are uncertain with regard to the future state of labour market and their chances of getting a well-paid job after finishing their studies. The authenticity of this argument is shown by Hoareau (2013) whereas among 4.4 million graduates, 17% of them are not able to get a job within three years upon graduation on average in Europe. It is argued thus in most cases students would prefer loans provided by governments/states through government loan boards, or contracted companies and/or banks. Some commentators argue that government loans are

[111] A borrower may default loan repayments because of inability to pay or negligence. In most cases, students after graduation default loan repayments because debt is very huge to handle with respect to income sources. For example, Collinge (2009: 4) in his book, "*The Student Loan Scam: The Most Oppressive Debt in US History – and How We can Fight Back*" writes undergraduate borrower leaves the college with more than twenty thousand dollars (20,000) in student loan debt. It is even worse for a graduate whose debt is more than doubled, forty-two thousand dollars (42,000).

[112] Ringe, Dorothea Charlotte (2009: 67) *Tuition Fees and Equal Access to Higher Education in Germany and EU: An Analysis from a law and Economics* Perspective, Unpublished PhD Thesis

[113] For example, the use of loan collection powers conferred by parliament to lenders may complicate borrowers' living standards. Collinge (2009:5) enlists legislative mechanisms imposed in the US to ensure loan collection efficiency. This is the ability to garnishee a borrower's wages, tax returns, social security, and disability income – all without court order.

predicament to economic growth. For example, Gehrke (2013:8) talking of current situation in Europe, argues that loan system is not a good solution because giving loans to people who do not have the capacity of paying back have led to the current financial crisis; thus, student loan system might be the next bubble which will burst and lead to another crisis.

There are three basic types of loans based on the method of repayment. First, Standard Repayment Loan (SRL) or sometimes known as Mortgage Loan (MoL) presents a loan category repaid monthly at a fixed amount for a loan term of ten (10) years[114]. Second, Extended Repayment Loan (ERL) presents a loan repaid monthly at fixed amount but allowing a loan term of twelve (12) to thirty (30) years[115]. The difference between SRL and ERL is on the period through which the loan should be recovered. Third, Graduated-Repayment Loan (GRL) is fundamentally different from the two above. In terms of monthly repayments, GRL tend to start with lower payments and gradually increases after every two (2) years[116] with a loan term of twelve (12) to thirty (30) years. There are three alternatives of GRL such as Income-Contingent Repayment Loan (ICRL), Income-Sensitive Repayment Loan (ISRL), and Income-Based Repayment Loan (IBRL). These alternatives make it easy for students to repay loan based on their income after graduation. The weakness part of these is when a graduand secure no job and earns nothing whatsoever. Most states in developing and developed countries apply income-contingent loan.

ICRL is considered the best solution as far as student loans are concerned because its ability to solve the problem of students' reluctance to borrow by insuring students against low earnings and taking away the risk of default (Ringe, 2009: 68). ICRL refers to the provision of finance or more generally, economic assistance, that is required to be repaid when and only if borrowers experience propitious future circumstances (Chapman, 2006: 27). It guarantees students to borrow without fear of repayments after graduation. Normally, other types of loans require a borrower (student) to repay loan within a specified time, i.e. twelve (12) years or start with low payments and end-up highly due to increments after every two years. In such scenarios there is no consideration of whether a graduate has got a job or not. But again, no consideration in certain cases where a graduate secures a job that is low-paying which would

[114] http://www.finaid.org/loans/repayment.phtml accessed on 16 March 2013.
[115] http://www.finaid.org/loans/repayment.phtml accessed on 16 March 2013.
[116] http://www.finaid.org/loans/repayment.phtml accessed on 16 March 2013.

render into inability/incapacity to repay the loan. Moreover, the government is most likely to collect loan repayments from every borrower (especially after the borrower has acquired a job) if ICRL is applicable. Therefore, a brief discussion of ICRL is imperative. The renowned work ever on ICRL is that of Bruce Chapman (2006) titled, "*Government Management Risk: Income Contingent Loans for Social and Economic Progress*" which discusses extensively and intensively both advantages and disadvantages of ICRL and its wide successful practices.

He provides two major advantages: (a) ICRL gives significant weight to borrowers' capacity to pay. It counteracts persistent reluctance to borrow by students (due to various reasons provided above) as well as the risk to default. For example, the borrower repays loans *only* when s/he has the ability to. That means s/he has a job to earn an income capable of repaying the loan. It thus, reckons situations where a borrower is incapacitated (as a result of accident, sickness, and natural causes, wars, etc), demoted (leading to lower salary), etc. (b) it addresses equity issues in accessing higher education. According to Chapman ICRL is universal and sufficient to support students' tuition and living expenses when administered properly. Unlike other types, this particular one is generally accessible to all admitted students. The problems of means-testing and eligibility are constantly shunned. The disadvantage of ICRL is basically one which spreads volatile with different forms in application. There are three main forms in this respect. These include: risk-pooling & risk-sharing, graduate tax, and human capital contracts. [117]In brief, risk-pooling refers to a fixed total debt for members of cohorts involved in the scheme. It offers in essence an insurance system, but one with premiums adjusted to *ex post* to take into account the repayment experience of others in the borrowing cohort. Risk-sharing obliges borrowers to repay a maximum amount, with extent of the obligation being unrelated to the debt repayments of others. Chapman, further, notes a very different form of ICRL. This is graduate tax whereby graduates agree to repay a proportion of their incomes, say 2 per cent per year, for a given length of time (which could be as long as a lifetime.). Lastly, human capital contracts came as a result of a debate over application of ICRL to private firms.

[117] For extensive reading on ICRL, "*Government Management Risk: Income Contingent Loans for Social and Economic Progress*" authored by Bruce Chapman is recommended.

The gist of the debate is two-sided. One group argues that ICRL should only be applicable to public sector. The reasons behind this view are: (a) the government has necessary information about potential debtors to reach into effective contracts (b) the government has a legal system to allow credible verification of debtor's incomes. The opposing side argues that private involvement could take place with or without a framework of national higher education financing assistance. Therefore, from investor's perspective, the loan resembles a significant investment in the borrower's earning power. In the spirit of recognizing the nature of the lender's investment, arrangements of this type have been called Human Capital Contracts (HCCs) by those interested in privately funded investments in education. It is suggested that efficiency in higher education market would be promoted through availability of information about future earnings. That means students will have informed decision in choosing for loans (between various options such as all standard debt, all HCC funding, or some combination of both). To conclude, all these forms display some degree of debt aversion as a result of market failure (adverse selection and moral hazard[118]). However, Chapman says a number of commentators have focused into the issue and advance that insurance and consumption smoothing are indemnity to the problem.

The official engagement of private higher education is a true feature of commercialization of higher education. Both, provision and financing of higher education is assumed by private sector. Individuals, companies, non-governmental organizations, and faith-based organization are allured to providing and financing education. The establishment of private universities signifies this fact. At this point, government distances itself from provision of public goods such as higher education and maladroitly, engages into vending such goods in a number of ways[119]. Private universities depend heavily on tuition fee and other user charges to provide quality higher education (Verghese, 2004[120]; Duczmal, 2006). The problem with this phenomenon is manifold. First, tuition fee is high. It is set to be high in order to manage the

[118] Adverse selection and moral hazard occur due to asymmetry of information about the future earnings. For example, a borrower may have a very good impression of job opportunities and thus become too optimistic to value his/her degree in higher amounts, yet after graduation things turn up differently. It happens so many times to professions like law, engineering, medical, accountancy, financial management, etc which seems to be highly paid. The thrust of the argument is that the real value of degrees attained is in most cases unknown, and this information is vital during borrowing.

[119] The most common ones are introduction of private students or self-sponsored students and business-like programmes.

[120] For example, Daystar University in Kenya depends on tuition at 95% of total revenues. However, some private universities get a part of their resources from voluntary contributions, supplies in terms of equipment, income-generating activities, and those affiliated to churches get substantial support from their religious organizations.

running costs of the university and acquire profit. The ultimate objective of market operations is profit making (through market efficiency and competition) and so is for private higher institution. The high tuition fee has ever had impact on access to university by student from low-income families. In other words, high tuition fee limits students from poor background to access higher education. Second is poor collection of revenues[121] i.e. tuition fee and other user charges. Higher tuition fee forces private universities to accept payments into installments. This practice is associated with payment delays and/or insufficient revenue sources. Arguably, private universities are never going to be efficient due to unsustainable revenues. For example, Panaretos (2013: 6) provides that tuition fees in Japan are extremely high and thus deteriorates quality.

Third, private higher education is not competitive. This is due to the fact that higher education products are in most cases of poor quality. It is contrary to the fundamental proposition of the market operation. A number of reasons leading to non-competitive private higher education are overt. They include: insufficient resources and/or endowment, tuition-fee dependency, poor products, and poor inputs (students). For example, students who are enrolled in private universities are of poor quality. They are those who performed poorly in their secondary examinations and matriculation examination/tests (where it may be applicable). Duczmal (2006: 36) tells "…students face severe competition to enroll in the best public higher education institutions, they turn to private providers". In a few cases, high quality private education are partly or heavily subsidized by the state and integrated into higher education system. Such institutions exist in Japan and France, whereby, it is only Japan where the state provided subsidies for private providers and strengthened the private colleges and universities (Duczmal, 2006: 38). Generally, privatization of higher education not only affects access by the poor but also endangers quality of the education. Deverajan, *et al*. (2011) say employers are complaining that graduates lack basic skills for doing their job. Various commentators have contributed vigorously on privatization/commercialization of higher education. For example, Jacob (2013:8) argues that private sector funding increases inequality in education but commercialization increases higher education attendance. One would argue thus increased attendance (enrollment and degree conferred) without equality impairs economic growth. In

[121] One prominent source of private universities' revenues in the US has been philanthropy. Charitable giving are from influential individual, businessmen, companies, churches, etc. This has not been the case in other parts of the world, for instance in Europe, Asia and Africa. Salerno (CHEPS, XXIII) says social factors make Europeans less apt to make philanthropic donations in general and universities in particular. Despite of charitable giving private higher education institutions depend on tuition fees for sustainability.

conclusion, the role of government in the era of privatization and commercialization of higher education is critical compared to previous periods. Actually, the manifestation of this is captured by EEU report (2012) where European governments are urged to do much more to enable universities do better in research and education, which appears to be central to European knowledge economy.

2.2.3 A Rights-Based Approach to Education

A rights-based approach developed in the 1990s following the collapse of cold war and a necessary rise of globalization. The growing unease about the merits of globalization has fueled the drive to reconnect civil and political with social, economic, and cultural rights (Offenheiser and Holcombe, 2003: 273). Apparently, democracy and rule of law were more pronounced and appealing. In many cases, human rights were associated with democracy and the rule of law and made a new objective of development (Piron, IDS Bulletin 36.1: 20). Similarly, the Social Development Summit in Copenhagen endorses human rights as an integral part of development while the Vienna Declaration justifies development within the existence of human rights framework (Jonsson, 2005: 47). In other words tdevelopment and human rights are linked. And thus, development[122] is sustainable when human rights are fully realized. The nub of the approach is to redress the persistent violations of rights by determining a ‘new' relationship between individuals (citizens) and states. Since globalization engages *clientele relationship*[123] between citizens[124] and states; then rights are either purchased or treated as charity. To the contrary, human rights are entitlements[125] or claims (as discussed in chapter one). All human beings are entitled to enjoying such rights. Constantly, Mitlin and Sheela (2005: 8) state clearly that the entitlement for all to have rights is rarely contested. A rights-based approach refers to both a theoretical framework and a practical

[122] The central purpose of development is the realization of the potentialities of human person in harmony with community; the human person is the subject not the object of development; both material and non-material needs must be satisfied; respect for human rights is fundamental; the opportunity to full participation must be accorded; the principles of equality and non-discrimination must be respected; and a degree of individual and collective self-reliance must be achieved (Gready and Ensor, 2005).

[123] The relationship between individuals (citizens) and states is an important facet in rights-based approach because it is a determinant factor to defining rights and functionability of main principles. It is easier to claim rights when the relationship between them is based on discharging responsibilities on either part. Cohen (2004:10) utters, such a relationship means that rights-holders bring authority, legitimacy and credibility to the effort to fulfill the rights. Precisely, Gready and Ensor (2005: 10) conceptualizes rights in dimensions of relationships.

[124] Citizen connotes someone with rights rather than someone receiving welfare or buying services. And thus, a rights-based approach sees people as citizens (IDS Policy Briefing, Issue 17 May 2003).

[125] Entitlements are acquired by virtue of the attainment of rights.

guide to the realization of objectives towards development. Notwithstanding, the ultimate objective of higher education in the society is economic growth and development.

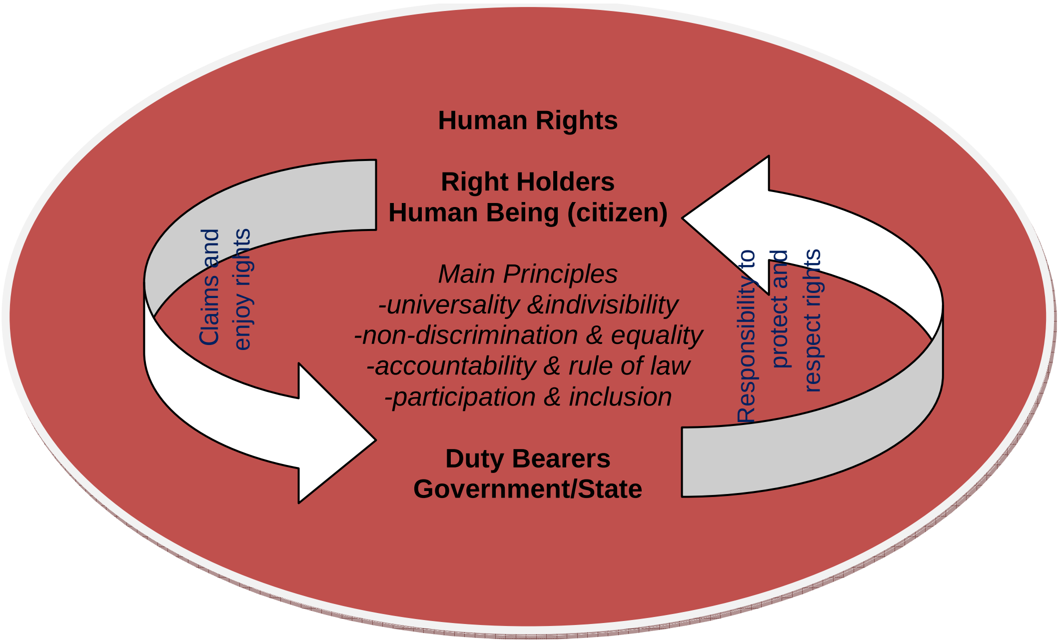
As a theoretical framework, rights-based puts much emphasis on protection and respect of fundamental human rights under citizen-state relationship. In that sense, citizens are rights-holders and states duty-bearers. There are two major groups (with distinct responsibilities) in this endeavor, namely, rights-holders and duty-bearers. The approach assumes that protection and respect of human rights by duty-bearers leads to a realization and enjoyment of such rights by rights-holders. It obliges duty-bearers the first responsibility to make sure rights-holders are fully satisfied and enjoy all fundamental rights in an equal basis. On theoretical bases, commentators have invariably defined a rights-based approach. First, a rights-based approach is a conceptual framework for the process of human development that is normatively based on international human rights standards and internationally directed to promoting and protecting human rights (Appleyard, OHCHR Asia-Pacific 2002; Theis, 2003; Ljungman, 2005; Cornwall and Nyamu-Musembi, 2004; Kapur and Duvvury, 2006; UNDP, 2006; Boesen and Martin, 2007; UK Interagency Group Report, 2007[126]; Campese, 2009; Nowosad, n.d). Defining rights-based approach as standardized norms to protecting and respecting human rights leads to two strong conclusions.

One, the approach is justified through a number of legal and institutional frameworks. In addition to international and national instruments (ratified by states) there are constitutions, ombudsman (human rights commissions), laws and legislatures. Legislature is a prime focus to all states. Policies and laws to protecting and respecting human rights are formulated and enacted respectively by legislatures. Two, in the course of protecting and respecting human rights there is an emphasis of responsibilies to each part. According to rights-based approach, the principal duty-bearer must take all necessary procedures to guarantee their citizens' rights (Ljungman, 2005: 4). These procedures include: *policing*, *budgeting*, and *ascertaining revenue resources*[127]. Similarly, Cohen (2004: 7) explicates the obligation of government to respect, promote, and fulfill human rights based on international human rights treaties and other standards, as well as on national constitutional human rights provisions. And, withal, Right-holders are not supposed to be mere passive recipients but active subjects that are

[126] http://www.crin.org/docs/Inter_Agency_rba.pdf on 3 April 2013.
[127] Such as taxation and physical resources.

expected whenever possible through their actions, discourse or legal claim[128], to invoke and demand their rights whether individually or collectively (Ljungman, 2005: 4). Second, the approach underscores various principles to enabling protection and respect of human rights by both duty-bearers and right-holders. These are universality & indivisibility, non-discrimination & equality, accountability & rule of law, and participation & inclusion. The following Fig. 3 demonstrates how a rights-based approach works.

Figure 3: A Rights-Based Approach



Source: Adapted from Helvetas (A Swiss Association for International Cooperation founded in 1955 as a private organization for development cooperation in Switzerland) accessed from http://www3.helvetas.ch/vietnam//wEnglish/plugin-Factsheet_HRBA_final.pdf on 23 March 2013

As a practical guide, rights-based empowers and strengthens, strategically, rights-holders and duty-bearers respectively to discharge their obligations properly. The approach starts by identifying potential problems to the failure of either part to carry out or fulfill their

[128] Citizens can make claims on the basis of need (i.e. to access certain basic goods, due to the fact that all citizens in their capacity as citizens are human beings and thus access to public goods is inalienable right); desert (an individual's contribution to the good of some part of the community or to the community as a whole); choice (reflects the liberal commitment to the good of individual freedom in the domain unencumbered by claims of need, desert, or other duties).

responsibilities. It identifies *poverty*[129] and *bad governance*[130] as defiance to the respect and protection of human rights. It defines poverty as social exclusion that prevents actors with potential to shape their own destiny (Offenheiser and Holcombe, 2003: 271). Rights-based approach willfully focuses on people achieving minimum conditions for living with dignity[131]. Human dignity is fundamental in rights-based approach. Irrefutably, Lohrenscheit (2005) says all human beings are born with dignity and that dignity is inalienable. Three considerations are put forth: analyzing livelihood, identifying actions towards violation of rights, and remedying violations. UN Charter in Hite (n.d) reiterates “We the peoples … reaffirm faith in fundamental human rights, in the dignity and worth of the human person… [and] promote social progress and better standards of life in larger freedom”. Rights-Based empowers right-holders to know, claim, access and realize their rights in sundry strategies. They include promoting awareness on human rights and entitlements; nurturing confidence and skills; advocating and claiming rights.

These strategies or tactics enable rights-holders to make duty bearers accountable. Rights-based approach presumes that accountability is a predetermined condition to a fully realization of human rights. Accountability is as necessary in rights-based as blood is in human body. It demands rights from the realm of obligation nevertheless not charity. Ljungman (2005) adduced to accountability as a condition for transparency and avenue for challenging and seeking redress for decisions or actions negatively affecting rights. It is quite cognizant the most violator of human rights is at the same time duty-bearer (particularly states). Accountability therefore, helps as blameworthy to all decisions and actions that preclude rights-holders from enjoying inalienable rights. However, empowerment of rights-holders is engineered by education. Lohrensheit (2005) puts cogently that the right to education is an empowerment right, and thus, to realize the right to education the challenges

[129] The Australian government defines rights-based approach as an approach that sees poverty as violation of human rights and places elimination of poverty as primary goal of development assistance; while, Swedish government in supporting struggle against poverty sees poverty as equivalent to peoples being prevented from enjoying their human rights, and poverty’s many dimensions are exacerbated by lack of democracy, participation, and empowerment of the poor (DFID, 2003).

[130] Bad governance refers to inability of public institutions to manage public resources henceforth failure to guarantee ‘human dignity’ while making best use of all available resources at their disposal. In other words, bad governance is the one lacking democracy i.e. accountability, transparency, people’s participation, equality, etc. the immediate impact of bad governance is corruption, mismanagement of public resources, poverty, conflicts, unequal treatment of people in the society, impoverishment of the marginalized groups (women, people with disability, children, low-income earners, etc).

[131] Kapur, Aanchal and Duvvury, Nata (2006: 7) A Rights-Based Approach to Realizing the Economic and Social Rights of Poor and Marginalized Women, International Centre for Research on Women (ICRW).

for every country and region will vary on a large scale. This variation is set to be absolute. As powerful as education is for accountability, higher education becomes necessary for right-holders. Arguably, the knowledge acquired from education simplifies accountability by duty-bearers. Claimants must have adequate knowledge of whatever system is that they are living under to claim the rights or apply pressures that will begin to fulfill those rights (Cohen, 2004: 11). The knowledge appropriate to account duty-bearers currently is rehearsed to higher education. Generally, human rights are about empowerment and entitlement of people with respect to certain aspects of their lives.

The rights-based approach again strengthens duty-bearers to successfully fulfill their obligation. The approach instigates various mechanisms such as identifying loopholes for underperformance; capacity building to meeting obligations through service delivery; cultivating vertical as well as horizontal accountability; and illuminating awareness on their responsibility conferred by international and other instruments of protecting human rights. There are two concluding remarks. One, human rights claims are one indication of underperformance by duty-bearers. When that happens, it is for the duty-bearer to subsist transparency so that awry decisions and actions are rectified at once. There are multiplex aspects of transparency but outstanding ones are participation and inclusion. Participation and inclusion of all people to protecting and respecting human rights have important contribution in many respects. The supply of information in terms of priorities and ideas on how to realize rights is pertinent. VeneKlasen, *et al* (IDS Working Paper 235: 5) argue that participation is a process nurturing critical consciousness and decision making as the basis of active citizenship. He goes further to stipulate that participation involves conflict, and demands a capacity to analyze, negotiate and alter unequal relations at all levels. Reasonably, one can say it is out of these conflicts and demands where accountability and transparency rest. Besides, UK Interagency Group Report (2007:19) contends that participation enables people to realize their rights to participate in, and access information relating to, the decision-making processes which affect their lives; inasmuch as, inclusion builds socially inclusive societies based on the values of equality and non-discrimination, through development which promotes all human rights for all people. Without prejudice, participation and inclusion are avenues to realization of other human rights including education. Therefore, education must be inclusive.

According to UNESCO (2003) '*Inclusive Education'*, refers to a process of addressing and responding to the diverse needs of all learners by increasing participation in learning and reducing exclusion within and from education. It is a concern of increasing access democratically to all people deserving. Increase in access would mean diversifying both service provision and its financing. Thus, it justifies partly the establishment of private providers and also, finances by the private sector (i.e. students and/or their parents/guardians, private companies, NGOs, etc). Notwithstanding, '*inclusive education*' is eminent through elimination of all barriers to participation by all people regardless of each one's economic status, gender, race/tribe or disability. Since private financing extends a bar to poor's participation in learning then government is entrusted to oversee the guaranteeing of poor's access to higher education as a human right. Two, in order for duty-bearer to fulfill its obligation there must be adequate resources. Capacity building in terms of resource and/or financial management is reckoned felicitous. Many states in the developing world are challenged when it comes to resources and/or financial management. The naked truth is found out of inconsistencies between available resources and utilization against great violation of human rights. For instance, Africa with vast resources both physical (minerals, land, tourist attractions, etc) and human denotes high violations of human rights than Europe where resources are scarce.

Demonstrably, poverty in Africa disavows a realization of many fundamental human rights. One explainable cause to poverty is mismanagement of resources. For example, Both Tanzania and Kenya have abundant resources that have either been unutilized or misused. These resources are such as arable land, minerals, tourist attractions, natural gas, wild animals, water sources (rivers, lakes, and ocean), population (about 40million each country), etc which have greater contribution to revenues. However, the two countries experience inadequate revenue sources. Arguably, resource mismanagement is the most explainable factor to inadequate revenues. To cite a few examples on resources mismanagement; the CAG Report, (Tanzania) in the financial year 2012/2013 identified the problem of overfishing in Lake Victoria (observation was conducted between 2008 and 2011); another CAG report in the financial year 2011/2012 showed inefficiencies in controlling poaching activities especially on elephants which have substantially increased to the extent that a total of a hundred and ten (110) elephants were killed during the year 2011/2012. Recently, incidences of poaching activities on elephants have been reported severally in Kenya; it is now on increase. Again, agricultural sector which forms the backbone of the two countries is not modernized (commercialized) to yielding prosperous economic growth.

However, government revenues seem to increase. The CAG report (Tanzania) in the financial year 2011/2012 showed an increase of government revenue collected as at 30 June 2012 by Treasury Registrar in respect of dividends, loan repayments remittances, and other proceeds from TZS 28.8 billion (USD 17.8 million) during the year 2010/2011 to TZS 208.1 billion (USD 129 million) in the year ended 30 June 2012[132]. On the other hand, Economic Survey (2011) shows revenues (including grants and AIA) in Kenya have increased from Ksh. 387.4 billion (USD 4.4 billion) in 2006/2007 to Ksh. 531 billion (USD 6 billion) in 2008/2009 and Ksh. 643.3 billion (USD 7.3 billion) in 2009/2010[133]. Despite such creditable increase much more have been either misused or outstanding (and/or wasted through tax exemptions). One of the factors to undesirable state of revenues (explained by inability of revenues to sufficiently match with expenditures) is that the governments of Tanzania and Kenya are less accountable to the people; citizens are not active; and democracy is highly questionable. As a result, corruption is at unprecedented heights and revenue sources go down the drain. The following hereunder is a clear demonstration of such.

Transparency International which measures corruption perceptions in public sector ranked Tanzania and Kenya in 2012 as most corrupt countries after scoring 35 and 27 out of 100 respectively. Regionally, 90% of Sub-Saharan Africa score below 50 with Botswana at the top and Somalia at the bottom. In 2013, the Transparency International's Global Corruption Barometer conducted public opinion survey on views and experiences of corruption in the world; in Kenya 1121 people were interviewed in a national survey in October and November 2012 using face to face interviews. The results were (a) 33% (majority interviewee) said corruption has increased a lot in Kenya; and (b) to a greater extent Kenya's government is run by a few big entities acting on their best interest. Overall, Kenya was listed the forth most corrupt country in the world corruption ranking and the leading most corrupt country in East Africa followed by Uganda and Tanzania (Sudan Tribute, 10 July 2013; Sabahi Online, 10

[132] Conversion is USD 1 equals to TZS 1613 as at 18 September 2013 from http://coinmill.com/TZS_USD.html#USD=1
[133] Conversion is USD 1 equals to Ksh. 88 as at 19 September 2013 from http://coinmill.com/KES_USD.html#USD=1

July 2013; the Kenya Daily Post, 10 July 2013; The Standard Newspaper, 9 July 2013; K24 News, 9 July 2013; KTN News, 9 July 2013). In addition the Ethics and Anti-corruption Survey conducted public opinion on national corruption perceptions between July 2010 and June 2012 and found that corruption is high within institutions such as the police, immigration department, provincial administration, judiciary, and counties (KTN News, 17 August 2013).

For purposes of evidences the study was able to explore an endless number of both grand and petty graft scandals starting from 1990s to date. These include: (i) Goldenberg scandal which costed Kenya equivalent of more than 10% of country's annual GDP (about USD 600 million). The money was paid for non-existent exports of gold and diamonds; (ii) the irregular tender for the Navy Ship Deal which costed Ksh. 4.1 billion (while a similar vessel could have been built for Ksh. 1.8 billion); (iii) Anglo-Leasing scandal which costed GBS 20 million (€30 million) from the original quote of €6 million. The deal started in 1997 and spanned several years (until 2005). It was about a contract between Kenya and French company over passport equipment system only to be awarded to British Firm at a higher price; (iv) Grand Regency scandal occurred in 2008. and (v) Theft in the ministry of education in 2011. In parliament, the then Minister for Finance (currently, the President of Kenya) Uhuru Kenyatta presented results of an internal investigation which found that over Ksh. 4.2 billion was missing from the Ministry of Education. Interestingly, the money was set to finance free primary education.

The experience of corruption in Kenya is not significantly different from Tanzania. Richmond/Dowans Saga and Radar Scandal have had major impact to the economy and citizens welfare at large. Richmond/Dowans Saga started after TANESCO contracted Richmond Development Company to supply electricity. In 2008 Dowans took over because Richmond did not perform to the expectation and agreement. After a hot debate in parliament over the issue, which led to resignation of the then Prime Minister, Edward Lowassa and other two former ministers in the Ministry of Energy and Minerals; TANESCO breached the contract with DOWANS. DOWANS went to the International Commercial Court demanding compensation. The Court ruled in favour of DOWANS and TANESCO was required to pay DOWANS a total of USD 65.8 million (TZS 106.4 billion). The Rada scandal involves the purchase of a military radar system from BAE Systems, UK. The purchase did not follow procurement procedures. Consequently, the Minister for Infrastructure resigned in 2008 to allow investigations. After investigations by Serious Fraud Office (SFO) of the UK, it was found out that about USD 1 million was stashed away in an offshore account as kickbacks from the military radar deal. Britain promised to send back the money to Tanzania.

However, the reports of the CAG, 2009/2010; 2010/2011; 2011/2012, 2012/2013 have consistently shown persistent weaknesses on procurements by the government which have led to grand and petty corruption in Tanzania. The reports say some public authorities are still not complying with the requirements of the Public Procurement Act No. 21 of 2005. For examples;- (a) in 2011/2012 Tanzania Ports Authority (TPA) paid TZS 2,241,585,885.16 to the contractor M/s Oceana Advanced Industries Ltd being penalty for termination of a contract (for maintenance and dredging of berth No. 1-11). (b) in several occasions TANESCO has persistently violated Public Procurement Act. of 2004 and its Regulations. The Managing Director (MD) as the ultimate decision maker regarding all procurements done by the company had all the time failed to prevent the violations and in most cases the MD had directly approved irregular single source or flawed restricted procurements.

Another impropriety showed by the CAG report 2011/2012 concerns UDA (Usafiri Dar es Salaam or public transport in Dar es Salaam). The report says the Board of Directors of UDA did not adhere to procurement procedures in the sale of UDA shares. Shares were valued at TZS 744.79 per share in October 2009 and TZS 656.15 in November 2010; however, the shares were eventually sold at TZS 145 per share ignoring the valuations previously conducted. Therefore, the total amount supposed to have been paid as discounted share price was TZS 1,142,643,935 but only TZS 285 million was paid and the balance is yet to be settled. Again, the chairman of the board of Directors of UDA received TZS 320 million for the purported '*consultancy*' service from the investor and the amount was deposited into his personal account (this is a conflict of interest). Interestingly, while the chairman purports the payment as consultancy service; the investor claimed that it was payment of commitment fee for the sale agreement. Another incidence concerns OUT. From the internal audit investigation reported it was reported misappropriation of public funds aggregating to TZS 700,182,000 (the sum was made up of the TZS 219,860,000 which was perpetuated through the Loans Board and TZS 480,322,000 which was perpetuated through the Treasury Registrar by way of fraudulent payments to ineligible individuals though the financial implications had not been reflected in the books of account of the University). Generally, the CAG reports have identified a number of problems facing government operations (not to fulfill most of economic programs). These include;- one, most of the audit recommendations are still unsolved; two, poor planning; three, inadequate human resources; four, poor management of data; five, laws are not implemented accordingly, and lastly, unrealistic implementation of plans whereby short term plans do not match with funds available for implementation.

Rights-based approach has strengths and weaknesses just like any other approach or theory. All the same, strengths are winsome. Some commentators in defense of rights-based have gone further to asserting that rights-based approach is ‘the only approach that contains the potential to provide the necessary changes in current development’ (Piron, IDS Bulletin 36.1: 19). One of the strengths is the focus on poverty alleviation. For example, Teberg (World Fair Trade Organization: 2011) strongly supports that the central dynamic of rights-based approach is identifying root causes of poverty and empowering rights-holders to claim their rights. Poverty is real and so disguising in Africa. Many people are obstructed from enjoying fundamental human rights. Archer (2005:6) argues that human rights framework puts in place a range of mechanisms and tests that oblige governments to be more transparent and accountable than they would be normally wish to be. He additionally attests the practical tests that human rights framework requirements (inclusiveness, communication of information, political participation in decisions, and accountability[134]) have the effect of sharpening the performance of public (and eventually private) institutions.

The second strength is legitimacy[135] and democracy. Human rights regime is founded by both legal and political premises. Almost all states have ratified international treaties and thus accountable to international laws of protecting human rights. These laws have been imposed into regional implementation and national endeavors. Greiber, *et al.* (2009: 7) put it clear that constitutional (and sometimes treaty-based) human rights guarantees normally have higher value than other laws or regulations and take precedence over them. One would argue

[134] Perhaps the most important source of added value in the human rights approach is the emphasis it places on the accountability of policy makers and other actors whose actions have an impact on the rights of people. However, rights implies duties and duties demand accountability (Nyamu-Musembi, 2004: 1417).

[135] The point where rights-based approach attains entry amidst the broad range of international and regional frameworks is that there must be some structure of power that would confer legitimacy on the right-duty relations engendered by the approach to human development as envisaged in this discourse (Olowu, 2009: 71).

constitutions are legitimate and offer warranty to individual citizens to enjoy rights. Again, constitution is supreme over all other laws. It is, so to say, broad in terms of enforceability and guaranteed rights (civil and political, socio-economic and cultural rights). The cases under this study (Tanzania and Kenya) have ratified a number of international and regional instruments of protecting and promoting human rights. Moreover, their constitutions have included the Bill of Rights. To cite a few examples, Article 12 to 24 of the Constitution of United Republic of Tanzania (1977) guarantee human rights to all Tanzanian citizens. In addition, Article 9 (a) stipulates that human dignity and other human rights are respected and cherished. Article 11 (2) states that *every person has the right to access education, and every citizen shall be free to pursue education in a field of his choice up to the highest level according to his merit and ability*. Article 11 (3) pledges that the government shall make efforts to ensure that *all persons are afforded equal and sufficient opportunity to pursue education and vocation training* in all levels of schools and other institutions of learning. In accordance with these provisions the government of Tanzania through Parliament formulated the Higher Education Policy of 1999[136]. Consequently, Higher Education Students' Loans Act was enacted in 2004 to support the poor (who can not purchase commoditified education) to access higher education. The apprehension of Article 9 and 11, and other legislations is a two-fold.

First, the government (duty-bearer) is duly aware of its obligation. Rights-holders are supposed to claim rights and make government accountable. Second, the government demonstrates at *prima facie* some level of democracy. Inclusion of human rights into a constitution, incessant appeal to equality, participation, rule of law and human dignity is a manifestation of democracy in theory. Above all, the Tanzanian Constitution under Article 129 (1) provides for the establishment of an institution (ombudsman) for promoting and protecting human rights. Subsequently, an Act of Parliament No. 7 of 2001 was enacted to establish Commission for Human Rights and Good Governance (CHRAGG). The implementation of which became effective from 2002. In similar scenarios, the Republic of Kenya has just put in place a revised Constitution in 2010. Chapter four of the Constitution provides a *bill of rights*. Article 19 to 51 contain human rights and fundamental freedoms (civil & political, socio-economic and cultural rights); and Article 53 to 57 contain specific

[136] During this time cost sharing had already been introduced since 1992. The financing of higher education was still carried out by the government in different forms such as grants, subsidies (allowances), and malfunctioned loans scheme, see previous discussions.

rights to children, persons with disability, youth, minorities and marginalized, and older members of society. Moreover, Article 20 (2) postulates that "*every person shall enjoy the rights and fundamental freedoms in the Bill of Rights to the greatest extent consistent with the nature of the right or fundamental freedom*". Article 28 guarantees human dignity while Article 43(1) details a right to education.

In complementary, Article 21 pledges the government and its organs to protect and respect human rights. To ensure enforceability of the constitutional human rights Article 23 (1) makes the High Court with jurisdiction to determine all applications for redress, denial, violation or infringement, or threat to, human rights. However, Article 20 (5) limits such enforceability by courts, tribunals, or other authority on the ground that if duty-bearer has no available resources for duty-bearer to fulfill the obligation. And that must be proved by courts beyond reasonable doubt. To be curious, there is no way Kenyan government would fail to justify its decisions and actions leading to violation of human rights on the bases of scarce resources. Again, Article 59 provides for the establishment of Kenya National Human Rights and Equality Commission (KNCHR). The Kenya National Commission on Human Rights was established by an Act of Parliament 2011 subsequent to Kenya National Human Rights and Equality Commission (KNHREC)[137] established by Act of Parliament 2002 and became operational in 2003.

The last strength, human rights framework is more consistent, more logical and its application is very wide[138]. It is both a theory and a practice in itself. The use of legal and institutional framework as well as empowerment and strengthening rights-holders and duty bearers respectively is very powerful to make desirable changes. Practically, the approach has been very successful in developed countries. The emphasis on legal and political instruments to implementing human rights framework has had greater impact on guaranteeing rights by duty-bearers. For example, Gauri and Gloppen (World Bank Policy Research Paper, 5938: 3) argue that human rights principles justify demands against privileged actors, made by the poor or those speaking on their behalf, for using national and international resources and rules to protect the crucial human interests of the globally or locally disadvantaged. Accountability of

[137] The KNHREC was succeeded by the Standing Committee on Human Rights (SCHR) established in 1996 through presidential decree, accessed from http://www.knchr.org/Aboutus/Establishment.aspx on 5 April 2013.
[138] Archer, Robert (2005: 1) Winners and Losers from Rights-Based Approaches to Development, University of Manchester, 21-22 February.

duty-bearers to fulfill their obligation has far reaching positive impact and many people have access to human rights. For example, the right to education is fundamental in Europe and America. However, a realization of right to education to a greater extent has made other human rights realized too. Right-holders are very aware of their rights. The relationship between state and citizen is built on the bases of protecting and respecting human rights as discussed above. It is imperative to quote a few words from the first President of South Africa, Nelson Mandela. He once remarked, "*to deny any person their human rights is to challenge their very humanity*". These words are very useful in Africa where there is a great urge to relieve the vast population from poverty. Reiterating the same, to deny any person the right to education (particularly higher education) is to accept poverty as a 'right'. Rights-based approach is therefore extra useful not only to understanding predicaments in Africa but also a solvent through guaranteeing access to higher education by every individual who demonstrates the ability to learn. The proposed financing mechanism is to apply prudently eclectic approach.

The only weakness hurled to the rights-based approach by commentators is grimed on its implemention on areas dominated by poverty such as Africa. They argue it is difficult or almost impossible to implement rights-based approach in low-economy countries. Mitlin and Patel (2005: 11) in their work, "*Re-interpreting the Rights-Based Approach – a Grassroots Perspective on Rights and Development*", say "when individuals and households have inadequate access to resources and are unable to secure a subsistence livelihood, they may have little interest in abstract rights which can not only be realized through contestation and struggle". They went further to explain another challenge related to this. Rights-based approach exerts too great emphasis on citizen-state relationships as the basis for accountability and better performance. The question they pose is what happens to weak states where there is little possibility of support from multinational institutions? Uvin (2007: 600) relegates their position by saying, "one basic misunderstanding often comes up in discussions on how to integrate economic, social and cultural rights into development is the concept that development automatically implements these rights; and the general misconception is that these rights are costly[139] to implement". Particularly, analysts of African political economy,

[139] Olowu (2009: 70) elaborates in detail, the integrative human rights paradigm that would enhance human development in Africa, this does not have to be interpreted strictly in terms of direct claims on specific items in state fiscal budgets. The obligation contemplated and created are much more about ***appropriate policies*** than about monetary entitlements. It is therefore for states to put credible, equitable and effective regulatory frameworks in place. These have generally been lacking or tenuous in much of Africa. Olowu is wondering how

especially bureaucrats, readily cite the incapacity of African states to fulfill the promises of global development goals, stressing that economic development must come before human rights can be secured in Africa (Olowu, 2009: 69).

On the other hand, Uvin (2007: 601) challenges this position by linking human rights, democracy and development. He says democracy[140] is a fundamental human right, the advancement of which is itself an important measure of development. In other words, development is an outcome and realization of democracy and human rights. Therefore, a fully realization of human rights leads to development. Poverty in that case is a revelation of a lack to realize human rights. To shorten the debate, the answers to these 'adversary questions' are primarily, two. First, Africa has abundant resources but the people are poor. One major reason is mismanagement of resources (see above discussions). To solve this problem rights-based approach suggests two ways. One, it is through participation and inclusion of all people in the planning, policing, and budgeting of national resources. Expletively, Olowu (2009: 71) in his impressive work, "*An Integrative Rights-Based Approach to Human Development in Africa*" says the rights that will make life worth living for Africans do not necessarily entail fiscal commitment; where they do, it is often in the manifestation of the friction between misdirected prioritization and profligacy, on the one hand, and prudent, accountable public spending, on the other. Two, it concerns with building the capacity of duty-bearers to financial management.

Second, rights-holders require empowerment. Rights-based approach suggests empowerment strategies like creating awareness on fundamental rights, knowledge on how to claim rights, confidence to claim rights and make duty-bearer accountable. This may be done by NGOs, Individuals (who have accessed higher education), advocacy groups, political parties, interest/pressure groups, and higher education institutions. The channels of communication are very wide to include: media, legislature, universities, civic gatherings, publications, cultural arts, etc. The outcomes of these are increased transparency, active citizenship (critical

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well do the urban population policies, for instance, in Cameroon, Cote d'Ivoire, Egypt, Ethiopia, Kenya, Nigeria, Tanzania, and Zambia envice the commitment of governments involved to guarantee equal access to means of decent housing facilities as contemplated by CRC, ICESCR, and the African Charter to which they are all parties

[140] Democracy simply refers to people's participation, equal treatment of persons in the society, accountability, adherence to human rights, respecting human dignity, etc. It becomes a human right because all its features are part and parcel of fundamental human rights and freedoms.

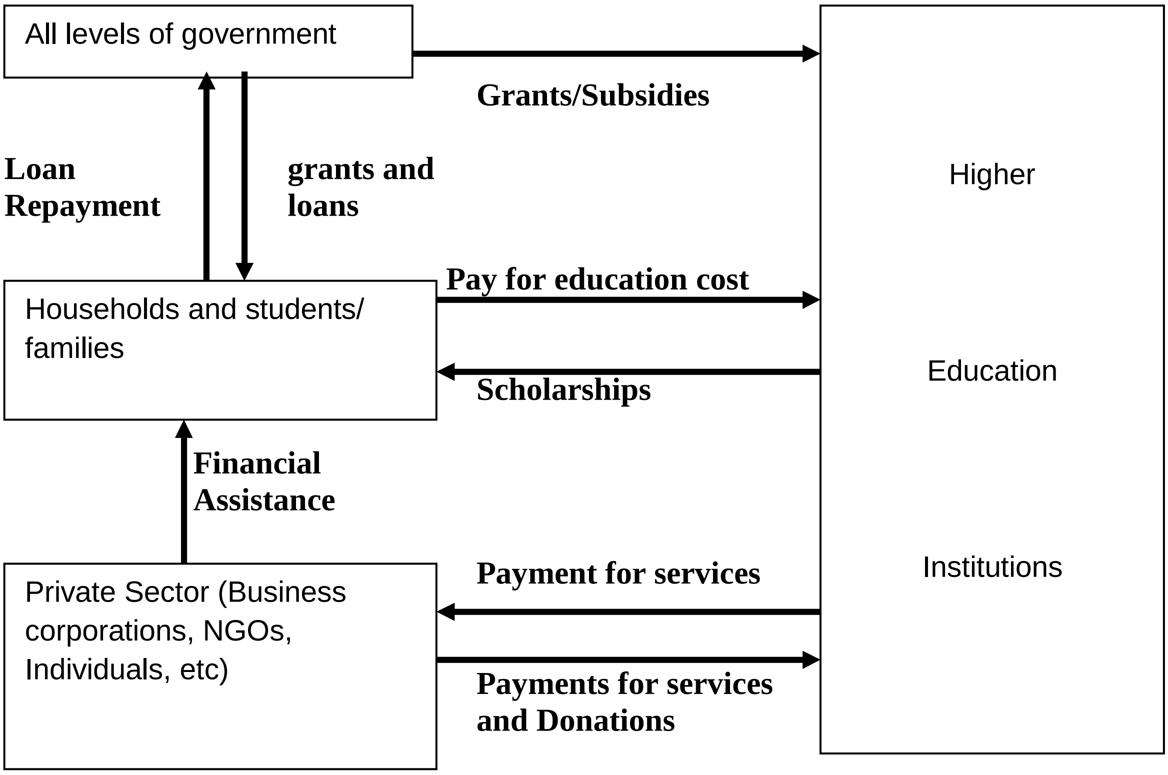
mind), formulation of policies and laws to promote and protect human rights, and good governance. Certainly, knowledge and governance are associated essentially with enhancing capacity (UNIDO, 2008). Rights-based approach argues that any process of change that is being promoted through development assistance ought to be participatory, accountable, and transparent, with equity in decision making and sharing the fruits or outcome of the process. In conclusion, Gauri and Gloppen (World Bank Policy Research Working Paper, 5938: 9) put it clearly that human rights framework is more likely to achieve 'enforcement' or 'compliance' at the national level through domestic political mechanisms, such as civil society organizations, courts, and bureaucratic entrepreneurs, than at the regional levels through quasi-judicial enforcement. Meaning, efforts to guarantee human rights must be put by individual states through legal and political mechanisms. This is what happened to most individual countries in Europe before the European Union has endeavored to protecting and promoting human rights in the region.

2.2.4 Eclectic Approach to Financing Higher Education

The word eclectic refers to not following one style or set of ideas by choosing from or using a wide variety[141]. Eclectic approach, thus, is a way of dealing with financing of higher education with a scheme to blending the good deeds of public and private financing. The major assumption is that both the government and private sector have a contribution to make in the financing of higher education. Perhaps, the illusion circumventing benefits of higher education as being accrued substantially by private individuals has informed policy makers to think of including private sector into financing of the education. Chapman (2006: 18) in his discussion "*beyond economic efficiency: the case for tuition charge*" says private benefits from higher education are arguments for a student contribution that might loosely be referred to as 'tax equity'. The argument put forth is that since all tax payers have paid for the provision of higher education it is equitable that those so advantaged repay an additional amount for the individual benefits they receive. There are two ways through which government and private sector finance higher education. The government provides grants/scholarships or bursaries and loans (to be repaid after schooling); whereas the private sector provides financial assistance (grants, scholarships, bursaries and loans) and in most cases individuals pay for education costs by themselves. The two mechanisms can at best be demonstrated through a diagram as follow:

[141] Hornby, A. S. (2006: 465) Oxford Advanced Learner's Dictionary of Current English. Sally, Wehmeier *et al*. (Eds.) Seventh Edition, Oxford and New York: Oxford University Press.

Figure 4: Eclectic Approach to Financing Higher Education



Source: Adapted from OECD Education Database and Statement of Financial Performance for Tertiary Institutions in New Zealand

The diagram shows a variant of sources to financing higher education. These include: individual, private, and government sources. Ordinarily, the approach suggests that an individual student will be able to explore to the fullest all available opportunities. Government sources are direct (such as grants and loans) and indirect (as in case of subsidies or subventions). Direct sources go to students and institutions while indirect source goes to institutions. For example, government pays grants to public institutions to cover various costs such as salaries, researches, etc. Again, subsidies are provided to institutions to developing accommodation, library, lecture rooms, and other facilities deemed important. Grants and loans provided to students are means-tested. The purpose is to assist only those who do not have enough money to pay for the education costs. It is assumed by this approach that means-testing is able to identify students who come from low-income threshold. One and most reliable way to determine students' economic status is to evaluate individual's/family's financial income statement monthly. This is possible where there are records on income and expenditure. Arguably, in absence of accurate determination of students' economic status many poor are ousted from accessing higher education. On the other hand, private sources include: individual income[142], scholarships/grants, donations, and loans. Scholarships are given to students depending on the objective of private provider. For example, private provider may distribute scholarships for purposes of encouraging students to study hard as in case of merit scholarships. Other reasons are private contribution to development projects and charity.

The problem with private scholarships is multifarious. They are very limited in number, only a few students would have access to these scholarships, leaving aside its competitive nature. They are not reliable in terms of consistence. For example, there may be scholarships this year but not the following year. At most time, information on their availability is not open to the general public. Therefore, for a poor rural resident student in Tanzania or Kenya for that matter, it is difficult to obtain such information hence access private scholarships. On the other side loans from private institutions[143] are deemed available for students. The assumption is that students may borrow from banks and other credit institutions to cover the cost of education, however, only students/families from high income-threshold would have access to bank loans. Philanthropy or donations are provided to institutions. It is a dominant feature in the US Higher Education Institutions (HEI) but almost absent in Europe and developing countries. With exceptions, private universities which are religious-based/founded have constant marginal flow of donations. Generally, the usefulness of subsidies/subventions or philanthropy/donations is on application of tuition fee and user charges. Institutions that receive any of the above are most likely in a position to impose low tuition and fees. For example, tuition and fees at public universities (receiving subsidies) is lower than those charged by private universities. Moreover, introduction of dual-tuition policy and/or parallel programmes have increased access to higher education on one hand and generated revenues to higher education institutions to the other.

Eclectic approach is useful in explaining two main issues under this study. First, the role of government in financing higher education is critical. Second, equity and equality of access to higher education is a pillar to economic growth and development. Diversification of financing sources becomes precedence to accessing commoditified higher education. The application of

[142] Income from employment, business, agriculture, and all other activities that lead to earning money.
[143] Financial Banks and Credit Institutions.

this approach succinctly benefits all people in the society without discrimination of any kind. The practicability of private loans (by poor) is almost doomed not only in Africa but also the rest of the world. The only challenge Africa face to the implementation of eclectic approach is a designing of loan formula and its pursuit. Most of African countries have copied the existing experiences of the Western (Europe and America) loan formulas. However, the environment (culture, legal system, technology, civilization, etc) differs significantly among the three. If it may be recalled, one of the prerequisite to the functioning of loan scheme is determination of individual economic status. This is done through means-testing formula. The formula needs existence of reliable and up-to-date records on income and expenditure. While record keeping is not a big problem in the Western countries it is a predicament in Africa. In complementary, Tekleselasie and Johnstone (2004) mention five factors complicating the functioning of means-testing in poor countries of Africa and elsewhere. These include: (a) there may be no effective taxation of income (outside, perhaps, of civil service). (b) many adults may be employed in second and third jobs in cash economies where relatively few accurate records may be kept and even fewer may be shared routinely with government. (c) many families use banks seldom or not at all. Banks may also have little or no ability or inclination to link either deposits/withdrawals or interest paid on accounts to individuals and to share this information with authorities. (d) the market value of real property may not be clearly known. (e) finally, to the extent that real property might be included in assessing financing means, there may be a few ways to convert this assert to cash instead of selling it. Examining the five impeding factors to the functioning of means-testing in Africa, three conclusions may be drawn.

First, governments in Africa collect marginally revenues from taxes. It is either a deliberate or thoughtless policy implementation to fulfilling personal interests (e.g. corruption). The repercussion of inadequate revenues is to asphyxiate constant availability of adequate loans to students. In order to overcome such a situation governments to design stringent mechanisms that will limit loan beneficiaries. Second, in absence of accurate records the means to verifying information submitted by students in a standardized form is paralyzed. Usually, determination of individual’s economic status is mischievous. Probably, those who get access to the lion’s share are the most privileged. They have information and know the technicalities of how to manipulate information while filling up the forms. The most critical hurdle is ineffective legal infrastructure. There are very good laws in place with very minimal enforcement. Third, means-testing in Africa does not work and thus the right to access higher education by many poor is repudiated.

2.3 Establishing Equivalence: Theoretical Concepts

Theoretical concepts are invariably perceived different from different societies and/or communities. The differentiated understanding of concepts makes it worthy for any comparative work to establish equivalence of such concepts and operational indicators. That means differentiated understanding of a concept leads to different measures being developed for that concept (Adcock and Collier, 2001). Nachmians and Nachmians (1992) explain that operational definitions concretize the intended meaning of a concept in relation to a particular study and provide some criteria for measuring the empirical existence of that concept. By definition, a concept is an idea or a mental symbol. It is sometimes referred to a unit of knowledge. Theoretical concepts, therefore, are meanings assigned to concepts and thus can be measured through indicators. For example, the concept water refers to a particular liquid without colour, smell or test that falls from rains. The meaning assigned to the concept must be understood but not necessarily accepted by others. This leads to a debate of universalism and relativism. As usual, the debate is based on contextually or generality of concepts in their meanings.

For relativism a concept is contextually understood. Thus, concepts are perceived differently and assigning meaning to them for the purpose of establishing a general understanding is very important. For universalism, concepts are universal and operational indicators must follow universal standards. The problem comes to be on measurements if concepts are not clearly understood by everyone. Landman (2003) argues that "the contextual relativity of the meaning and/or the measures of indicators constitutes the most serious impediment to the cross-contextual validity of empirically testable explanatory theory". In other words, he asks, whether it is possible to specify concepts and indicators that have shared meanings to allow validity comparisons. For example, does the concept of class apply equally to all societies? The answer is definitely NO. Depending on the context, class might mean a room (where students study) or level of achievement in learning; a category of worthy attributed to something or someone (e.g. class of poor, rich, middlemen); or showing categorical excellence especially in expressing quality of something (e.g. high, low, medium) For that matter, a comparativist needs equivalence of those concepts so as to have a meaningful comparison. However, the problem comes on how to specify such concepts in order to be understood while comparing. Landman (2003) identifies three intellectual positions that offer insight to aforesaid problem. These are the Universalist position, the Relativist position and the Middle position.

The Universalist position argues that if theoretical concepts and their indicators are to have any explanatory power, they must be able to travel to all parts of the globe, for example, rationalist, functionalist, and structuralist approaches take such a position. Rationalists begin with their assumptions about actors who act deliberately to maximize their advantage. The analysis begins at the level of the individual and culminates in questions about collective actions, choices and institutions (Lichbach and Zuckerman, 1997:6). What rationalists are suggesting here is that all societies have equal understanding of the theoretical concepts and their indicators. For instance, the concept of human rights; for rationalists human rights are inalienable natural rights that man acquires by the virtue of being human. Functionalists argue that “certain vital functions”, such as interest articulation and interest aggregation, are “fulfilled everywhere” (Dogan and Pelassy, 1990:42). The functionalists believe that concepts are used for a special purpose and thus have to fulfill that purpose. This is to say, concepts are applied and understood the same way everywhere basing on their purposes. For example, the concept of social classes can be understood differently depending on the use. Social classes may connote status (high/low, rich/poor) in economy; they can imply categories in the society (children, youth, old) to the resource distribution; they may also connote oppression (ruling/ruled) in colonial era. However, such differentiation in usage cuts across the globe. That means the understanding of the concept of social class as used in economy in America is the same in Europe, Africa and Asia.

Structuralists on the other hand argue that macro-structures such as the state, economic development and social classes are omnipresent, but exist in varying degrees and are responsible for determining political outcomes. The group focuses on structures such as rules, laws, government, regulations and the like as important in determining political outcome everywhere. Therefore, the concepts and indicators will be the same all over the world. For example, the concept of poverty will be understood by this group as a state of having inadequate food, clothing, shelter, and other necessary services for the survival of human beings. The general indicators are like low income, a day consumption which does not exceed two US Dollar, short life expectance (i.e. 45years), inadequate resources, to mention a few. Contrary to universalist, the relativist position argues that all meaning is locally determined, and that a general “science” of comparative politics is necessarily limited if not possible (Macintyre 1971; Freeman 2001; Landman 2005; 2006). The relativists convey that every society understands concepts differently from one another. It is from the fact that all societies are culturally determined and thus every concept is relative to culture. For example, the concept of human rights is understood by relativists as being not the same all over the world. They argue that what is perceived as a right in one society might not be a right in another society. That means a child can have decision making as a right in European countries but not in African countries. This is because the two regions have different cultures. The approaches that tend to take this position are ethnographic, interpretivist and anthropological (see Geertz, 1973; 2003; Kohli *et al.* 1995).

However, the major problem persistent to relativist position is featured in the debate over the universality of human rights, which in turn affects the degree to which they can be measured and compared (see Landmann, 2002, 2008). In making two ends meet, the middle position argues that comparativists must not abandon all their concepts, but should modify them to be more sensitive to the cultural specificities of the contexts they are studying. It, therefore, means that the middle position opts for a harmonization kind of both universalist and relativist positions. It has to be very specific to contexts under study. Moreover, in order to be able to make larger inferences through comparison Landman (2003) provides baselines that include raising the level of abstraction Sartori (1970), focusing on the numbers of countries for which the comparativist has thorough substantive knowledge (Sanders, 1994), using ‘specialist terms’ in compiling cross-national data sets (*ibid.*), and specifying the functional equivalence between concepts or indicators (Dogan and Pelassy, 1990). The key to all is careful specification of concepts, thoughtful construction of indicators that operationalize them, careful application of concepts to multiple contexts, and honest recognition of their limitations.

2.3.1 The Poor

The concept of poor is internationally understood. The US dollar has been used as a benchmark in defining the poor (measure income level and purchasing power). For example, the Baseline Study Report (2008: 11) defines the poor as a person who consumes US$1 a day. Relatively, poor countries are those with low Gross Domestic Product (GDP) or Gross Domestic Income (GDI)[144] as it measures overall economic output. GDP per capita is the sum of gross value added by all resident producers in the economy plus any product taxes and minus any subsidies not included in the value of the product; and it is often considered an indicator of country's standard of living[145]. The problems with this definition are primarily two. First, the definition does not provide the actual state of poverty of an individual citizen in Africa or anywhere in the world. For example, in a UK setting such thresholds (US$1 or US$2) have no import as no one in the UK lives on incomes anywhere near this low[146]. This does not mean in UK there are no poor people. To the contrary, poor people exist all over the world only the level of poverty differs from one place to another. In Africa, the less than a dollar consumption which is deduced from the GDP per capita income is also a problem to accentuate. Many of people in Africa depend on informal sector which can not be reflected in the GDP. It may be argued that status of the poor in Africa may be below or above international conceptions.

Second, the GDP statistics are not accurate. Recently, Shanta Devarajan[147] has identified critical shortcomings related to GDP statistics provided yearly by the World Bank. He says, in his insightful title: "*Africa's Statistical Tragedy*"[148], normally the World Bank relies on national statistics in preparation of various reports, human development report is one. It has been found out that national statistics are not up-to-date, for example, some countries use the '*1993 UN system of accounts*'[149] while others use earlier systems sometimes dating back to the 1960s. He provides an example of Ghana when updating its GDP last year it was found higher by 62% than it was previously reported. Currently, Ghana GDP is over US$ 1000

[144] Human Development Report, 2013.
[145] http://www.investopedia.com/terms/g/gdp.asp accessed on 24 March 2013.
[146] http://www.poverty.org.uk/summary/social%20exclusion.shtml accessed on 24 March 2013.
[147] Shanta Devarajan is the Chief Economist of the World Bank's Africa Region since 2008. The Office of the Chief Economist provides guidance on Bank programs and activities in the Sub-Saharan Africa region accessed from http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/AFRICAEXT/0,,contentMDK:20246200~menuPK:509503~pagePK:146736~piPK:226340~theSitePK:258644,00.html on 24 March 2013.
[148] Shanta Devarajan: Africa's Statistical Tragedy accessed from http://copmfdrafrica.ning.com/video/shanta-devarajan-africa-s-statistical-tragedy?xg_source=activity on 24 March 2013.
[149] The System of National Accounts (1993) is the international standard for compilation of national accounts statistics and for the international reporting of comparable national accounting data. It is published jointly by the IMF, EU, OECD, UN, WB. The 1993 SNA has changed from 1953 and 1968 version; accessed from http://www.unstats.un.org/unsd/nationalaccounts/sna1993.asp on 24 March 2013.

making it a middle income country. It is imperative to say the international definition of the concept poor is very limited with reference to particular context.

The study employs a definition which is a reflection of poor in Tanzania and Kenya. The poor is considered to be a person with earning capability corresponding to US$240 a month (TZS 388,080 or Ksh. 20,592)[150]. On the rural side, the poor is considered to be a person who possesses a plot of land and/or farm but unable to harvest above thirty (30) sacks (of 100kg each) from agricultural produce (maize, rice, tea, coffee, etc). For pastoralists, the poor can not keep animals (cattle, sheep, goats, pigs, camels etc) above a thousand (1000) in a year. The rationale to such operationalization is that people living in the village depend entirely on agriculture (small scale for that matter). Agricultural produce may be used for food as well as (small amount) for sell. Economic difficulties caused by price fluctuations, unemployment, etc have been put into consideration while operationalizing the concept. The cost of living in Tanzania and Kenya is very high.

Since 2008 prices of goods in East Africa have skyrocketed from 7.6% to 29.3% and 4.8% to 12.4% in Kenya and Uganda respectively (Kikwete, 2008). In 2011[151] prices of consumer goods continued to rise as inflation rate rose from 17.9% in October to 19.2% in November (Citizen Newspaper in Tanzania) and from 18.9% in October to 19.7% in November (Kenya National Bureau of Statistics, 2012) while Uganda inflation rate dropped from 30.4% in October to 29% in November. Specifically, Hawa Mathias, Mwananchi Newspaper reporter, reports the situation from Mebya (Tanzania) in January 2012. She says from December 2011 to January 2012 price of rice has increased from TZS 25,000 (US$15.46) to TZS 35,000 (US$ 21.65) for a twenty-five plastic bucket. This is equally to say the price of one kilo of rice has risen from TZS 1000 (US$ 0.62) to TZS 1700 (US$ 1.05); price of maize flour rose from TZS 2,500 (US$ 1.55) to TZS 3,000 (US$ 1.86) for a bag of five kilo; price of sugar rose from TZS 1,500 (US$ 0.93) to TZS 2,200 (US$ 1.36); and charcoal rose from TZS 14,000 (US$ 8.66) to TZS 19,000 (US$ 11.75). In Kenya, KNBS (February 2013) demonstrates average prices of selected commodities such as 1 kilo of kale-sukuma wiki which rose from Ksh. 34.08 (US$ 0.40) in January to Ksh. 37.14 (US$ 0.43) in February; 1 kilo of Beef – with

[150] US$1 equals to TZS 1617 and Ksh. 85.80 as at 24 March 2013 http://themoneyconverter.com/USD/KES.aspx
[151] The Citizen Newspaper, online edition Saturday 17 December 2011 accessed from http://www.thecitizen.co.tz/news/4-national-news/18011-inflation-races-to-192-per-cent on 18 December 2011.

bones rose from Ksh. 331.49 (US$ 3.86) in January to Ksh. 333.51 (US$ 3.89) in February; and 1 litre of Kerosene rose from 83.49 (US$ 0.97) in January to 85.50 (US$ 1) in February. However, cost of living involves basic needs like food, shelter and clothing. It is highly convincing that cost of living in urban areas is higher than that of rural areas. However, a greater percentage of rural population lives in absolute poverty than their counterpart urban people. For example, in Kenya, about 79% of population lives in rural areas and relies on small holder subsistence agriculture for most of its income; consequently, the vast majority poor people live in rural areas[152]. In Tanzania, it is about 85% of poor people live in rural areas and depend on small agriculture[153].

2.3.2 Higher Education

There has been very minimal or no contestations over the understanding of the term higher education. That means the international understanding of the concept does not in any significance differs from the contextual understanding. Higher education, therefore, is understood in two perspectives. First, based on academic achievements, it is referred to the post secondary education. Post secondary education include: university, academy, college, institutes of technology, and vocational training institutions. The expected academic achievement of post secondary education is the award of academic degrees, diploma, and professional certificates. Concurrently, Knight (2008: 4) defines higher education to include those institutions/providers and programs that lead to credits or awards at the undergraduate or postgraduate levels through full-time, part-time, or continuing education. Mabizela (2007: 20) defines higher education as education leading to the award of degrees and post-graduate qualifications offered primarily at universities. Mohamedbhai (2008:2) defines higher education to represent all forms of organized educational learning and training activities beyond the secondary level i.e. universities, polytechnics, training colleges, all forms of professional institutions.

Second, based on objective, it is referred to the education with a desideratum to impart knowledge and skills. The substantial difference between higher education and other levels (primary and secondary) lies to the ability to impart knowledge and skills applicable to earn a

[152] The International Fund for Agricultural Development website http://www.ruralpovertyportal.org/country/home/tags/kenya on 27 March 2013.
[153] The International Fund for Agricultural Development website http://www.ruralpovertyportal.org/country/home/tags/tanzania on 27 March 2013.

living (to an individual) and more importantly prosper national or global development. To make sense of this, one has to look at the state of employment (as an ultimate objective of an individual) and the exponential technological change. The knowledge and skills efficient to capture technological pace is prime jurisdiction of higher education through provision of highly qualified skilled labour and researches. The argument is being made here suggests powerfully that investment in higher education is of prime importance. Every state must not caviling to accessing higher education by every able (academically) individual. The understanding of higher education as education to impart knowledge and skills has a clear liaison with the role of higher education. A number of commentators have defined higher education along these lines. For example, Pasque (2010: 20) say higher education is the engine of growth for economy; while Tanzania National Higher Education Policy (1999:3) defines higher education as the scope of knowledge and skills imparted within the tertiary level of education.

2.3.3 University

University is a Latin word "*universitas*" meaning the whole, totality or universe. It was referred to a guild. A guild is a medieval association of craftsmen and merchants. Neutrally, a guild may be understood as an association or corporation of people pursuing a common objective. Thus, "*universitas magistrorum et scholarium*" refers to guild of masters/professors and scholars/students. The common objective of both masters and scholars is production of knowledge and skills. For example, the persistence of "*akademia*" represented specialist schools and institutes. In fact, the first "akademia" were founded in Athens by Plato in the 4th BC. Aristotle was the student at "*akademia*" for twenty years (367BC-347BC)[154]. The prominent features of "*akademia*" are specialization and professionalism. Specialization, simply, refers to making something suitable for special purposes[155]; similarly, Oxford Advanced Learner's Dictionary (2006:1415) defines specialization as expertise (profession) in particular area of work, study or business after spending more time. Professionalism, however, refers to competence or skill expected of a professional after a practice of an activity. Two points may be noted from the definitions above. First, there is a move from general knowledge to a particular knowledge. For example, in elementary levels a student is

[154] http://www-history.mcs.st-and.ac.uk/societies/Plato.html on 31 March 2013.

[155] https://www.google.co.uk/#hl=en&safe=active&sclient=psy-ab&q=what+is+specialization&oq=what+is+specialization&gs_l=serp.3..0l4.29293.38793.0.40179.33.21.2.5.5.4.306.1707.17j1j2j1.21.0...0.0...1c.1.7.psy-ab.pn7H3mG7MS8&pbx=1&bav=on.2,or.r_qf.&fp=7dac3329f46c1ced&biw=1087&bih=615 on 31 March 2013

introduced into everything including science, mathematics, politics, language, business, history, culture, etc. The knowledge acquired is general and limited to some aspects. As the student goes on further studies is required to specialize to a particular subject/knowledge for the purpose of exploring extensive knowledge and becoming an expert[156]. Second, there is an aspect of time in acquiring a particular knowledge. It involves time for theoretical understanding and practical training. It is aptly stated an expert or professional or specialist ought to have a considerable time for theoretical understanding as well as practical training.

The two demand a presence of an institution. This is the essence of establishment of various institutions around the world in the 11th Century. The first institutions in Europe were known as "*stadium generale*". The purpose of this derivation of a university is to bring to your awareness the logical bond existing between a university and skill formation. This is by and large a primary departure of university from other forms of higher education. In addition to that a university is a focal point of scientific and technological innovation. In the modern context, a university refers to the apex of education system as a place for the pursuit and dissemination of knowledge (Ngara, 1995: 5); generally established in perpetuity by higher civil or religious authority, and given permanent status in civil or canon law. They retain a certain form and substance in such matters as curriculum, faculty, permanent physical home or campus, courses of study, diplomas, certificates, and degrees, and strive to maintain an atmosphere and level of intellectual ferment and questioning that is hardly seen in other institutions (McMullen, *et al*., 2000: 31); the highest-level of institution dedicated to professional and intellectual development of mankind and society in general, are expected to concentrate on research, teaching and public service or consultancy (URT, Higher Education Policy, 1999: 3).

All the same, Verghese (2001) defines higher education while making a keen reference to the various types of higher education institutions. For example, she pronounces research universities to stand at the apex of the educational pyramid, tend to be public and certainly not for profit. Their overriding goals are achieving research excellence across many fields and providing high quality education. The above definitions lead to an understanding of a university denoting the following features. It is the apex of education system. This means it is

[156] Expert in human rights, law, economics, business, political analysis, international relations, and science such as engineering, computer, medicine, etc.

very useful to the survival of other post-secondary education, such as vocational training, training institutions, etc. It is an institution for multi-skill production, researches and innovations. For this role, it suffices to meeting the needs of the society. It is an outstanding institution leading to awarding of a degree, diploma, and certificates. In general, it is broader to include institutes, colleges, schools, research institutes, centre for virtual learning[157] and distance learning. Conclusively, a university is veritable integral and critical to survival of a society. It is imperative to note that university stands as perfect epitome of higher education when one examines the objective and role of such. In that case, higher education and university has been used in this study interchangeably.

2.4 Conclusion

Financing higher education is the most important factor to ensure equity and equality of access to the education. As a consequence, access to higher education by every individual based on the capacity/merit cinches economic growth and development in the society. It must not be forgotten, the role of higher education in the society is to spur economic growth and development. Most governments choose the most effective financing mechanism to the realization of the role of higher education. Notwithstanding, higher education is a public good. There are two extremes of financing higher education. They include public funding and private funding. While public funding permits participation to higher education of every individual under equal basis, private financing acknowledges participation of only those who are able to pay for their education costs. Since the establishment of the university in respective countries of Europe; many governments chose public funding against private funding for the major reason that it is capable of girthing equality, accessibility, availability and quality hence development. It is surprising to find pioneers of private funding who are cost conscious propagating private funding against public funding for the same reason. Inspite of that a realization of the role of higher education is the most one priority of all countries.

In 1970s the world experienced economic crisis albeit increased demand for higher education products. This suggested abandonment of public funding to the expense of private funding. More intriguing, higher education is perceived to be a private good. In fact, a private good is

[157] In Verghese's words, Virtual universities and Distance Learning is an increasingly important part of higher education system with its ability to reach students in remote areas and address the higher education needs of adults.

rivalrious and excludes others in consumption. This exclusion is the greatest menace to the realization of the role of higher education. It can be cogitated into two. One, to perceive higher education as a private good is misleading. Its consumption is public and net benefits are distributed across all individuals in the society. Two, the role of higher education is relegated to private benefits. It is incongruous to concede a decisive role of higher education in the society while debating the same as a private good. To cite an example, private good benefits individuals (i.e. if person A eats food, the food does not mutually benefit person B) how comes higher education (as private good) benefits the society? It is aptly stated if higher education benefits the society then it disqualifies to be a private good. At this point of confusion, many countries choose inept mechanism(s) to financing higher education. Consequently, many people are barred from accessing higher education. Nevertheless, a rights-based approach infiltrates to relieve governments from improper policy choices. The approach obliges governments (duty-bearers) to guarantee citizens (rights-holders) rights i.e. education, health, water, etc. The best way to do is to empower rights-holders (to claim rights) and strengthen the capacity of duty-bearers (take responsibility to provide rights). Therefore, it is out of such conviction, the study designates rights-based approach to explain underpinnings for private financing in a comparative study of Kenya and Tanzania higher education.

Chapter Three

Research Methodology

3.1 Introduction

This study was set to understand the impact of private financing in higher education by the use of comparative policy analysis of two cases; namely, Tanzania and Kenya. It was guided by two main research questions;- (i) to what extent private financing denies access to higher education by the poor? (ii) how does private financing undermine the fundamental right to education? In order to achieve this objective the study employed qualitative method;- (a) to collect data from public and private universities, the Loans Board, Ministry of Higher Education, Commission for Universities, students and potential loans beneficiaries. Data collection techniques were used to include interviews, questionnaires, and documents; and (b) to analyse data into more meaningful presentations. Data collection took place between February 2012 and May 2012 in Tanzania and Kenya. One additional month was added later in October 2013 to fill-up the gap. In the first field visit, two research assistants were employed to assist the administration of questionnaires to students. Research project was carried out successfully.

3.2 Research Problem

The role of higher education in the society is paramount. In order to realize this role equity of access to education must not be compromised. Equity of access is achievable through a viable financing mechanism. Various literatures identify two main mechanisms to financing education. These are public financing and private financing. Each mechanism has advantages and disadvantages. Their application must observe two important things. They include: (a) the objectives of higher education; (b) applicability of such mechanism to achieving objectives of higher education. Notwithstanding, private funding assumes that consumers of higher education are capable of paying the cost of the service. Private financing of higher education was introduced in Africa in 1980s following the changing policies of centralization by governments to private ownership. Kenya and Tanzania introduced private financing in 1990s. The introduction followed liberal policies of market economy; whereas, the market is left to produce goods and services under demand and supply mechanisms.

Education as one of the services is left under the whims of the market. It is therefore, purchased as other commodities. To their recognition of the fact that not all students will have the ability to purchase that education, most African governments including Tanzania and Kenya established a new financing plan where the poor can be assisted with some loans to access the commoditized/commercialized higher education. Therefore, loans scheme was incorporated in private financing of higher education. As a result, an institution of government with the mandate to disbursing loans to poor or needy students (who otherwise would have no access to higher education) was established. It is a supposition that this institution would comply with human rights but democratic principles of equality/equity consequently increases access to higher education by the majority poor. However, the study conducted in Tanzania observed that private financing of higher education limits access to higher education by the majority poor (Makulilo, 2011). The purpose of this study is to evaluate and compare the extent of the impact of private financing to the majority poor in Tanzania and Kenya.

3.3 Research Questions

Based on theories of access to higher education, the study intended to answer two main questions and five sub-questions;-

(a) to what extent private financing deny access to higher education by the poor?

(i) how does higher education benefit the society?

(ii) how does government guarantee access to higher education?

(iii) what ways describe democracy in accessing higher education?

(b) how does private financing undermine the fundamental right to higher education?

(i) what role does the government play in financing higher education?

(ii) how does the legal and institutional framework play part in facilitating access to higher education?

3.4 Research Objectives

3.4.1 General Objective

This study intended to compare democratizing ways of access to higher education in Tanzania and Kenya so as to examine the extent to which the two governments enhance access to higher education (through private financing) by the majority poor. It is imperative to note that the primary objective by these governments to invest heavily in higher education is to achieving development and democracy through equality and equity of opportunity to accessing higher education.

3.4.2 Specific Objectives

(i) To examine the role of higher education in the society
(ii) To identify interconnectedness between and/or among higher education, democracy and development
(iii) To compare the role of government and private sector in financing education since independence in Tanzania and Kenya
(iv) To explain the role of government in promoting and protecting human rights where right to education is one
(v) To compare legal and institutional framework guiding higher education financing policies in Tanzania and Kenya
(vi) To explain and compare the factors for democratizing access to higher education by majority poor in Tanzania and Kenya
(vii) To identify the challenges faced by students, government and society as a whole

3.5 Research Approach

3.5.1 Case Selection and Research Design

This study employed a parallel comparative study of Tanzania and Kenya in order to understanding the extent of the impact of private financing policies in higher education in relation to the current emphasis of democratic principles of human rights. According to Skocpol and Somers (1980: 178) parallel comparativists seek above all to demonstrate that a theory similarly holds good from case to case. They went further to say that "for them differences among the cases are primarily contextual particularities against which to highlight the generality of the processes with which their theories are basically concerned." This means that a theory is applied to cases with different characteristics (settings) and yet the outcomes are similar. In addition, Detterbeck (2012: 47) says, the cases help to spell out the implications of the theory for specific settings. Using this approach is advantageous in two respects. One, when it is done well, the reader gains fuller understanding of how the theory works 'on the ground' to explain actual developments (Skocpol and Somers, 1980: 191). This is because deep knowledge of the contexts (cases) is provided. Two, presentation and clarification of a theory is of overriding importance in order to point out the implications of theory for specific settings (Skocpol and Somers, 1980: 191). The selection of cases and consequently research design is very important to comparative method. Klotz (2008: 43) emphasizes a correlation between case selection and research method. He further says a few cases of a particular phenomenon make a study 'qualitative' but a lot of cases turns it to a 'quantitative' analysis. In other words, the justification for a research design starts with identification of the number of cases and/or comparable cases. The fewer the number of cases in qualitative research the more comparable they become. For example, Landman (2003: 25-26) explains how difficult it is to compare many cases using qualitative method. He points two reasons out;- (a) qualitative analysis generally requires richer level of information, such as deep history of all the countries, which is often difficult to collect and synthesize; and (b) it is more difficult to draw strong inferences from these data since they cannot be subjected to statistical analysis. Before selecting cases one has to look at the level of comparison. According to Landman (2003, 2008) there are three main levels of comparative research in political science. These include: many countries comparisons, few countries comparisons and single-country comparison. All three categories are subsumed under the broader umbrella of '*comparative politics*'. Many countries range from 20 to infinite while few countries range from 2 to 20. Since the focus of this study is two countries then it is confined in the 'few countries' category. A comparative study of this nature is called '*logical methods*' by Gee (1950); '*comparative method*' in (1983) and '*case-oriented*' in 1987 and 1994 by Ragin.

Landman (2003, 2008) argues that studies of this nature are more intensive and less extensive since they encompass more of the nuances specific to each country. Often country is the unit of analysis then the focus tends to be on the similarities and differences among countries rather than the relationships between variables. Ragin (1987: 16-17) explains that case-oriented strategy focus on comparing cases where cases are examined as wholes (combination of characteristics). Case-oriented strategy is typically qualitative with high accords to the use of small number of cases. It employs a holistic approach to interpretive contexts. At all time, comperativists use this strategy to understand (with the aid of a theory) and interpret specific outcomes in a small number of cases (p.32, 54-55). Similarly, the focus of parallel demonstration of theory is "the historical integrity of each case as a whole"- that particular nations, empires, civilizations or religions constitute relatively irreducible wholes (Norgaard, 2000: 34). Parallel comparative therefore seeks in-depth understanding of the cases. Mohr (1996: 126) explains one advantage of parallel comparative is its richness of detail provided by cases. Equally, Skocpol and Somers (1980: 177) argue that it is characteristic of all works of parallel comparative history to elaborate theoretical models before truning to historical case illustrations. For example, it allows for a demonstration of the virtues and applicability of the theory. In this study, a right based approach to financing higher education was used to demonstrate the responsibility of governments in financing higher education in a way to protect and promote human rights (including right to education). Therefore, implementation of private fincning of higher education in order to reduce the role of government in financing higher education has definite impact on the poor's access to higher education.

The choice of cases for comparison poses another challenge to comparativist. The challenge has been referred to by various commentators as 'selection bias[158]'. Collier (1995: 462) says selection bias in comparative politics occurs in absence of random choice of countries for comparison. The comparativist is left with no criteria so that his/her bias is being abated. The consequence of this is for one researcher to use criteria to select cases which might not be the same criteria used by another researcher and thus whatever might be chosen by one researcher as cases displaying a range of differences might not be the same as those chosen by another researcher. It becomes serious when the choice of countries relies on values of the political outcome (Geddes, 1990; King, *et al.* 1994) and to some extent the use of certain historical sources (Lustick, 1996). However, there has been consensus by scholars on what has to be considered during selection of cases. And this should be guided by the research project at hand. Rustow (1968) explains that some time ago in favor of moving beyond an area studies approach, and many scholars agree that cases should be selected in response to the analytical requirements of selection of particular research projects rather than on the basis of geographical proximity that at best is often a poor substitute for the analytic differences of cases.

[158] Anderson, *et al*. (1980: 40) explains the impact of selection bias as it makes it hard to generalize the results of a case-control study to a target population. The point put forth by Anderson, et al. focuses at generalization of results as the objective of any scientific research. They expose how selection bias can hamper such generalization.

Moreover, two main solutions among others have been considered by the present study during selection of cases. First, the choice of cases ought to reflect substantive knowledge of parallel cases (Laitin, 1995: 456). In order to acquire substantive knowledge the study employed qualitative inquiry and historiography so as to be able to identify a range of countries where outcomes and explanations would acquire. The second solution intended to solve the selection bias problem arising from the use of qualitative inquiry and historiography. Lustick (1996: 605) provides that the work of historians cannot be legitimately treated as unproblematic background narrative from which theoretically neutral data be elicited for the framing of problems and testing theories. The only technique to overcome this problem is to use multiple sources to arrive to a 'mean' account of the events and identifying the tendencies within each source to acknowledge possible sources of bias (Landman, 2008: 40). Landman's argument acknowledges the impossibility of a research to be completely objective as commentators like Vanderstoep and Johnston (2009: 171) argue that subjectivity is with the researcher as well as the research itself. For example, the choice for a research topic is always subjective. What is normally done is to minimize subjectivity (bias) to achieving generalizeable results. Similarly, Patton (2002: 50) argues vehemently that the ideals of absolute objectivity and value-free science are impossible to attain in practice and are of questionable desirability in the first place since they ignore the intrinsically social nature and human purposes of research. Suggestively, social nature and human purposes of research are more subjective than objective. He went further to say any inquiry (be it qualitative or quantitative) seek honest, meaningful, credible, and empirically supported findings i.e. a research strategy requires that investigator adopt a stance of neutrality with regard to the phenomenon under study.

Therefore, the study chose Tanzania and Kenya as country case studies based on three specific differences (to be explained after the level of analysis). The study went further to specify the level of analysis. In order to specify the level of analysis one has to look at theoretical propositions. Hay (1995, 2002) argues that the level of analysis is looked at based on the logic of 'structure-agency' and the problem of politics. From her, two levels are identified. These are macro-level and micro-level. Macro-level focuses on group of individuals, structures of power, social classes, economic processes, and interaction of states. On the other hand, micro-level focuses on activity of individuals such as activists, protest movements, respondents in mass survey, etc. According to Landman (2003) macro-level analysts believe that the world of politics is shaped by the unstoppable processes of ‘agentless-structures’ while micro-level analysts believe that the world of politics is shaped by the actions of ‘structureless agents’. One can argue here that, micro-level analysis focus on activities done by individuals and yet bring political changes. These activities are not conducted through formal structures like political parties or the state. For instance, revolutions and coup de tat.

On the other side, macro-level analysis focuses on activities of group of individual in various forms of interest articulation and aggregations. Similarly, Luebbert (1991) claims that the type of regime that emerged in inter-war Europe had in no way connected ‘leadership and meaningful choice’ (p.306), but were determined structurally by mass material interests, social classes and political parties. These activities are conducted through formal structures like political parties and the parliament. Examples of such activities are like demand for democratic government, demand for equal treatment of people in the society, demand for equitable distribution of resources, and the like. However, both levels focus on individuals inside or outside the groups. The main difference between the two levels is that individual activities in micro-level do not follow the formal structures while the activities in macro-level do follow formal structures. In support of this, Popkin (1979) argues that revolutionary movements are best understood by focusing on the preferences and actions of individual peasants. And thus revolutionary movements occurred as a result of individual peasants’ dissatisfaction on new taxation system.

The unit of analysis of this study is in two levels. They include: the country level and the individual level. It is the country level when the study focuses on governments as sole determinants of access to higher education through policy formulation and implementation. The construction of legal and institutional infrastructure for implementation of the loans scheme, for instance, is exclusively carried out by government. Moreover, governments provide funds for loans disbursement. At the individual level the study focuses on students and/or their parents as respondents to policy implementation. They are the ones who are affected either positively or negatively by the implementation of private financing in higher education. At country level the study selects Tanzania and Kenya. This is due to the following three main differences. These are: political ideology, ethnicity and legal framework governing financing of higher education. Political ideology under this study refers to a belief which supports economic system. And thus, it shapes government decisions and policies towards financing higher education. At independence, Tanzania adopted ‘ujamaa’ – socialist ideology while Kenya chose ‘capitalist ideology’ – disguised in African socialism (in the sessional Paper No. 10 of 1965).

Several criticisms were levelled against the Afican socialism adopted by the Kenyan government through sessional Paper No. 10. For example, Aluned Mohiddin said the paper was neither African nor socialistic but a masterpiece of classical capitalism (Baker, 340). Others went further to delineate particular features of capitalism in the ‘African socialism’ of Kenya. Chipembere (1976) listed seven features of capitalism included in the Kenya African socialism. These include: (a) African socialism must be flexible and adaptable to modern conditions; (b) It calls for state controls of ownership but rejects state ownership of the resources; (c) it welcomes foreign investment; (d) accumulation of savings and inflow of private capital should not be discouraged, nor large-scale production prohibited; (e) entrerprises owned by the state as well as jointly owned by state and the private investors are methods of diffusing wealth, since whatever owned by the state belongs to all; (f) co-operatives will be encouraged but with increased discipline and training; (h) rapid economic growth and social progress for all citizens. A thourough examination of these feautes show that Kenya followed capitalism and not socialism. A contrast is taken from Tanzania where ‘Ujamaa’ was adopted. With Ujamaa, Arusha Declaration was drawn in 1967. Arusha Declaration included a policy of self-reliance which not only legimitized government controls of major means of production but also one party system. In effect, all private banks were nationalized within twenty-four hours of the publication of the Arusha Declaration (Nyerere, 1977:1). It provides clear features socialist society. However, Ujamaa still exists in the Tanzania Constitution of 1977 (which is currently in use) despite the adoption of liberalization policies since 1980s.

Therefore, based on these fundamental differences which laid a foundation of the economy in Kenya and Tanzania, one may argue that the two governments differ in their ways of decision/policy making and implementation. For example, the government of Kenya introduced University Students Loans Scheme (USLS) since 1974. This is contributed but not limited to the fact that Kenya has allowed private investment since independence (hence private financing is something obvious). This is contrary to Tanzania where the socialist foundations made it very difficult to introduce loans scheme even after liberalization policies in 1980s. The loans scheme was introduced in 1990s (after about sixteen years of implementing loans scheme in Kenya). Ethnicity is another point of diference. Ethnicity in Kenya has ever had negative impact on access to higher education. Access to education in Kenya is unequal. Alwy and Schech (2004: 266) explain the factors contributing inequalities in accessing education in Kenya to include; enrolment ratios, number of schools and number of qualified teachers. Examples of inequality to accessing higher education along ethnic lines have been explained elsewhere in this study. In addition, Oino and Kioli (2014:727) demonstrate that "students from North and North Eastern region who qualifies to public universities are 1% combine compared to other regines like Nairobi and Central Kenya". The last point of differentiation is the legal framework governing provision and financing of higher education. Kenya has a very rigorous legal framework towards provision and financing of higher education. The Constitution of Kenya (2010) which has been in use since April 2013 after the general elections; provides for right to education under Article 43(f). Again, Higher Education Loans Board Act, 1995 was enacted to effectively implement private financing policy of higher education. It aimed to provide loans to students from low income families who would otherwise be denied access to commercialized higher education. In contrast, Higher Education Student's Loans Scheme Act was enacted in 2004.

After selection of countries the researcher went on to select universities where students (individual level) are found. A set of criteria was applied too. These are nature of provider of service (education)[159], longevity of service operation (at least 25 years of operation)[160], number of annual enrolment, universities with accreditation, or full registration from country's accreditation board (Commission for higher education). After the application of those criteria the following list of universities qualified. Out of 33 universities and university colleges in Tanzania University of Dar es Salaam (UDSM) and the Open University of Tanzania (OUT) were qualified sample of public universities; and Saint Augustine University

[159] Basing on provision of university education by private or public the researcher was able to evaluate unit costs of studying in either public or private. she scrutinized tuition fee, other charges, and other education expenses which are not included in university education costs and there are loans for such. Unit costs are a determinant factor to accessing university education. Moreover, studying in private universities is more expensive than studying in public universities.

[160] The rationale behind the twenty-five (25) year time frame is to examine properly access to higher education before and after the introduction of private financing.

of Tanzania (SAUT) qualified sample of private universities. On the other hand, out of 51 universities and university colleges in Kenya, Kenyatta University (KU) was qualified sample of public universities; and Catholic University of Eastern Africa (CUEA) and Daystar University were qualified sample of private universities.

It is important to point out that the choice of two public universities in Tanzania and two private universities in Kenya was based on two principles. One, private financing and loans scheme started earlier in Kenya (i.e. 1995) than in Tanzania (i.e. 2005). Since the study aimed to evaluating the extent of impact of private financing in Tanzania and Kenya then the more time to implementation the more the impact exhibit. Besides, the true feature of private financing is private universities (there are no subsidies and only a small number of students access government loans, especially in Kenya). The difference between a student in public university and private university in terms of government financial facility is very cognizant. Two, the ability of these universities to reach a wider-community. For example, Daystar was the first university in Kenya to establish a campus in Mombasa in 1989. CUEA operates in eight (8) countries such as Tanzania, Kenya, Eritrea, Ethiopia, Sudan, Malawi, Uganda, and Zambia. However, the study exclusively dealt with CUEA Kenya. In Tanzania, UDSM and OUT are the two major universities that have for a long time admitted students from all over the country. To its advantage, OUT has a branch in all regions of Tanzania making it easier for all communities to participate. Again, it is the first most university to affiliate to virtue education through African Virtue University (AVU).

3.5.2 Framework of Comparison

Since private financing of higher education presents a shift of financing from the government to the individual citizen; then family social status has a greater influence to accessing higher education. In simple words, the ability to pay for higher education by the individual is determined by family social status which can be allotted by a use of indicators like wealth, education, power, and sex ratio. However, Family Social Status was analyzed to depict two levels: high family social status denoting a family with high wealth. Such high wealth is denoted by this study as the one with high levels of education attained by half of members in the family, high levels of political power of members in the family (this applies to parents or guardians), and/or high levels of wealth (i.e. properties/agricultural products/businesses equivalent to large amounts of money), education, or political power of both sexes (female and male) in the family. Again, Family Social Status was analyzed to indicate a family with low wealth as a result of poverty/low levels of education attained by family members, low levels of political power of members in the family, and/or unequal sex ratio of wealth in the family. The main here is to evaluate whether the shift of the financing responsibility has facilitated or hindered the poor's access to higher education.

(a) Family wealth

This was explained by family's income generation capability, for instance, relatively high wealth (rich) or relatively low wealth (poor). Rich families have higher capabilities to generate income regularly. This was ascertained through workers salaries, family assets like furniture, houses, cars, farms/ 'shamba', livestock, etc; or income from workers in the informal sector like small shops, hawkers, street vendors, etc; again income from large businesses, industries, mining, private companies like Airtel, Vodacom, Tigo, Safaricom, Orange, etc. Those families displaying greater advantage to salaries, assets, or businesses were categorized as rich families and vice versa is true.

(b) Family education

This was explained by family education attainment level. It concerns with the level of education in which members of the family have achieved i.e. relatively high level and relatively low level. The higher number of family members with high levels of education signifies high income generation capability. This is one major means through which families are able to generate high income (i.e. through employment). Again, the families with highly educated members are very much aware of the opportunities available (including scholarships and loans); and thus have full utilization of those opportunities. For the demands of this study, high level of education was set to be the university education and/or diploma.

(c) Family power

This was explained by political occupancy of the parents or guardians. Political positions included president, Member of Parliament (MP), minister, ambassador, governor, councilor, commissioner, secretary of state, village chairperson, street chairperson, etc. However, the higher the status of the political position the more the influence one has on accessing higher education. There are two main reasons. First, high positions are good sources of income, for instance, a Kenyan MP earned about Ksh. 1million (USD 11,926)[161] per month while the president earned about Ksh. 2.4million (USD 23,852). This is two hundred times what a common primary school teacher or police officer earn in a month. Similarly, Tanzanian MP earned about TZS 350,000 (USD 215)[162] in a day as sitting allowance. Second, high political positions have great respect in the society to the point that it is possible for their children to access loans from the Loans Board especially. In fact some students whose parents were/are in occupancy of high political positions were able to get loans in Tanzania.

(d) Family sex ratio

It is a historical phenomenon that females are less respected in the African society and family than their fellow males. This has made many families to give priority to males than females when it comes to access to education. It has been reported since independence that access to university by females is limited for many reasons. One of the reasons is poor economic base that many rural women have. In effect, private financing affects female gender more than male. The current situation in Kenya and Tanzania diverts from the truth. Female students in private universities especially outnumbered male students. However, Most of these female students come from urban areas.

Access to education, particularly university education, is determined by a variety of factors that range from availability of higher education institutions to financing capability. The introduction of private universities in Tanzania and Kenya has widened the access to university. Prior to that, the existed public universities had lower enrolment rates. For example, immediately after independence (1963) Kenya had only one public university namely Nairobi University College with 571 students (Weidman, 1995). Consequently, enrolments increased considerably to 122,874 students in 2009 (Kenya National Bureau of Statistics, 2009). Beyond a reasonable doubt, the establishment of about 22 private universities with varying levels of accreditation has a contribution to such a tremendous expansion. Nonetheless, the institutional factor was measured through dependent variable-indicators like admissions to universities while looking at enrolment rates. Other indicators were associated with financing of education to include the Loans Board facility, and unit cost

[161] One USD equals to 84 Kenyan Shillings as at 15 April 2013, http://coinmill.com/KES_USD.html#USD=1
[162]One USD equals to TZS 1629 as at 15 April 2013, http://coinmill.com/TZS_USD.html#USD=1

of university education. Moreover, Access to education was analyzed based on financial capability of students to accessing universities and university enrollments.

On financial capability various sources were examined. These were individual sources, financial institutional sources like Banks and credit institutions, Non-governmental sources like business companies such as Telecommunication companies (Vodacom, Tigo, Airtel, Safaricom, Orange, etc), charitable organizations (religious organizations and non-religious organizations), International Organizations Funding such as Carnegie (particularly for women), and the like. Again, sources from the government such as grants and/or scholarships, subsidies and loans were scrutinized too. The primary focus is to promptly analyse loans schemes since many students depend on government loans. Various factors were set to evaluate loans schemes. These are loan criteria (for eligibility), loan specificity (specific aspects that the loan cover), loan target (main objective), loan availability (application process-time limits), and loan sufficiency (sufficient to cover the costs of university education). The university enrollments were analyzed based on university category and unit costs. There are two main categories such as public and private universities. The unit costs in private universities are higher than the public universities. For example, IMTU (private university in Tanzania) charged USD 4500 (currently, USD 3600) as tuition fee and UDSM (public university in Tanzania) charges up to USD 1000 per year. Similarly, Daystar (private university in Kenya) charges USD 2440 per semester (i.e. USD 1220 per semester) while Kenyatta (public university) charges USD 715 per year.

3.6 Scope of the Study

The study focused on examining the impact of private financing to accessing higher education in Tanzania and Kenya. The rationale behind this examination is that the role of higher education is decisive to development of a society. The establishment of universities in Tanzania and Kenya is based on this role. Following this role, the primordial condition to develop a society (be it Tanzania, Kenya, UK, USA, etc) is to ensure equal access to higher education by members of that society. Notwithstanding, access to higher education is highly influenced by presence of education providers and financing mechanism. With acknowledgement, private financing encumbers those who have little or no ability to pay the costs of accessing higher education. Arguably, the role of higher education is blemished in the presence of unequal access. The reasoning is simple, private financing allows a small group of those who have the ability to pay for their education costs to access education while the majorities (who have little or no ability to pay for the cost of education) are relinquished. For this reason, loans scheme was designed in Tanzania and Kenya at different time settings to unravel unequal access (to the benefit of those who have no ability to pay for education costs).

In effect, legal and institutional framework was put in place for smooth execution of the loans scheme. Alongside loans scheme legislation, there were/are other instruments and departmental practices deem appropriate to their implementation. For example, there are loan guidelines issued yearly by HELB/HESLB. The purpose is to assist applicants with information on application for loans. Such information include: loan criteria, eligibility, important annexes for evidence, application timeline, and any other procedures accompanied during application. The most important aspect of loan legislation is its provision which allows HELB/HESLB to formulate a mechanism that can appropriately identify those who have no ability to pay for their education costs. This is in specificity, "means-testing formula". It was the interest of this study to examine means-testing formula as a proper strategy to swift out the dangers to unequal access. The study went further to investigate criteria for loans – their viability, coherence, and consistence in identifying those with little or no ability to pay for education costs. In addition, the study evaluated loans adequacy and sufficiency to guarantee access to quality higher education. This is because high quality education yields economic growth and development. Economic growth and development is the focus of all governments in the world.

Under this study, Tanzania refers to the United Republic of Tanzania i.e. Tanzania Mainland and Tanzania Islands (Unguja and Pemba - Zanzibar). On the other hand, Kenya refers to the Republic of Kenya (including Mombasa). The reason to this clarification is first to make it clear that the operations of loans scheme does not exclude overtly or covertly a part/section of the Tanzanian or Kenyan society. That means all members of Tanzanian or Kenyan society have equal opportunity to approach HELB/HESLB for loans. Second, uneven existence of universities across the country has no perceptible adverse impact whatsoever to particular section/region of the country. All members from all societies have equal opportunities provided that requirements to join university education are meritoriously met. Thus, HELB/HESLB disburses loans on criteria other than regional disparities. So, there is no validity of treating students from particular regions with specialty while evaluating means-testing and/or criteria for loans. The selection of sample universities was purposive to make sure that every individual from all parts of the country was considered to have *prima facie* opportunity to get admission into university select.

3.7 Data Collection and Analysis

The study employed qualitative methodology. Specifically, the study sought to understand the extent of impact of private financing policies (to the poor) in Tanzania and Kenya. There is a liaison between qualitative research and understanding (*verstehen*). Merriam (2009) argues that, "since understanding is the goal of this research, the human instrument, which is to be immediately responsive and adaptive, would seem the ideal means of collecting and analyzing data. However, the human instrument has shortcomings and biases that might have impact on this study". This means that studies of this nature are subjective because they focus on social life. And thus, empirical research through positivism (scientific method) would not be able to capture the subjectivity embedded in the study in relation to a particular situation. Similarly, Flick (2009) argues that "to formulate such subject-and situation-related statements, which are empirically well founded, is a goal which can be attained with qualitative research". He continues that, the subjectivity of the researcher and those being studied becomes part of the research process. Thus, researchers' reflections on their actions and observations in the field, their impressions, feelings, and so on became data in their own, forming part of the interpretation, and are documented in research diaries or context protocols. This proposition, however, purports that subjective data are very important in interpretation and understanding of phenomenon in the social world. The appropriate method to capture that is qualitative method.

Additionally, Van Maaneen (1983) argues that qualitative research is "an umbrella term covering an array of interpretive techniques which seek to describe, decode, translate and otherwise come to terms with the meaning, not the frequency, of certain more or less naturally occurring phenomena in the social world". It means interpretation and context are a foundation for understanding human experiences in holism[163]. For example, Shaw and Gould (2001: 7) says the main task of qualitative interpretation is to explicate the ways people in particular settings come to understand, account for, take action, and otherwise manage their

[163] Creswell (2003, 2008) explains holistic account as a process where the researcher tries to develop a complex picture of the problem or issue under study.

day to day situations'. In similar views, Marvasti (2004: 7) clarifies that qualitative research involves detailed description and analysis of quality, or substance, of the human experience. Berg (2001: 2) adds that it is clear certain experiences cannot be meaningfully expressed by numbers. He goes further to state if humans are studied in a symbolically reduced, statistically aggregated fashion, there is a danger that conclusions – although arithmetically precise may fail to fit reality. Arguably, this reality is contextual and usually involves configurations. Neergaard and Ulhøi (2007: 4) explain the goal of qualitative research is to develop concepts that enhance the understanding of social phenomena in natural settings, with due emphasis on the meanings, experiences and views of all participants. These experiences of the world cannot be understood without knowledge of the way in which their inner worlds allow them to experience the outer world (Hollway and Jefferson, 2000: 4). In addition, Sherman and Webb (2005: 5) say experience is to be taken and studied as a whole[164], or holistically. Scientific knowledge, as elaborated by Czarniawska (1998:2) depends on its sharp differentiation from the commonsense, everyday knowledge of ordinary people. Conclusively, Vanderstoep and Johnston (2009: 165) reiterate qualitative research focuses on the meanings of experiences by exploring how people define, describe, and metaphorically make sense of these experiences.

In simple terms, qualitative research refers to the meanings[165], concepts, definitions, characteristics, metaphors, symbols and descriptions of things (Berg, 2001; Elliott, 2005; Vanderstoep and Johnston, 2009). Methods or techniques of data collection should be able to reflect human behaviour. This may be accomplished through various ways. De Laine (2000: 1) and Creswell (2008: 175) illuminate foremost, data should be collected in the field to allow face-to-face interaction with the researcher. The rationale is to gather information directly from people while seeing them behave and act within their context. He adds that this practice warrants the use of multiple sources of data, for instance, observation, interview, group discussion, and documents. Similarly, Patton (2002: 48) attests that field work is central activity to qualitative inquiry. The reason he provides is the possibility to describe and understand both observable behaviour and internal states (worldview, opinions, values, attitudes, and symbolic constructs). For example, the researcher was able to observe in the

[164] A whole refers to temporal, geographical, socio-cultural context, and which have been refereed in numerous contributions as natural setting.

[165] Grbich (2004: 33) explains meaning is seen as being structured through binary opposites, whereas, the analysis involves uncovering patterns and ascertaining their meaning through the particular order in which they have been constructed. The assumption is that there is no meaning out there but from perceptions of human beings about the social world.

field the wrath, rage, exasperate and ire attitudes among students who were waiting for responses to their loans applications at HELB/HESLB.

Again, the relationship between HELB/HESLB staff and students and/or other customers is inimical. The researcher personally experienced abominable treatment from HELB/HESLB staffs. The interpretation of such attitudes is versatile. First, there is no proper management of records. This is evinced when the researcher lodged an application to conduct research at HESLB in Tanzania. The application was delivered at the register's office through a dispatch book. Interestingly, there was no response for about three weeks. The researcher personally inquired to know reasons for delay as field time plan was approaching to the end. It became evident to the researcher; the application was nowhere to be found. Surprisingly, at the register's office there was adequate information of when the application was lodged by the applicant, and when and where the application was last sent. This is when the officer at Human Resources and planning department became arrogant, opprobrious, and scurrilous to the applicant. Second, there is no co-ordination between and among top management and lower cadres. It is a common practice for HELB and HESLB to use security guards at the gate immediately before reception. These security guards are at most times not aware of matters of urgency or specialty. Regardless, they are always in antagonism with students and/or any other customers.

Moreover, the researcher was affronted by a security guard at HELB in Kenya. The problem came when the researcher was directed to see the director of HELB before conducting the research. The security guard insisted that the researcher cannot see the director because he was out of the country and would come back after three weeks. The researcher took adequate time to explain to the security guard about the time schedule (for the research) and requested if there could be any other officer to handle the matter on his behalf. The security guard did not have a solution neither could she seek opinion from her superior. The researcher demanded to see the secretary to the director in person for a reason that she might have a higher understanding than the security guard so as to discuss available possibilities regarding to researcher's schedule. After discussing with the secretary, it came by a surprise; the researcher was given the next day appointment to meet the director (who supposedly was out of the country). Third, there is disavowal to accurate information. Almost every student who assembled at HELB/HESLB was complaining about the information given to him/her as being inadequate and inaccurate. Besides, each time the student meets an officer at the two respective institutions for inquiries about loans; the information given was metamorphosed. Lastly, there is lack of commitment and diligence among workers of HELB/HESLB. In a different scenario, the researcher was able to observe agony among students who leaves in university campuses during administration of questionnaires. Some students hardly eat once a day. Thus, they are at most times infelicitous. From these observations, it is beyond a reasonable doubt, face-to-face interactions between researchers and respondents (people) are not only needful but also eligible.

Various qualitative techniques were incorporated in data collection. To the acknowledgement of the fact, there is no single best way of collecting data; normally, the choice of method depend on the nature of research questions, and the purpose is to obtain valid and reliable data (Foster, 2006: 97). The study employed a review of documents, questionnaires and interviews as data collection techniques. One of the main reasons for employing a review of documents as a prime technique is that financing of higher education is very challenging and it has been handled distinctively in different countries and thus a review of documents would provide not only appropriate information but also deep understanding for the study. The second reason to the use of documents hinges on the ability to capture the past and present which is necessary in constructing the future. Since this study aimed at examining the extent of impact of private financing of higher education then historical foundations of financing higher education are ineluctable. Again, documents were extensively examined to trace evolution of private financing so as to understand how countries came to choose particular mechanism for financing higher education. Third, the study involved the government, individuals, service providers, students, and other stakeholders. Each of them has his/her opinion to the problem in question. It is aptly stated these opinions were/are expressed in writings through official reports, media, internet, agenda setting, political rallies, etc. In support of above arguments, Sanders (1994: 48) argues, it is only with detailed substantive knowledge that analysts can make informed judgments either about the relevance of the characterizations that they make of particular systems or about the identity of meanings attached to the questions that they pose to people living in different countries.

A critical examination of documents provided useful information to the analysis. Bernard (2006: 463) consents to the use of documents and he says most recoverable information about human thought and behavior in complex societies is naturally occurring text, i.e. books, magazines, and newspapers, of course, but also diaries and correspondence. A number of commentators acknowledge documentary analysis to include studying excerpts, quotations, or entire passages from organizational, clinical, or program records, memoranda and correspondence, official publications and reports (e.g. Green Papers, White Papers, policy documents, Acts of Parliament, etc), personal notes, biographies, autobiographies, diaries, letters, essays, open-ended written responses to questionnaires and surveys, electronic and digital sources, for instance, produce websites, promotional videos and similar artifacts (Jupp, 2006; Silverman, 2004; Patton, 2002). Documents under this study include: policy documents; legal documents and other instruments guiding the financing of higher education; university admissions and/or enrolments; prospectus, articles, books, reports, and papers on financing higher education; loan application forms; newspapers; and magazines. These documents are mostly produced and preserved in writings in two main forms: words or statistics. For example, most reports provide statistics while books, articles, and newspapers provide written words. The researcher used various means to access the documents. These include: internet sources[166], physical offices of respective organizations[167], and library[168].

[166] Internet source remained primary for the study. It provided both primary and secondary data. Documents acquired through this way include: national reports; policy papers; day to day announcements to students and general public by HELB/HESLB, TCU/CUE; university prospectuses and education fees; legislations; regulations; newspapers and magazines; periodic guidelines for loan applications; journal articles; books; conference papers. It is important to appreciate the fact that internet source has been providing new information on financing higher education worldwide through all above channels. For example, the ongoing developments to financing university education in Germany i.e. from private financing to public financing; the rising tuition and fees in UK and other parts of the world that lead to demonstrations, declining numbers of student enrollment in certain course programmes; etc. The currency of information made analysis easier and discursive. The second vantage of internet source is the ability to access books, journal articles, conference papers, etc. in expeditious way. The researcher was able to access very recent articles and books (e.g. 2010, 2011, 2012, and 2013) through open access journals (with or without a fee) such as Higher Education (Springer), Journal of Higher Education in Africa (JHEA); Palgrave Macmillan Journals, Taylor and Francis Journals, Higher Education Quarterly (Wiley-Blackwell); books were accessed through *amazon.de* with a fee; notably, the list is not exhaustive.

[167] During field work the researcher visited a number of offices, namely, HESLB/HELB; TCU/CUE; ministry of higher education-Kenya; ministry of education and vocational training-Tanzania; university VCs/DVCs, admissions office, deans office; and students' leaders office (students affairs section and loans allocation section). These offices provided the researcher with momentous documents which could otherwise not be acquired through internet. These documents include: list of loan beneficiaries, list of students who qualify for loans but could not get loans due to budget constraints, figures on loan repayments, loans application forms, loans agreement forms, numbers of students with problems to financing university education, numbers of scholarships available for needy students, government budget allocated to education ministries, laws governing loans disbursement, means testing formula, proposals to improving loans scheme, and student enrollments since 1980s.

[168] The researcher utilized facilities of *Universitätbibliothek* Bayreuth including interlibrary loan through Bavarian Network Catalogue (BVB) and Deutsche *Nationalbibliothek*.

One most limitation of these documents is authenticity or validity of the information (Seale, 2003; Bernard, 2006; Jupp, 2006; Creswell, 2003&2008). This limitation manifests in two: sources of information and information itself (it is allegedly bias). Some sources of information are contentious and normally disputed. For example, internet sources, media sources (newspapers, magazines, blogs, etc), and private or public sources. Appreciating this fact, there are a number of solutions to the problem. For purposes of clarity two groups are developed. First, it concerns with the choice and determination of genuine and credible sources. There are ways to verify web sources. One, it is a use of Secure Sockets Layer (SSL) encryption by genuine websites. SSL is a protocol which provides secure internet communication. Arguably, information may not be doctored by a third party. It has been a common practice nowadays for many websites to use this protocol for purposes of instituting confidential user information. Another way to verify secured web is through investigating domains and IP addresses. Domain White Pages[169] (DWP) is often used to view authenticity of domain dossier. Two, it is the establishment of secure electronic contract and signing system (Secure Signature System). A user is provided with a password to access information. This practice is prevalent to many reputable journals such as Oxford, Cambridge, Palgrave Macmillan, Taylor and Francis, etc. It is more of a business but it serves to determining authenticity.

Second, it concerns with reliability, validity, trustworthy, credibility, or objectivity. Admiting the fact that the second concern is arduous, Sternberg (2003: 24-25) underlines consistency and logical coherence of arguments, and implication of the information as primal in assessments. The researcher provided five criteria to be used in determination of authenticity, reliability, objectivity, trustworthy, and validity. Table 2 below provides a summary of such criteria.

Table 2: Evaluation Criteria for Internet Sources

Criteria	Description
Authority	-is there an author? -is the author qualified/an expert? -who is the sponsor? -is the sponsor of the page reputable? How reputable? -is there a link to information about the sponsor or author? e.g normally there is '*about us'* for official websites to view information

[169] http://www.domainwhitepages.com/ on 25 April 2013.

	of sponsor/publisher -if the page includes neither a signature nor indicates a sponsor, is there any other way to determine its origin? ✓ look for a header or footer showing affiliation e.g. copyright mark ✓ look at the URL, http://www.tcu.go.tz/ ✓ look at the domain *.edu, .com, .ac.tz, .ac.ke,.org, .net* -the rationale is to determine originality of source of information
Accuracy	-is the information reliable and error-free? This can best be done through existence of an editor (for most newspapers), editorial board (reviewers) to verify/check the information before publication -the fact that there is a greater limitation to ensure accuracy of personal information and other materials posted on internet is acknowledgeable
Objectivity	-does the information show a minimum of bias? ✓ Look for discussion and arguments if the author provides a critical examination of strengths and weaknesses ✓ Look at the knowledge of author/sponsor; normally a list of bibliography should be extensive and non-internet (unverified sources) ✓ Look for conflict of interest and ulterior motives, for example, a news reporter of certain newspaper cannot report bad news of his/her sponsor either report in a partial way -is the page designed to sway opinion? -is there any advertising on page? Frequently the goals of the sponsors/authors are not clearly stated
Currency	-is the page dated? -if so, when was the last update? -how current are the links? Have some expired or removed? However, there is a problem with updating materials on internet. Sometimes the date indicated on the information is different from the date a person accesses such information. For example, the information shows last updated in 2009 while accessed in 2013. When this happens, it is advisable to indicate the link and the date of last access
Coverage	-what topics are covered? -what does the page offer? -what is the intrinsic value? -how in-depth is the material?

Source: Adapted from Beck, Susan (1997) The Good, The Bad & The Ugly: or, Why It's a Good Idea to Evaluate Web Sources[170]

Questionnaires were applied because the study aimed at identifying the actual status of each family where students come from. However, there is a fallacy that questionnaires are *only* used when a researcher undertakes a quantitative study. The truth is that questionnaires can

[170] http://lib.nmsu.edu/instruction/evalcrit.html on 15 April 2013.

also be used in qualitative study for particular reasons. For example, Woods (1999) concedes to the use of questionnaires in qualitative research. He says questionnaires are applied in qualitative research depending on the nature of data required. More importantly, he provides two scenarios leading to a use of questionnaire. The first scenario is when the purpose of questionnaire is to find out factual details or to seek responses to firm categories. Second, questionnaire may be used as a 'check' to fill out certain features. At this point, Woods explains further, questionnaire is used with an interaction of qualitative techniques on a sample making it typical qualitative research. Woods' explanation implies two procedures. One, both probability and non-probability procedures may be applied to have a sample but adjustments should be made to a sample in order to impart 'quality'. The reference is made to quota and stratified sampling procedures. Two, it could mean a merger of data collection techniques (e.g. questionnaire, interview, documents, etc). For example, Adejimi, *et al* (2010) expound, questionnaires can be structured to add more "qualitative-ness" to quantitative data so as to give the researcher a richer and meaningful result especially when such research involves personal opinions.

Amalgamation of data collection techniques is widely known as "triangulation". Howsoever, the second scenario leads to a broader understanding of the concept of "validity". Creswell (2003, 2008) defines qualitative validity to mean that the researcher checks for the accuracy of the findings by employing certain procedures/strategies such as a use of multiple strategies, "triangulation". In a similar understanding, Foster (2006: 89) argues that triangulation is a direct check on the validity of qualitative techniques (for his case, observations) by cross-checking them with other sources of data. In a more rigorous way, Bloor, *et al*. (2001: 12-13) reject validating role of triangulation based on specific premises. However, this rejection does not confound to a rejection of multiple methods. Implicitly, there are various reasons to the use of multiple methods. And this depends on the nature of the study. Supportively, Desai (2002: 123) attests, most qualitative researchers would consider using a wide range of data sources for some projects, if there were good reason to believe that interviews or groups would not deliver the insights required. Definitely, factual details of individuals cannot be produced by interviews or groups.

According to Bloor, *et al*. (2001), the first premise stems to the use of the term triangulation. They say the term was popularized by the method's writer Norman Denzin in his book, "*The Research Act* (1989)" whereas his own use of the term is somewhat ambiguous. The ambiguity has subjected triangulation to misuse ('grounded theory' is another). Subsequent researchers claimed that triangulation is the social scientist's equivalent of natural scientist's 'replication', i.e. triangulation was seen as a validation procedure, a procedure for replication within social settings in a similar manner to the scientist's replication across laboratory settings. They go further to explain mendacious view of positivist of triangulation on two accounts. One, it equates (wrongly) one method with another in respect of their suitability for addressing the research issue in question. Two, it assumes (wrongly) that the data produced by each method are directly comparable in respect of the order of specificity of their findings. In conclusion, they say, research methods are not readily substitutable: in any given research setting one particular method will be more suitable for the particular research topic than the other making direct comparison or validation by triangulation not possible. Denzin and Lincoln (2000) concede that "qualitative researcher ….uses the aesthetic and material tools of his or her craft, deploying whatever strategies, methods or empirical materials which are at hand. If new tools or techniques have to be invented, or pieced together, then the researcher will do this". This proposition suggests a use of triangulation in conformity with theoretical and contextual underpinnings.

Presumably, the sample of students under study ought to be big hence very expensive to handle. Therefore a guided questionnaire was administered to sampled students from eight (6) universities (3 from Tanzania and 3 from Kenya). A total of 60 questionnaires were administered. Asking students questions that reveal their actual status needs a clear semi-structured questionnaire which was prepared. Open-ended questions were administered by the researcher. It was due to the following advantages: clarity of questions, assurance to complete questionnaires, higher response rate, and greater control of the environment. Nevertheless, Lazarsfeld and Barton (1955, 1965) identify the immediate problem with this approach to be how the raw data are classified in some reasonable preliminary way so that it can be communicated and thought about. The two go the extra mile to explain viable solutions to the problem. They say it requires a good classification system in the four point summary. These include: articulation, logical connectedness, adaptation to the structure of the situation, and adaptation to the respondent's frame of reference. 'Articulate' classification suggests that material can be examined either in terms of details or of broad groupings, whichever are more appropriate for a given purpose. Logical connectedness underlines exhaustiveness and mutual exclusiveness of a set of categories. This is to say, for an object with more than one aspect must have its own separate set of categories. Adaptation to the structure of the situation is based on a comprehensive outline of the situation as a whole - an outline containing the main elements and processes in the situation which it is important to distinguish for purposes of understanding, predicting, or policy-making. Adaptation to the respondent's frame of reference should reflect respondent's own definition of the situation.

Acquainted to classification system, the researcher prepared two strata based on income sources: at individual level, there are student workers[171] (those who are employed) and non-student workers (those who have no employment). At national/broader level, there are scholarships/grants[172], loans[173], individual sources (from parents, guardians, businesses, etc). It must be noted that, in practice, the set of categories are sometimes overlapping. For example, a student who is a worker might have also parents' support and access to loans. The immediate implication is the presence of various sources accrued to a single student. From this implication the researcher went further to categorize two major groups. The first group is students who depend exclusively on loans and second group is for those who have multiple sources. Generally, with the use of quota sampling the total of eighty (60) questionnaires were administered from both public and private universities. Students were selected based on course programme (law, commerce, engineering, education, etc and/or the year of study i.e. first, second, etc) and gender.

Interviews were used because they are flexible and can yield the hidden information which could not otherwise be obtained through documentary review as well as questionnaires. In a similar view, Patton (2002: 341) emphasizes, qualitative interviewing begins with the assumption that perspective of others is meaningful, knowable, and able to be made explicit.

[171] In most cases, student workers in Tanzania and Kenya are those with minimal dependency on their parents. In 1980s to 1990s most student workers were largely government employees. Following liberalization policies (privatization and free trade), both private and public sectors employ people who could also join evening classes/learning.
[172] From various institutions such as government, NGOs, business companies (telecommunication companies, banks, etc), and international organizations (WB, IMF, Carnegie, etc).
[173] Loans from the government (HELSB and HELB) and other financial institutions (e.g. banks, micro-financial organizations, etc).

There were several advantages obtained from the use of interviews. One, it made interviewing a number of different people more systematic and comprehensive by delimiting in advance the issues to be explored. For example, one of the the issues was '*controversial means testing*'. In that sense, it was more focused and made data analysis easier. In addition, Leary (2001: 94) says interviews provide detailed information[174] about complex topics. Marvasti (2004: 15) starts with the assumption that interviews are fountain of knowledge (vessel of answers), and collecting large representative sample would be wasteful. Therefore, the researcher considers only a special group of insiders (in other words stakeholders) for research-worthy opinions. This particular group of people has adequate knowledge about the topic. At this point, interview technique saved time, energy and costs.

For example, the researcher was able to use twenty-eight (28) informants from Tanzania and Kenya through a quota sampling[175] who are very well acquainted to the topic or problem in question. These include: two representatives from policy makers (1 from Tanzania and 1 from Kenya), two representatives from the Loans Boards (1 from Tanzania and 1 from Kenya), four representatives from university management and owners (2 from private universities and 2 from public universities), two representative from the Commission for higher education (1 from Tanzania and 1 from Kenya), four students from student leadership (2 from Tanzania and 2 from Kenya) , ten (10) potential beneficiaries of the Loans Board (Secondary school leavers who are waiting for admission to universities - 5 from Tanzania and 5 from Kenya), and four experts/academicians (2 from Tanzania and 2 from Kenya). The researcher was able to obtain informed opinions from respondents in the field. However, in specific emerging circumstances such as claims, policy changes, and students grievances; the researcher was able to get feedback from some respondents through e-mails. Gathering of data is only the first step in the quest for understanding; data must be analyzed and interpreted with the aid of theory (Weller and Romney, 1988: 7). This interpretation involves making sense out of text, image, video, or numeral data (where necessary). The purpose is to examine deeper understanding of social world. For that matter, Strauss (1987: 4) argues that qualitative

[174] For example, participants may provide historical account of a phenomenon (Creswell, 2003, 2008).
[175] Quota sampling is defined by Berg (2001: 33) as a purposive procedure where a researcher may wish to use gender, age, education, or any other attributes in creating quotas. These attributes have to do with research questions and study focus. Schofield (2006: 36) expounds that quota involves a procedure to split a population into non-overlapping sub-groups. He adds, quotas of the desired number of sample cases are then calculated proportionally to the number of elements in these sub-groups. The rationale of this procedure is to reduce costs and sometimes to have intuitive appeal to some survey practicioners.

analyses[176] are more than merely useful. They occur at various levels of explicitness, abstraction, and systematization. Therefore, the study involved various techniques of data presentation, to include: figures, charts, and tables.

3.8 Conclusion

This comparative study of Tanzania and Kenya was designed to uncover the impact of private financing in higher education based on a Parallel Demontration of Theory. The rationale behind the choice of parallel demonstration of theory was to understand particular impact of private financing in higher education in Kenya and Tanzania. Two main research questions guided the study. These were (a) to what extent private financing of higher education attenuates access to the education by the poor? and (b) how does private finaincing subverts the fundamental right to education?. Sacrosanct procedures were applied to achieving the objective. They included:- (a) data collection through qualitative techniques such as a review of documents, questionnaires and interviews; and (b) analysis of data through qualitative method. Therefore, a total number of 88 respondents were consulted. Amongst were university students (60) and other higher education stakeholders (28) such as universities (management and experts), commission for universities, ministry of higher education, the Loans Board, and potential loans beneficiaries.

[176] Bernard (2006: 452) defines analysis as the search for patterns in data and for ideas that help explain why some patterns are there in the first place. The analysis is done through data matrix. He suggests two kinds of data matrices, namely, profile matrices (leading to profile analysis) and proximity matrices (leading to similarity matrix or dissimilarity matrix).

Chapter Four

Higher Education in Africa

4.1 Introduction

Higher education developed into Affrica through colonialism. It was introduced by colonialists for a reason that they would get assistants in junior administrative posts. After independence, higher education became of highly priority to furthering development. For that very objective, all governments provided and financed higher education for public interest. Due to the nature of its financing, higher education was made accessible to individual citizens free of charge. Changes in financing policies started in 1980s after the countries introducing privatization and democratization policies as a result of neo-liberalism. Therefore, financing higher education changed from free to private financing. Tanzanian and Kenyan government introduced private financing in 1990s. The implementation was made effective after the parliament enacting laws governing the loans schemes. This chapter explains the development of higher education in Africa and Tanzania and Kenya in particular, focussing on the objective and role of higher education and changing policies of access to the education since independence. However, the rationale for private financing is equally examined.

4.2 Higher Education in Africa

Africa has generally gone through three major phases of development. These include: pre-colonial Africa, colonial Africa, and post-colonial Africa. The introduction of higher education in Africa has been tied to colonialism[177]. That is to say higher education is a colonial invention into Africa. It should be acknowledged as to the fact that there have been claims for existence of higher education in Africa before colonial times. Sometimes, University of Timbuktu (Mali), Al-Azhar University (Egypt)[178], and Al-quarawiyyin University of Fez (Morocco)[179] are taken as reference points. Walter Rodney (1973) in his

[177] Munene, Ishmael ed. (2009: 1) explains, in the book Transforming the Academia: Exploring African Universities in a Comparative Context, that the development of modern higher education began in the colonial era between 1940s and 1950s when European colonial powers, principally Britain and France, founded the first institution as constituent colleges of metropolitan universities.

[178] Al-Azhar University was established in 975AD accessed from http://english.islammessage.com/articledetails.aspx?articleId=816 and http://www.spirituallysmart.com/muslim.html on 3 January 2013.

[179] Al-quarawiyyin University of Fez was established in 859AD accessed from http://insideislam.wisc.edu/2012/02/important-sites-university-of-al-qarawiyyin/ on 3 January 2013

book "*How Europe Underdeveloped Africa*" attested that university education existed in Africa before colonialism and literacy was connected with religion, i.e. in Islamic countries it was koranic education and in Christian Ethiopia education was to train priests and monks. Similarly, Teferra (2008:44) states plainly that higher education existed in Africa prior to colonization albeit in a different form than that introduced by colonizers; and that traditional centers of higher learning in Africa have all but disappeared or were destroyed by colonialism. Luhanga, *et al*. (2003: 2) criticized that those were not higher education institutions *stricto sensu*. Other commentators argue that there are no substantial evidences to existence of a university[180] in Africa before colonialism. Since the purpose of this part is to trace the origins of higher education and explain the role it plays in the society then it is not very important to dwell into such a discussion. Rather, discussing the role of higher education while observing policies and laws to its provision and financing is pertinent.

Higher education[181] was therefore introduced in Africa in 18th Century. For example, Istanbul Technical University was established in 1773, University of Cape Town came in 1829, Kwame Nkrumah University of Science and Technology came in 1851, University of Liberia came in 1862, University of Stellenbosch came in 1866, University of South Africa came in 1873, and University of Livingstonia came in 1895. A mushrooming of universities was witnessed in the 20th Century. These include: in the North of Africa, Cadi Ayyad University in 1958 and Middle East Technical University in 1956; in the South of Africa, University of Pretoria in 1908 and university of Cape Coast in 1962; in the West of Africa, University of Ghana and University of Ibadan in 1948[182]; in the East of Africa, Makerere University in 1922, University of Nairobi in 1956, University of Dar es Salaam in 1970, University of Rwanda in 1963 and University of Burundi in 1960; in the central part of Africa, University of Malawi in 1964, University of Zambia in 1965, Eduardo Mondlane University in 1962, and St. Luke School of Medicine in 1998 (Source: 4International Colleges and Universities Web Ranking 2012)[183]. It is interesting to note that colonialists introduced higher education in

[180] A university in its modern form.
[181] Higher education in its modern conception refers to post-secondary education. In this case, reference is directed to modern universities. These universities aim to impart knowledge and skills for economic development.
[182] See Water Rodney (1973) *How Europe Underdeveloped Africa*, London: Bogle-L'Ouverture Publications and Dar es Salaam: Tanzania Publishing House; the University of Ibadan was firstly established as a campus (University College Ibadan) of the University of London (Hudu, 2000: 213; Adeyemo, 2000:244).
[183] Accessed at www.4icu.org/lr/ on 12 November 2012.

large parts of Africa[184] for the purpose of training Africans to take up lower cadre positions in the management. However, universities came to play other roles besides their intended colonial objective. While colonial higher education was an instrument to serve the European capitalist class in its exploitation of Africa[185], it contributed powerfully to the achievement of independence[186]. Arguably, those who received the education were pioneers in all independence struggles. Therefore, higher education had played aptly two major roles during colonial rule. It is out of the prime objective of higher education where policies were crafted to suit intended patterns to its provision and financing.

Access to higher education during colonial period was highly limited. For instance, at the time of regaining political independence Congo had only 16 graduates out of a population of more than 13 million. While Southern Rhodesia (Zimbabwe) had in 1958 no graduates, but in 1960 only 3 graduated from the established university college in Salisbury. On the other hand, only 40 black Mozambican students which is less than 2 percent of the student body had entered the University of Lourenco Marques by independence in 1975 (Mario, et al. 2003: 7). The reason to such dismal results is that colonialists refrained from establishing as many higher education institutions in the colonies with the fear of producing large numbers of educated Africans. For this reason, a few university institutions were installed and only a tiny of African race had access to university. For example, in 1940s a university was set up in Dakar (to serve the whole of French West Africa) and in 1950s on the eve of independence, more than half of university students were French (Walter Rodney, 1973). Other institutions were established some years before independence included: Achimota and Yaba Colleges (West Africa); Ibadan and University of Ghana, University of Khartoum (Sudan), and Makerere University (Uganda).

It is also argued that financing of colonial education was very limited and thus impacted negatively to accessing the education by Africans. The metropolitan governments and African

[184] Individual countries of Africa and/or as a region, for example, Makerere University served for East Africa Region before independence of the countries, see also Water Rodney (1973: 68) *How Europe Underdeveloped Africa*, London: Bogle-L'Ouverture Publications and Dar es Salaam: Tanzania Publishing House.
[185] See Walter Rodney (1973) *How Europe Underdeveloped Africa*, London: Bogle-L'Ouverture Publications and Dar es Salaam: Tanzania Publishing House.
[186] See McMullen *et. al* (eds.) (2000:35) *The Emerging Markets and Higher Education: Development and Sustainability*, RoutledgeFalmer Studies in Higher Education Vol. 24, New York and London: RoutledgeFalmer, Taylor & Francis Group.

administrations claimed that there was no enough money for the education. This may sound absurd. Walter Rodney presents that in every colony the budget for education was incredibly small compared to amounts being spent in Europe itself. He further says Africans provided Europe vast wealth through production out of African soil and African labour. One may argue that limited access to higher education by African race was intentional and not a consequence of limited funds. In support of this, Teferra (2008: 45) says there was no effort to expand higher education in the colonies, however, the intention to expand education, for instance, in British colonies[187] was meant to serve the interest of the colonizing elements in the colonies and the metropole. It was thus unexpected to have multifarious university institutions in order to assist colonial administrations keeping abreast of demands for lower cadre workers.

Immediately after independence the role of higher education changed tremendously. There was a need to rebuild Africa following economic destructions made by European colonizers. This pressed demands for human resources particularly skilled man power. Mass higher education became a necessary lever for Africa's development. African countries, such as Kenya, Tanzania, Zambia, Mozambique, Zimbabwe, etc adopted developmentalism and national building as an agenda and ideology. They started reforming higher education starting with the purpose of African universities. In her chapter, Coker-Kolo (2009: 9) '*Historical Evolution of African Universities: From Pre-nationalism to Globalization and Internationalization*' emphasizes that education reform was closely tied to national building and a rethinking of national goals informed the direction of higher education in each of the newly independent states. She went further to say higher education was considered an investment. This new role transformed higher education in terms of provision and financing of the education. Access to university was widened and a relative number of Africans got university education. For example, Munene (2009: 1) shows a growth of student enrollments from less than 181,000 at the dawn of independence to over 1,750,000 after policy ramifications. During this time African governments were sole providers and financiers of higher education. Policies were centrally planned and public financing was the only mechanism deemed appropriate to achieve Africa's development.

[187] Examples of institutions established in British colonies were University Colleges of Ghana (Legon); Siera Leone; Ibadan (Nigeria); Makerere College (Uganda); and Royal Technical College (Kenya).

Three decades after independence Africa, like other countries around the world, experienced economic difficulties due to economic depression coupled with oil crisis in 1970s. The depression started in the West (particularly, the US and UK) and affected the whole world. This was not only a stumbling block to achieving the intended objectives but also a pressure to overhaul higher education industry. Governments were unable to financing the wholly of higher education. Apparently, the growing population was exerting pressure to expanding access to university besides the demands for skilled human resources were skyrocketing. The immediate solution was to seek for assistance from western countries. The World Bank (WB) and International Monetary Fund (IMF) accepted to assist Africa under certain conditions. The conditions were packaged in Structural Adjustment Programs (SAPs). This package intended to reform Africa's socio-economic and political settings to accommodate liberalism[188]. Therefore, governments were to refrain from being sole providers and financiers of social services including education; allow private property; promote democracy and human rights; stop involving themselves in economic production; and cutback budget expenditures. The impact of these conditions was to reform higher education in a number of ways.

First, it is the role of higher education. There has been a shift of emphasis on the role of higher education. The WB has a lot to do with this shift. The rate of returns analysis on education conducted by WB guided policies in 1980s and 1990s. The policies diverted emphasis to primary education while holding secondary school funding and support constant; and reducing the numbers of university students[189]. The rationale behind this diversion is that the rate of social returns of higher education is low. Implicitly, investing on higher education could not spur development in Africa. It is this flawed analysis which has affected the development of universities in Africa. In support of this, Teferra (2008: 89) argues that decision makers in many countries' ministries of finance and development planning still assume higher education does less to contribute to development. And thus, across Africa in 2003, 44% of the education budget was allocated to primary, 36% to secondary and 19% to tertiary. It is very surprising to find that today WB, IMF, and the association for the development in Africa recognize a critical role for higher education in national

[188] Liberalism is a political philosophy grounded on liberty and equality. It emphasizes respect for human rights, democracy, free trade, and private property. Privatization and globalization are common features of liberalism.
[189] Teferra, Damtew (2008: 88) 'The International Dimension of Higher Education in Africa: Status, Challenges and Prospects' in Teferra, D. and Knight, J. (eds.) *Higher Education in Africa: The International Dimension*, USA, Center for International Higher Education and Association of African Universities.

development[190]. Arguably, the decision to shift emphasis on the role of higher education for development to primary education was founded under wrong premises, and thus it has augmented underperformance of most universities in Africa to fostering development.

The second outcome is the public-private partnership in the provision and financing of higher education. In terms of provision, private providers were/are invited to provide higher education. The positive side of this partnership is the increased number of university enrollments. One would say it is one way to fulfill the quest for human resources. But again students were/are given wider choice of universities and programme to attend. For example, from 1998 to 2002 there have been a growing number of both public and private universities in a number of countries as follow.

Table 3: Growth in Number of Public and Private Universities in Africa

Country	Public	Private	Year
Sudan	26	4	1998
South Africa	22	4	2001
Kenya	6	8	2001
Uganda	2	11	2001
Zimbabwe	5	3	2001
Egypt	12	6	2001
Mozambique	1	1	2001
Senegal	2	N/A	2001
Ethiopia	2	N/A	2001
Algeria	33	NIL	2001
Tanzania	5	9	2002
Nigeria	40	7	2002

Source: Luhanga, et al. (2003:6)

Without a doubt, these institutions have increased access to university. To cite Mozambique, Mario *et al* (2003:18) explain the increase in university student numbers from fewer than 4,000 in 1990 to almost 12,000 in 1999 and that from 1996 onwards the rapid increase[191] was

[190] Teferra, Damtew (2008: 89) 'The International Dimension of Higher Education in Africa: Status, Challenges and Prospects' in Teferra, D. and Knight, J. (eds.) *Higher Education in Africa: The International Dimension*, USA, Center for International Higher Education and Association of African Universities.
[191] Student numbers increased from 262 in 1996 to 2,598 in 1999.

contributed by the opening of non-governmental institutions. In 1966 Nigeria had a total enrolment of 8,800 students in which it multiplied to 18,000 in 1971/1972 after the civil war, again enrolments tremendously expanded to 101,679 students in 1985 (Lawal, 2007: 58-60). On the other hand, Mwiria, *et al.* (2007: 21) provide a scenario in Kenya where student population augmented to 42,193, excluding privately sponsored students, in 2000. For whose access to university has been burgeoned is the question which is delitescent. Financing patterns could un-puzzle this query better. Arguably, private financing without proper mechanisms to facilitate access of those who are not able to pay for their university education restrains access to university by the poor. And thus, decision makers in respective countries do determine the fate in accessing the education by the poor. It is quite interesting to note that over 50% of the population in most if not all countries of Africa are poor[192]. One would expect African countries to deliberately choose appropriate financing mechanism of which would not only facilitate production of adequate human resources but also manage fiscal resources properly.

The third outcome is the quality of higher education. The diversification of provision and financing through private provision and individual financing has bedeviled higher education in Africa. The quality of education is deteriorating. It is generally, agreed that over the past two decades the quality of higher education has declined in several African countries (2013: 2; Yizengaw, 2008: 1). There is massive production of half-cooked graduates who cannot transform Africa economically, politically, and socially. Materu (2007) conducted a research between November 2005 and December 2006 to assess higher education quality assuarance in the following countries;- Cameroon, Ghana, Mauritius, Nigeria, South Africa and Tanzania; only to find out the quality of education is compromised to the point that there are growing complaints by employers that graduates are poorly prepared for the workplace. The online degrees as well as private provision are constantly challenged for compromising[193] the quality

[192] Poor is a person who lacks enough money to live comfortably in a society. Debates have been on the measurability of such comfortable life. Various scales have been put forth to include earning capability, housing, feeding patterns, etc. The following chapters will conceptualize the term poor broadly.

[193] See Makulilo, V. (2012) "The Proliferation of Private Universities in Tanzania: Quality Compromised?" *Wudpecker Journal of Educational Research*, Vol. 1, No.4, p. 51-66; Materu, P. (2007) Higher Education Quality Assurance in Sub-Saharan Africa: Status, Challenges, Opportunities and Promising Practices, World Bank Working Paper No. 124, The World Bank, Washington, D.C.; Hayward, Fred. M. (2006) Quality Assurance and Accreditation of Higher Education in Africa, A paper presented at the Conference on Higher Education Reform in Francophone Africa: Understanding the Keys of Success, June 13-15 Ouagadougou, Burkina Faso; Owuor, Nickanor Amwata (2012) Higher Education in Kenya: The Rising Tension between Quantity and Quality in the Post-Massification Period, *Higher Education Studies*, Vol. 2, No.4, P.126-136;

of education for the sake of business. Public provision is also not free from this swirl. The minuscule budgets allocated to universities are unable to run projects smoothly. For example, scientific researchers are underfunded. University management becomes difficult. Number of lecturers does not correlate with the increased number of students, not to talk of qualifications. One may find junior staff instructing a huge class of students. In terms of infrastructures, most universities do not have enough but modernized classes, student accommodation, libraries and books, cafetaria, playgrounds, and privy. Commentators have pointed out a number of causes to the decling state of quality higher education in Africa. Rapid increase of student enrolments without corresponding increase in budgetary allocation, poor standards of libraries and laboratories, inadequate pedagogic training of academic staff, limited capacity of quality assurance mechanisms, insufficient numbers of qualified academic staff in higher education, and poor governance, are among the most pronounced causes (Shabani, 2013; Owuor, 2012; Makulilo, 2012; Materu, 2007; Otiende, 2006).

Due to the critical role of higher education in the society, governments have embarked on quality assurance measures. One of the measures at national level is the establishment of a commission for universities. The commission is legally in charge of university accreditation, vetting of degree awards, central admission, and a regular check over university operations. The challenge remains is the capacity of the commission for universities to discharge its duties. For example, David Odongo of the Standard Newspaper online edition reported on 15 August 2012 that Commission for Higher Education (CHE) awarded Pioneer International University (PIU) a letter of interim authority to operate as a university while it did not qualify. Arguably, most of these commissions are incapacitated. The contribution comes from multifarious factors. Legally[194], in one way or another, they have not been conferred full powers to discharge all duties independently. Politically[195], they are much influenced by the changing policy decisions of the executive leaders. Sometimes, such changes may bring

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Otiende, James E. (2006) Transformations and Implications for Access and Quality in Public and Private Universities in Kenya: A Comparative Study, *JHEA/RESA*, Vol. 4, No.1, p.37- 44.

[194] For example the Commission for Higher Education in Kenya (CHE) was for long paralyzed by law to ensure quality of the education. It was established for accrediting private universities and not public ones. It could not centrally admit students to universities for the purpose of examining their certificates. This was done by the Joint Admission Board (JAB) by public universities. Until recently CHE has been empowered through The Universities Act of 2012.

[195] Tanzania Commission for Universities (TCU) validates the argument. The dictum by the government to abolish an award to diploma in 2008 overburdened TCU in the process of accrediting all institutions previously awarding advanced diploma since it was impossible to prevent them from providing education. In one year, a good number of institutions were accredited. Conclusively, TCU could not examine those institutions thoroughly hence existence of private universities with lot of inadequacies that hamper quality of education.

positive or negative impact to commission's operations. Economically[196], they are underfunded and thus a thorough examination before accrediting a university and constant checkups on university operations is flawed. At the level of a region, African universities have started to accede the bologna process[197].

4.3 Higher Education in Tanzania

Higher education system and independence were intertwined. Tanzania became the first in East Africa to get independence in 1961 having one institution, the Dar es Salaam University College of East Africa. It was established as a college of University of London and later, in 1963, became a constituent college of East Africa (Luhanga, *et al*. 2003: 21). The establishment of this college was due to the fact that there was a need to restructure the economies especially after all destructions made by the colonial rule. The role of education in promoting economic and social development became pivotal. Unity[198] was the first call by the first president, Mwl. J.K. Nyerere, to achieve intended objectives. The reason behind this call followed the differences created by colonialism in terms of extraction of resources, education opportunities, regional economic disparities, and socio-cultural benefits. It was imperative to create a one-party state. In 1965 the country became a *dejure* one-party state. Apparently, the country did not have adequate experts, professionals, as well as educated people to carry out the developmental agenda. The main objective of the time was to highly train human resource base with relevant skills and attitudes in order to modernize and expand all sectors of the economy (Bogonko, 1992; Abagi, 1998; 1999; Sifuna, 1998; Varghese, 2005). It was this great demand for highly educated people which forced the countries to establish universities. In this endeavor Tanzania was guided by one major logic, developmentalism and Africanism.

[196] Teferra (2008: 87) provides an example of the Nigerian National Universities Commission which in 2005 could not include some 'international observers' in its accreditation exercises due to financial constraints. The consequence was that such assessments become narrow and risk various biases entering into their judgments.

[197] Shawa in Coker-kolo (2009: 12) warns that the Bologna process has a negative implication to assessing Africa's quality of higher education since it is dysfunctional. The assessment is based on a set of standards in a European paradigm. Therefore, African countries and their institutions do not have resources to achieve and maintain such standards.

[198] J.K. Nyerere had a remark: New nations like Tanganyika get their independence after a sustained struggle against colonialism. This is a nationalist struggle which unites all the people in the country and does not leave room for differences; and the nationalist movements after achieving independence, form the independent governments of their countries. But immediately after its formation, the new government is faced with a major task that of the economic development of the country and the general uplifting of the standard of living of all the people, through eliminations of poverty, ignorance, and disease. In order for this objective to be successfully accomplished there is as much need for unity as was required during the struggle for independence. Similarly, therefore, there is no room for differences (TANU Annual Report 1965).

Through this logic the country, in 1967, adopted Ujamaa (socialist policies) as an ideology and national framework to economic development.

However, equality in accessing higher education was a priority. The policy on education for self-reliance was formulated to give equal access to every individual in the society. Consequently, Education Act No.25 of 1978 was enacted by parliament to effect the implementation of the policy. It stipulates that, "subject to national policy or national education plans and priorities appropriately specified time to time, every citizen of United Republic of Tanzania shall be entitled to receive such category, nature and level of education as his ability may permit him". However, inequalities to access education along social lines of gender persisted. For example, the disproportionate number of females compared to males increased from 8% in 1961 to 24% in 1981 (Burchert, 1994:90). Financing policies have greater influence on ensuring equity/inequity of access to university education. Thus, the financing of higher education has passed through three main phases, namely, Free Education Phase (FEP); Cost-sharing Phase (CSP) and Loans Phase (LoP). In each phase, there have been changes of ideology, policies and laws that significantly twisted financing mechanisms hence restraining or enhancing access to higher education.

4.3.1 Free Education Phase: 1961 – 1980s

The provision and financing of higher education was spearheaded by Ujamaa policies. The policies were crafted to achieve two objectives. The first is economic development through mass education. Second, it was the need to build a socialist society. In order to effectively implement Ujamaa, the government assumed a bigger role to play. Apart from being a centralized state, the government took up the role of collective ownership of the means of production and equal distribution of the resources. The government was the main producer and provider of social services including education. Financing of such services was solely government's responsibility. During this time there were a small number of universities. These include: The University of Dar es Salaam (1970), The Institute of Development Management (1971)[199], and Sokoine University of Agriculture (1984). The population was also relatively small. Every citizen with the ability to learn up to university had an equal opportunity to do so. The final examination results of secondary education (Advanced

[199] Institute of Development Management (IDM) was not a full-fledged university until the enactment of Act of Parliament No. 9 of 2001. Before this time, IDM awarded advanced diploma which is equivalent to a degree.

Secondary Education Certificate – ‘ASEC’) were used to admit students into university institutions. Students who performed the highest grades (depending on the cut-off point that is determined by respective universities in each year) were admitted to university. Thus, academic merit was the prime criterion to get admission into public universities. An application to join university was sent by an applicant to a university of his/her choice depending on universities’ programmes and admission requirements. For example, admission into the University of Dar es Salaam considered the following minimum entrance requirements;- (a) Certificate of Secondary Education Examination (C.S.E.E) or equivalent with passes in FIVE approved subjects THREE of which must be at credit level, obtained prior to the sitting of Advanced Certificate of Secondary Education (A.C.S.E.E) or equivalent; and (b) two principal level passes in appropriate subjects in A.C.S.E.E not below 5 based on the following grade to point scale: A=5; B=2; C=3; D=2; E=1; S=0.5. Principal level passes in Divinity/Islamic knowledge are not counted; or (c) an appropriate equivalent Diploma of not less than Second Class/Credit level or B average obtained from a college which is full registered by NACTE (UDSM Prospectus, 1988/1989).

The education for self-reliance policy made access to higher education free of charge. And, the ministry for education took the financing responsibility up. All students who got admission into public universities were automatically given allowances for transport to and from the university, books and stationeries, and other personal expenses. Food and accommodation were provided by universities. Moreover, the ministry for education paid for all education costs. Arguably, nobody was denied access to university in the name of economic destitution or religious and/or tribal differences. University enrolments grew up slowly. For example, the numbers of admitted first year increased from 14 students in 1961 (Luhanga, *et al*. 2003: 21) to 1,037 in 1989/90 at UDSM (Ishengoma, 2004: 110). Notwithstanding, there was a rapid growing number of students who have completed secondary education ready to enroll into universities. Ishengoma (*ibid*.) demonstrates that only a half of all qualified applicants were admitted in 1989/90 while more than a half were not admitted in 1990/91. The main reason was inadequate funding. The government could not provide grants/scholarships to all qualified applicants instead a ‘*defacto*’ quota system was applied in each academic year depending on the budget. Ostensibly, the country’s prime objective could not be actualized through a limited number of graduands. At this time, the country was experiencing economic crisis due to a number of factors. Internationally, there was a global oil crisis in 1970s, and nationally, the country had fought a war with Uganda in

1978/79 plus the collapse of East African Community in 1977. Bigsten and Danielsson (1999: 8-10) explain the crisis began with major increase in the fiscal deficiet associated with the war in Uganda. The government implemented national economic development plans such as 'National Economic Survival Programme' in 1981-1982; and further 'Structural Adjustment Programme'. But, they all failed to relieve the country out of the crisis. Bigsten and Danielsson (1999: 11-12) say the structural adjustment programme did not address important issues such as exchange rate overvaluation and liberalisation of agriculture. As a result, by 1983 most of the Donors had begun to withdraw their support of Tanzanian experiment and aid flows declined. The immediate option was to go for a loan from the World Bank and IMF. These institutions imposed conditions that led to restructuring of economy in 1980s. The reforms began in 1986 with 'the Economic Recovery Programme (ERP)'.The Structural Adjustment Programmes (SAPs) facilitated among others higher education financing reforms.

4.3.2 Cost Sharing Phase: 1980s – 2004

In 1986 Tanzania introduced market economy through liberalization of all spheres of life including politics, economy, and socio-culture. This led to the shrinking role of the government, in provision and financing of social services including higher education, in the expense of a glowing private sector. The government assumes a role to prepare conducive environment for market operations. The government, also, ceased the collective ownership of means of production responsibility. It started to privatize all public enterprises. By 2003 more than 380 parastatals had been privatized (Makulilo, 2012 p.8175). The private sector started to provide social services under market forces of demand and supply. In this respect, higher education is a commodity just like any other and has to be purchased. Since it is internationally recognized that higher education is expensive then user fees are neither to be expected cheap. Arguably, those with higher purchasing power would be able to access higher education. Accordingly, Galabawa (1991) argues that Tanzania higher education remains elitist and continues to serve a well to do minority. Liberalization policies in education started with cost sharing. Cost sharing refers to a shift of a portion of higher education costs of instruction from being born predominantly or entirely by governments, or taxpayers, to being shared by parents (or extended families) and students (Johnstone, 2003; 2004; 2006). It is very contentious to shift higher education costs from taxpayers to parents and students. The important question is: who are the taxpayers? In a simple answer, taxpayer is a person who pays tax or is subjected to taxation. This definition does not exclude a parent (or extended family) and/or a student. Arguably, it is a double standard for a citizen (taxpayer) who pays taxes continuously and pays for the costs of higher education. The introduction of cost sharing reformed higher education in a two-fold process.

First, the government allowed private universities to provide university education. In 1990s there were about five (5) private universities. These include: International Medical and Technological University (IMTU) in 1995; Tumaini University Makumila (TUMA) in 1996; Hubert Kariuki Memorial University (HKMU) in 1997; Saint Augustine University of Tanzania (SAUT) in 1998; and Zanzibar University (ZU) in 1998. Second, the financing of public universities was reformed. Universities were to implement cost recovery policies while students share, gradually, the costs of education with the government. At a start, in 1992/93 students were to pay for their transport costs to and from their homes of domicile; application and registration fees; examination fees; and students' union fees. The government paid for other embedded costs directly to universities. The following academic year, 1993/94, students were to pay for subsidized food and accommodation on top of the above costs. The government paid for tuition fees[200] for all students in public universities. However, the government introduced a 'loan scheme' to assist students to meet the shared costs of education. It is important to highlight that the established loan scheme was more of a grant[201] since all students admitted under government sponsorship had an automatic access to such a loan. It means access to loan disregarded financial status of individual students. In addition, there was no system in place to ensure a recovery of such loans. Until 2004/2005, after the establishment of Higher Education Students' Loans Board (HESLB) is when a 'defective' mechanism to recover all debts from 1994/95 academic year was designed. It is surprising to say, until today HESLB has not been able to recover such debts in full. The number of defaulters is very big and there are no adequate structures to locate defaulters (more details on chapter five).

Public universities introduced dual track tuition policies. The policy involves admission of both government sponsored students and fee-paying/private sponsored into public universities. Fee-paying/private sponsored students and/or their parents were to pay for their

[200] The Tuition fees paid by the government was a grant.
[201] In addition to a loan, Ishengoma (2004: 9) portrays that there was 'out of pocket allowance' paid to every student admitted under government sponsorship.

education costs by themselves. While government sponsored students enjoy government loans, fee-paying students were treated like students in private universities and thus had no access to government loans until 2005/2006 academic year. It may be argued thus, private sponsored students are those with the ability to pay for their education. However, the numbers of students admitted as private sponsored students was very discouraging. This is because only a few households were able to pay for education costs. For example, Ishengoma (2004: 112) states that, in 2000/2001, the mean per-capital household monthly income for Tanzanian mainland resident was TZS 17,928 (equivalent to USD 39) and TZS 215,136 in a year (equivalent to USD 473). Yet, tuition fee for privately sponsored students at UDSM per year was TZS 1,000,000 (equivalent to USD 2,198). The low purchasing power of most Tanzanians restrained access of many qualified students to university.

Politically, liberalization policies came with multiparty democracy. Tanzania introduced multiparty democracy in 1992 whereas, emphasis on respecting and promoting human rights was more pronounced in the political fora. Education became a topical of the day. People looked at education as a right where every individual is entitled to. The United Republic of Tanzania Constitution of 1977 (The Constitution) states under Article 11(2) that "every person has the right to self education, and every citizen shall be free to pursue education in a field of his/her choice up to the highest level according to his/her merits and ability". It must be remembered the highest level in education is university. The Constitution states further under section 3 that "the government shall endeavour to ensure that there are equal and adequate opportunities to all persons to acquire education and vocational training at all levels of schools and other institutions of learning". It is important to highlight the constitutional responsibility of the government to ensure equal and adequate opportunities in fostering individual citizen's learning to highest levels where his/her ability may permit. With the recognition of financing as a challenge to individual's success in learning, the government, in 1999, formulated Higher Education Policy (the Policy) for the purpose of creating an effective financing mechanism.

4.3.3 Loans Phase: 2005 – Todate

The government reformed once more the financing of higher education. Students in public universities were to pay tuition fees (previous this responsibility was taken by the government). Grants and Scholarships were reduced and 'controversial' loans[202] were introduced. The Parliament enacted Higher Education Students' Loans Board Act No. 9 of 2004 (Loans Act) to provide a roadmap to the distribution of students' loans. The Act specifically provides for the establishment of an institution in-charge of disbursing students' loans. Consequently, the institution was established and named Higher Education Students' Loans Board (HESLB). Immediately after establishment, HESLB started distributing loans to students from both private and public universities in 2005/2006 academic year. The prime objective of HESLB is to distribute loans to needy students. Since its inception HESLB has constrained poor's access to loans. Makulilo (2011) conducted a study in 2007/2008 among students in eight universities (four private and four public) and found that most students who got government loans come from families with the ability to pay for their education. It is astonishing to find the very institution vested with the power to assist needy (poor) students with loans to access higher education denies the poor such access. The most explainable factor is the absence of a workable mechanism in identifying the needy students (further discussion on chapter five).

4.4 Higher Education in Kenya

The history of higher education in Kenya is very much influenced by colonialism, politics, and commercialism. The first institution was the Royal Technical College of East Africa installed in 1956 (Working Paper No. 361, 1980; Achola, Paul P.P.W *et al*. 1990; Nguru, 1990; Okech, 2003; Mwiria, *et al*. 2007; Sifuna, 2010; Odhiambo, 2011). The establishment of this college followed the recommendation and funds from the colonialists. Sifuna (2010: 16) demonstrates that the College was constructed using colonial development and welfare funds. However, in 1954 the College merged with Gandhi Memorial Academy to offer various programmes including commerce, science, engineering, and domestic science. In 1963 Kenya got independence, from the British colonialism, with the University College, Nairobi[203] in place. This was one of the colleges, University College, Dar es Salaam included,

[202] They are controversial loans because the decision to allow both private and public admitted students to access government loans is baseless and political in nature since the burden that the government had previous (public universities) was too big to carry. It is surprising to allow students whom were previous considered able to pay for their education access loans which are not only scarce but also inadequate. This creates a situation where students struggles for inadequate resources. In absence of appropriate mechanisms to identify the needy students many poor students are ultimately constrained to access university education.

[203] Nairobi University College was established in 1961 after the recommendation of a working party formed in 1958 chaired by a vice-chancellor of the University of London, Sir John Lockwood. It was named Royal College Nairobi until it acquired a university college status in 1964 and became University College, Nairobi (UoN Profile, accessed from http://www.uonbi.ac.ke/about/profile on 21 January 2013).

of the Makerere University in Uganda. Seven years later the University of Nairobi was established under the Act of Parliament Cap. 210 of the Laws of Kenya. And Kenya College of Education[204] became a constituent college of the University of Nairobi under the name Kenyatta University College (Odhiambo, 2011: 304). During this precious time Kenya placed considerable importance on the role of education in promoting economic and social development after the achievement of independence (Sifuna, 1998; Ojiambo, 2009). The emphasis put in education had a positive impact on access to higher education. All people had equal access to university education regardless of their differences in gender, race, wealth, or physical disabilities. One among the reasons for the equal access was the financing policy. The financing policy has been shifting variably as a response to changes in economy and politics. Wangenge-Ouma (2008: 215) argues that policy shifts has been triggered by the changing relationship between the university, state and society in the context of globalization. There has been three main phases following policy shifts. These include: Free higher education phase, Cost sharing phase, and loan phase.

4.4.1 Free Higher Education Phase: 1963 - 1974

Higher education in Kenya was historically free, with the public purse covering both tuition and living allowances (Weidman, 1995; Wangenge-Ouma, 2008; Yakaboski and Nolan, 2011). In addition, the World Bank, international community and many other donor countries supported fully investment in free higher education. The rationales behind free higher education are basically two. The university was/is seen as the focal point of economic development, and the country, just like other newly independent developing states, needed a great number of skilled personnel for economic development. In support of this, Wangenge-Ouma (2008: 220) says the country desired to create highly trained person power that could replace colonial administrators, and also to ensure equity of access. Arguably, equity of access is a commendable strategy to achieving highly skilled human resource and most importantly alleviates regional disparities as colonial creation. The implementation of this requires welfare policies. The Ominde Commission Report of 1964 noted that unless the education system served the people of Kenya without discrimination and promoted national unity regardless of colour, race or creed it would be incomplete in its endeavour to build one Kenya, one people (Eshiwani, 1993: 26-27). It is this report which fostered utilitarian. Weidman (1995) emphasizes that in a welfare-dominated post colonial period, it was argued

[204] A diploma-awarding institution.

that unless the state subsidized the highly expensive higher education, many students would be unable to benefit from it, and that formation of person power would be compromised. There are two ideas communicated from Weidman's assertion. First, higher education is highly expensive, in other words, to access such education it demands huge capital. Second, as a result of colonialism many people were poor and thus could not afford to access the highly expensive higher education. The government therefore has to ensure equal access to university through policy formulation and implementation. In this endeavor the provision and financing of higher education was put under control of the Kenyan government.

Apparently, the country has maintained both the Kenya's basic structure of capitalist economy (Lando and Bujra, 2009: 15) and parliamentary form of government under a one-party[205] state (Osler, 1993: 166). Kenya was guided by developmentalism and national building[206] framework reflected in the "African Socialism". The Sessional Paper No. 10 of 1965 was formulated in 1964 to provide specific directions for implementation of the grand framework. For example, the first President Kenyatta explicitly expresses in the preamble to the Sessional Paper No. 10 that, "…*We have rejected both Western Capitalism and Eastern Socialism…in practice the overriding priority of economic policy as Sessional Paper No. 10 lays out was to be the pursuit of economic growth through private capital and trade*". Looking at this statement thematically nothing sounded socialist within Kenya's African Socialism. Neverthelss, Most developing countries including Kenya joined a Non-Aligned Movement (NAM)[207] whereas, one of the criteria for NAM membership was that member countries could not be involved in alliances or defense pacts with the main world powers. However, the socialist aspect in Kenya's political economy is reflected in self help and self reliance policies rooted in 'Harambee[208]'. It was the first formal call by the first President Kenyatta, immediately after independence, for building a new Kenyan nation.

[205] Kenya was a *de facto* one-party state from 1969 to 1982, later after attempted coup on President Moi's government by disgruntled Kenya Air Force Soldiers in 1982, became a *de jure* one-party state. Until, 1991 Kenya re-introduced multi-party system as a result of the collapse of Communist bloc and external pressure to impose democracy from donor countries (Ochieng, 2007).

[206] For example, in President Kenyatta's speech on 28 May 1963, when KANU's victory in the general elections was announced, he underlined the concepts of building one nation, and forging national unity (Mbithi and Rasmusson, 1977: 146).

[207] NAM is a group of states declaring themselves not aligned formally with or against any major power bloc. It therefore, means a state can receive economic assistance from any of the two blocs without adverse consequences.

[208] Harambee is a Swahili word referring to 'all pull together'. Communities were encouraged to work together to raise funds for the implementation of local projects, including education. Lillis (1987: 99) says 'Harambee'

Consequently, the parliament decided to rate education and agriculture the highest development priority[209]. The belief was to invest in people and agriculture so as to achieve economic development. To this end, the government adopted welfarist or Keynesian development paradigm which favoured the government's direct commitments and responsibilities in public provisioning (Wangenge-Ouma, 2008: 220). Such control of the government in the provision and financing of higher education facilitated the dramatic increase of students seeking university education. More universities were established to include: Moi University (MU) in 1984[210]; Kenyatta University (KU) in 1985[211]; Egerton University (Egerton) in 1987[212]; Jomo Kenyatta University of Agriculture and Technology (JKUAT) in 1988[213]; Maseno University (MaU) in 1991[214]; and Masinde Muliro University (MMU) in 2006. It is interesting to note that five (5) universities out of the current seven (7) were established between 1980s and 1990s. Several factors may have contributed to that. One of them is political leadership. This was the era of the second President Daniel Toroitich Arap Moi (1978 - 2002). He decided to establish universities in a very short interval for the purpose of responding to historical and regional inequalities[215]. For example, the president gave directives in 1980 to establish a second university before the end of Development Plan period, 1979 – 1983 (Sifuna, 2010: 416). The university was established by his name and located in Rift Valley province which is his province of domicile. He also became the chancellor of all public universities. Apart from political leadership, private financing has a greater contribution (to be discussed later).

Free higher education did actually lead to the expansion of enrolments. For example, enrolments upsurge from 571 in 1963 (Kenya Central Bureau of Statistics, 1983; Hughes, 1994; Weidman, 1995; Ngovoloi, 2008; Wangenge-Ouma, 2008; Mugenda, 2009; Sifuna,

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school system came as a strategy to relieve the government from budget constraints in supporting education in 1980s.

[209] Post-independent development plan (Government of Kenya, 1964).

[210] University website http://www.mu.ac.ke/en/index.php/introduction accessed on 21 January 2013.

[211] University website http://www.ku.ac.ke/index.php/conference accessed on 21 January 2013.

[212] University website http://www.egerton.ac.ke/ accessed on 21 January 2013.

[213] University website http://www.jkuat.ac.ke/history/ accessed on 21 January 2013.

[214] University website http://maseno.ac.ke/index/index.php?option=com_content&view=article&id=147&Itemid=174 accessed on 21 January 2013.

[215] Sifuna (2010: 417) puts it plainly that a number of universities were subsequently established in the country to satisfy ethnic interests, especially those of the larger groups. These are Kikuyu and Luo. Arguably, access to university reflects ethnic groups and in absence of appropriate education financing mechanism the minor ethnic groups are denied access to university greatly.

2010; Yakaboski and Nolan, 2011) to 5411 in 1983 (Kenya Central Bureau of Statistics, 1983; Wangenge-Ouma, 2008) and 26,092 in 1990 (Wangenge-Ouma, 2008). The high increase of students placed great demand of finances to the government. Meanwhile, the country was experiencing economic crisis following world's oil crisis in 1970s. Generally, economic performance was declining since independence. The Government of Kenya (2006: 2) acknowledges this fact. I quote, "the performance of Kenyan government deteriorated markedly in 1980s and 1990s, with growth falling below its potential. This was due to external shocks and braod-based decline in productivity of investments; near collapse of physical infrastructure and insufficient use of public resources". Similarly, The Point (2000, issue 35, p.2) agrees, "Kenya's economic performance has been declining rather sharply since independence. Annual GDP growth rates droped from an average of 6.7 percent in 1960s and 1970s to an all time low of 2 percent in 1990s due to choice of inappropriate development strategies; collapse of infrastructure; unstable and conflictual macroeconomic environment; an overheated/uncertain institutional and political environment; decline in regional markets especially after collapse of East African Comminity in 1977; poorly managed policy and transition.". Thus, the government was fraught with several demands in the provision of social services. It became very difficult to adequately finance university education by providing full scholarships and grants. This, among other factors, led to the introduction of cost sharing.

4.4.2 Cost Sharing Phase: 1975 – 1994

This period may be subdivided into two strands. The first period is cost sharing with more government subsidies which practically makes it more or less of a free higher education. This was the period between 1975 and 1980s. The second is cost sharing with reduced subsidies and introduction of direct fees. It is the period between 1980s and 1994. Towards the end of this phase the government allowed private provision and financing. The first institution to incept cost sharing was UoN (Kiamba, 2004). The government paid tuition fees and capitation fees while students were to meet personal expenses, for example, accommodation, meals, text books and stationery, travelling and others, by themselves. However, University Students Loans Scheme (USLS) in 1974 was established to provide loans to students so as to meet personal expenses. The USLS was automatic and every student had access to loans. In theory, it was a loan and in practice it was merely a grant since the government was not serious in collecting debts. Many loan beneficiaries defaulted. For example, default rate was 81% by

1987 (Yakaboski and Nolan, 2011:6). In concrete figures, Gicheru (1991) provides that out of a disbursed loan of 400 million Kshs. the government recovered only 63 million Kshs.

Conclusively, the established loan scheme remained a grants scheme as no effort was made to recover the loans (Otieno, 2002). In 1991/1992 Kenyan government introduced direct fees. In addition to personal expenses, students were to pay tuition fees. Private universities were allowed to operate and students attending to these universities paid for their education themselves. Nonetheless, private university students were allowed to apply for a loan to cover their education costs. Interestingly, all students regardless of their economic situation were eligible for the loan. Those unable to raise the direct charge were eligible for bursary scheme. Again, all students who qualified for admission to public and private universities were able to apply for bursaries (Varghese, 2005). In a nutshell, one would say, cost sharing at this point could not have adverse repercussions to those who come from poor families when loans and bursaries are equitably accessible.

Access to university was expanded through provision and financing. Both public and private sector[216] provided university education. The financing of the education was either through private sources (parents/relatives, job income, banks, business, etc) and/or government assistance (Loans and Bursaries). For example, there was a rapid expansion of enrolments from 2,500 in 1982/83 to 20,837 in 1990/91 and over 40,000 students in 1996 (Odhiambo, 2011: 304). It is argued that those who could not be able to raise funds from private sources and neither access government loans and/or bursaries were denied access to university education. The increased access to university exerted more budget constraints to the government. During this period, the country was experiencing economic crisis. With no more options, the government resorted for a loan from the World Bank. The World Bank used this precious opportunity to coerce Kenya to reduce state funding of social services, without the exception of higher education. Unlike the first phase where World Bank and other international community supported fully government involvement in the financing of higher education, this time around they vigorously discourage public funding. The reason to this sudden change is the rate of return analysis. The World Bank policies of 1988 and 1994 made higher education unpopular public investment priority (Wangenge-Ouma, 2008: 221). To

[216] The first private universities were The University of Eastern Africa, Baraton in 1991; The Catholic University of East Africa in 1992; and Daystar University in 1994. However, these universities got registration in 1989 (CHE Report, 2012).

respond to WB conditionality, not only the government introduced tuition fees but also, the loans scheme was restructured. Supportively, KANU manifesto 1983 states clearly, "the financing of higher education, namely secondary and university shall be shared more equitably between public exchequer and the beneficiaries and their parents; for that purpose the student loan programme is being reviewed" (Eshiwani, 1993: 143). In effect, a more effective loan scheme and the Higher Education Loans Board (HELB) were established following an Act of Parliament in July 1995.

4.4.3 Loans Phase: 1995 – To date

The new loans scheme came with changes on how students access and repay loans. Notwithstanding, HELB is the only institution in-charge of disbursing loans and collecting debts. Students are required to apply for loans from HELB. This change came with negative impact to private university students, particularly, as they were no longer qualified for government loans. Students attending private universities were considered to have the ability to pay for their education because they come from well-off families. In other words, Verghese (2005) says private university students represent the elite. Students from public universities would access loans after means testing[217]. It therefore means loans are no longer accessible to every student, as previous, but reserved for the needy Kenyans only. The government assumes a lesser responsibility of assisting needy Kenyans to access university education while taking the responsibility of public universities' capital and recurrent expenditures. In the words of reducing public spending in higher education, public universities were encouraged to engage into for-profit projects and offer parallel programmes. For-profit projects include: petty trade on campus, commercial farming, and setting up of major proprietary establishments[218] (Wangenge-Ouma, 2008: 181). In 1998 the University of Nairobi was the first to introduce parallel programmes.

Parallel programmes refer to programmes offered to private students/self sponsored students in public universities. These students have full time employment somewhere and study in the

[217] Means testing is a mechanism designed to identify needy students.

[218] For example, Moi University Holdings Ltd (MUH); University of Nairobi Enterprises and Services Ltd (UNES); Maseno University's Kisumu Hotel; and activities like welding & fabrication works, furniture production; and service units such as library, bookshop, catering, garage, health department; short courses; consultancy; research & development – commercialization of research findings and inventions. In addition, UNES activities include: financial management of full fee-paying programme, a funeral parlor and diary farm, running of short courses, restaurants and conferences (Sifuna, 2010: 182).

evening after work or on weekends. Before this time, public universities had a few number[219] of students who pay very low tuition fee compared to private universities. Thus, with parallel programmes, public universities have two categories of students. Yakaboski and Nolan (2011:7) name them as government sponsored and self-sponsored/full paying students. The government-sponsored students are those students in regular programme[220] who scored the highest grades obtained from their Kenya Certificate of Secondary Examination (KCSE) results and selected by a Joint Admissions Board (JAB) through a joint application program while the self-sponsored/full paying students are a result of cost sharing where parents and/or students pay for the education costs[221].

However, self-sponsored students are admitted with lower grades obtained from their KCSE results. Arguably, they are students of poor quality. For example, Odhiambo (2011: 306) demonstrates that students with grades as low as 'C' plus are now gaining admission to competitive professional courses such as medicine and law on parallel programme; previously, these demanding subjects were reserved for students with 'A' minus or above grades. Consequently, the government will have more graduates who cannot deliver. In support of this view, the government report, Koech Report (1999) admits to a lack of quality control and quality assurance and equity in the parallel programmes. In terms of enrolments, there is a very noticeable rise, in most cases parallel programme students outnumbers regular programme students. For instance, by 2008 UoN had 71% private sponsored students; KU had 57%; MU had 50%; JKUAT had 58%; Egerton had 33%; and Maseno had 60% self-sponsored students (Ngare and Muindi, 2008). Generally, public universities' enrolments have skyrocketed from over 40,000 in 1996 (Odhiambo, 2011:304) to 97,103 students in 2007/2008 (Sifuna, 2010: 418). It is imperative to acknowledge the positive contribution of parallel programmes. Fees from self-sponsored students generate substantial revenue each year. For example, Otieno in Odhiambo (2011: 306) demonstrates that public universities

[219] Normally, the number of students to be admitted in public universities is set by JAB in each year depending on the availability of finances from the government budget. Ngolovoi (2008: 142) states that the capacity of public universities is limited to only enroll 10,000 students in regular programme.
[220] Regular programme refers to a programme where classes start from morning until evening.
[221] These include: tuition fees, university maintenance fees, books and stationeries, accommodation, meals, transport to and from university, and other personal expenses.

collect more than Ksh. 12 billion (equivalent to USD 137million)[222] from self-sponsored students.

In 1999 the government reviewed the earlier decision that prevented private students to access government loans. From this time every needy student can access means-tested loans to study either in public (regular and parallel programmes) or private universities. However, the loan is insufficient to meet education costs in private universities. Normally, private universities charge high tuition fees[223] and accommodation and meals are not subsidized. It is argued that students who access private universities must have other sources of income. While students studying at public universities can access grants/bursaries and/or partial scholarships, private university students have a narrow access to this opportunity. In the favour of this argument, Ngolovoi (2007) clarifies the way bursaries may be accessed. She says bursaries can be obtained from two major sources. The first source is the Ministry of Education where about Ksh. 82 million (USD 933,941)[224] are disbursed in each financial year. HELB has to identify the needy students eligible for bursaries in each year. However, students in private universities do not receive bursaries from HELB and instead apply to the Ministry of Education for funds. Without prejudice, private students have limited access to assistance from government because of the preconceived idea that these students have the ability to finance their education in the first place before enrolling themselves into private universities. The second source is the community where community members contribute for development purposes, education is one.

In addition, the government through parliament allocates development funds to every constituency each year. It is known as Constituency Development Fund (CDF)[225]. According to Ngolovoi (2007) students in both private and public universities can also apply for grants or bursaries from CDF. Nonetheless, there are no data on how many university students have

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[222] Whereas USD 1 = Ksh. 87.80 as at 29 Jan. 2013, accessed from http://themoneyconverter.com/USD/KES.aspx

[223] This is because private institutions in Kenya depend for their revenue on tuition fees they generate from students. Such heavy dependence on tuition coupled with lack of alternative income sources have made these institutions expensive and thus unaffordable for most Kenyans, in effect limiting their services to the children of high socio-economic status (Nyaigotti-Chacha, 2004).

[224] Whereas USD 1 = Ksh. 87.80 as at 29 Jan. 2013, accessed from http://themoneyconverter.com/USD/KES.aspx

[225] CDF is allocated by Parliament to implementation of various developmental projects in a constituency such as water, health, infrastructure, education, etc. Arguably, due to its multiplicity of discharging duties, it is hard for a university student to access such a fund. It is as good as absent.

already accessed fund from CDF. At a glance, one would say Kenya has diversified financial mechanisms to facilitating students' access to higher education. The pertinent question remaining is, are these mechanisms democratized enough to facilitate poor Kenyans' access to university under liberal policies of private financing? This study is set to find answers to the question.

The greatest challenge that Tanzania and Kenya face is to develop a screening system that identifies the truly needy applicants. This is actually facilitated by the environment where people live with no proper records of their revenues and expenditures which are fundamental in assessing one's ability to pay for the education. Most of the assessments are done on unverified information. It therefore creates a loophole for maneuvers and thus those who are able to pay for their education are also considered as needy students. One may argue that the truly needy (poor) are denied access to university. This denial seems severe to people with disabilities and women as many are poor and unable to pay for their education. Opini (2012) conducted a research on women students with disabilities' participation in university education to find out that most persons with disabilities have limited or no access to education because they are poor and live in rural areas (p.75). Again, the socio-cultural settings restrict women participation in higher education. It was supported by Nyaigotti-chacha (2004) that the situation in Kenya is critical where participation of women in higher education is very low because of the traditional cultural values that emphasize women roles as wife and mother. This under representation of women is also seen in working places. Generally, access to university during public funding was equal to every individual. Democratic principles of non-discrimination were observed promptly. It is expected the same to be followed in the era of liberalization where higher education is a commodity and there is an emphasis of individual rights.

4.5 Private Financing of Higher Education

Private finance refers to personal/individual finance. Personal finance basically deals with the optimization of finances in the individual (single consumer, family, personal savings, etc) level subjected to the budget constraints. In other words it simply means, financial plan on the individual level. Private financing of higher education refers to imposition of user charges and fees in accessing higher education. These user charges and fees are to be borne out of consumption of higher education as a service by an individual. Historically, higher education has been treated as a service and public good to that matter. Education costs were/are covered whole/partly by most governments. The continuous changes in socio-economic and political spheres have brought adverse impact as far as education cost[226] is concerned. There has been debate as to who should pay costs of education with regard to the decisive role of higher education in the society and the ability of governments to ensure perpetual access to the education by all groups in the society. The fundamentals of this debate have been discussed in chapter two. Following the economic changes and the aftermath of economic depressions which occurred in the U.S and Western countries, the WB pioneered a change on how education costs should be handled. This move earmarked the introduction of private financing in higher education through cost sharing. The questions to be asked are: since the introduction of private financing have governments reduced their role in financing higher education? has the role of higher education in the society diminished? has private financing worked in favour of spurring democracy, quality, and economic development? The answers to these questions have, to a greater extent, been provided in previous chapters. In short, higher education is heavily funded by government budgets in terms of research, university management, subsidies, grants/scholarships and loans to students, and tax exemptions. The role higher education plays in the society has continued gaining momentum to the highest levels.

Private financing of higher education was introduced in most countries (excluding the US which has been implementing private financing since the establishment of Harvard University in 1636) around 1970s pioneered by the UK. In fact, UK introduced tuition fee in Europe in 1997; whereas, Austria in 2001 became the first German-speaking country to introduce tuition fees for all students (Johnstone, 2004: 2). In developing countries, especially Africa, it was introduced in 1990s parallel with the re-introduction of multiparty democracy. During this period, prudent government stressed greater emphasis on promotion and protection of human rights. Notwithstanding, local and international communities were exposed to greater awareness of human rights. The rationale to the introduction of user charges and fees in higher education are primarily three. First, the declining ability of governments to fully fund education costs. There has been an increase in demand for higher education due to a rapid growth of populations. For example, the population of Africa is 1.033 billion people in

[226] According to ADB (2011: 17) cost refers to the resources needed to deliver higher education. And thus, costs of higher education are high.

2013[227] increased from 285,270,000 in 1960[228]; Asia has around 4 billion people in 2012[229] increased from 1,310,737,000 in 1950[230]; Europe has about 504 million people in 2012[231] increased from 373,361 in 1950[232]; the US has around 316,668,567 people in 2013[233] increased from 5,308,483 in 1800[234]. Levy in ADB (2012: 18) attests that the demand[235] is far outstripping supply by public provision. Therefore, private provision[236] is sought desirable and inevitable to increasing supply. Again, the economic crisis and a growth of other competing social services like health increased pressure on government budgets. Altbach and Umakoshi (2004: 24) provide an experience of Asia. They say lack of sufficient funds and a new perspective on higher education have combined to instigate a major rethinking of the financing of higher education as a private good.

Second, there is increasingly perception that higher education benefits individuals[237] more than the society. Altbach and Umakoshi (2004: 23) indicate that WB and other international agencies have led the increasingly debate concerning "publicness" of higher education. They argue misleadingly, higher education is mainly private. Individuals benefit out of higher education through well paying and interesting jobs. The assumptions are two: one, a student is able to secure a job. Two, that job is ought to be interesting and well paying. These assumptions do not hold water since unemployment is the greatest challenge all over the world; it is particularly the worst in developing countries where a graduate may stay a number of years without employment. Stiglitz (2002a: 460) says "unemployment characterize African cities; unemployment that cannot be explained either by unions or minimum wage laws (which, even when they exist, are regularly circumvented)". For example, unemployment rate

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[227] http://worldpopulationreview.com/population-of-africa-2012/ accessed on 18 January 2013.
[228] http://www.geohive.com/earth/his_proj_Africa.aspx accessed on 18 January 2013.
[229] http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/European_population_compared_with_world_population accessed on 18 January 2013.
[230] http://www.demographie.net/asie/DemoAsie3Asie.pdf accessed on 18 January 2013.
[231] http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/European_population_compared_with_world_population accessed on 18 January 2013.
[232] http://www.demographie.net/asie/DemoAsie3Asie.pdf accessed on 18 January 2013.
[233] http://www.indexmundi.com/united_states/demographics-profile.html accessed on 18 January 2013.
[234] http://www.census.gov/history/www/through_the_decades/fast_facts.html accessed on 18 January 2013.
[235] Varghese (UNESCO 2009: 25) expands that the demand for higher education products in larger quantities and qualities was contributed by globalization. Supposedly, private provision is more effective and efficient than public provision.
[236] Private provision has not been new in the US, Japan, Republic of Korea, and Philippines. Private provision goes with private financing.
[237] Mdemu (2002:128) says students are the beneficiaries; Merisotis and Wolanin (2002:146) state that students enjoy substantial private benefits.

in Zimbabwe is 97% in 2009, Namibia is 51.2% in 2008, Mozambique is 60% in 2009, Kossovo is 40% in 2010, Swaziland is 40% in 2006, Senegal is 48% in 2007, Djibouti is 59% in 2007, Burkina Faso is 77% in 2004, and Kenya is 40% in 2009 (The World Factbook, July 12, 2011). Moreover, the available opportunities have to be shared globally. It leads to competition, and only those with high skills are more advantaged.

Private investors in Africa, in most cases, come with their own human resources in an effort to counterpoise the problem of unemployment in their own countries. For example, unemployment rate in Germany was 6% in April 2011, UK was 7.6% in March 2011, The United Arab Emirates was 12.7% in 2008, Sweden was 7.7% in May 2011, Spain was 20.9% in May 2011, Saud Arabia was 10.8%, South Africa was 25.3%, European Union was 9.3% in 2011, Denmark is 7.4% in May 2011, Afghanistan was 35% in 2008, and USA was 9% in August 2011 (The World Factbook, 2011). Some of investors in Tanzania and Kenya are South Africa, German, USA, UK, China, and Japan. Only a few numbers of graduates in Tanzania and Kenya would get employment (interesting and good paying jobs). In fact, getting an interesting and well paying job requires a graduate with a master degree or PhD. It is in a very rare case where a graduate with a bachelor degree acquires a well paying job, albeit the quality of degrees is compromised (as discussed above). To all indications, higher education benefits a student after graduation only when he/she is employed or employs others and not exclusively private. On the other hand, an employed graduate works for the government, private, and the society as a whole at important sectors like health, water, infrastructure, construction, science and technology, agriculture, manufacturing, etc. Above monetary benefits, higher education does much good for a citizen and the nation. It encultures tolerance, democratic values, and civilization. That is to say higher education is more of public good than private. Altbach and Umukoshi (2004: 24) present similar argument when they say a degree brings significant advantage to the graduate in terms of income and in other ways, it is also *true* that universities provide *considerable public good* to society.

Third, parents and/or guardians should pay for the costs because it is their primary obligation. Johnstone (1986, 1991, 1992, 2002, 2003, 2004, and 2010) provides that parents should pay some of costs of higher education through payment of tuition, or bear some of the costs of student living, sometimes by keeping the student at home. Moreover, Johnstone explains how parents cover those costs. He lists the following ways;- parents' income, or in part from past savings, or even in part through borrowing –that is, drawing on future earnings. However, higher education is capital intensive as compared to primary of secondary education (Abagi, 1999:1)). It therefore requires parents who are economically better off to discharge their prime obligation of educating their children to higher education level. With reference to Africa, most parents are poor with low or no monthly income. The Human Development Index shows both Tanzania and Kenya have low human development (Human Development Report, 2010; 2013). With low development, it is argued, many Tanzanian and Kenyan parents do not have the ability to discharge their duties as parents. They live in rural areas and depend on subsistence farming. Others are city dwellers who live on rented houses and dependant on informal and small businesses. They live into a vicious circle of poverty. It is arguable that most African parents have since the introduction of private financing ceased to discharge their obligation as parents. To oblige such a parent the duty to pay the cost of expensive higher education is to deny a poor citizen right to access higher education. However, from human rights perspectives, government is the fore most responsible stakeholder to ensure equal access to higher education. The World Conference on Higher Education was held on 5-8 July 2009 at UNESCO headquarters in Paris; all participants reaffirmed higher education must be a matter of responsibility and economic support of all governments; as emphasised in UDHR Article 26, paragraph 1 that 'higher education shall be equally accessible to all on basis of merit'. Higher education is a right in the US and Europe; and governments are very much responsible to ensuring equitable access to higher education although many parents in the US and Europe (in comparison to Africa) have the ability to educate their children.

4.6 Conclusion

Higher education is very important in spurring development projects. After independence, most African countries instituted higher education institutions for that purpose. Since higher education is a right to every human being. Access to such education should be guaranteed through equal and fair mechanisms progressing to free of charge education. States are foremost responsible in ensuring equitable access. It is through policy formulation and financing. Financing of higher education has been diversified since 1980s. It includes: application of scholarships and grants/bursaries; loans and tuition fees; employment and studying; and tax exemptions. The challenges emanated out of such diversification have become ‘out of reach’ in most developing countries. There are no appropriate mechanisms in place to ensure access to higher education by every individual who demonstrates the ability to learning. Thus, most African governments invest heavily (through financing) and very little/nothing is coming out of such investment. Poverty, political instability, intercommunity killings, post-election violence, mass violation of human rights, state failure, and bad governance have torn Africa apart.

Chapter Five

Private Financing and Access to Higher Education in Tanzania

5.1 Introduction

Private financing of higher education in Tanzania is executed through three main instruments: the Higher Education Policy, 1999 (to be referred as the Policy); Higher Education Students' Loans Act, 2004 (to be referred as the Loans Act) as amended in 2007; and Higher Education Students' Loans Regulations, 2005 (to be referred as the Regulations). The Policy was formulated by parliament to set the stage for a smooth operation of private financing. It sets for (a) establishment of private university (b) fee paying education (c) financial assistance for people who have little or no ability to pay for university education. In the due course of implementing the Policy, parliament enacted the Loans Act which gave powers to the Minister, for the then Ministry for Science, Technology and Higher Education, under section 33 to formulate the Regulations. Therefore, financial assistance is governed by two main statutory instruments (the Loans Act and the Regulations). Besides the two statutory instruments there co-exist guidelines and criteria for issuance of students' loans (to be referred as the Guidelines). These guidelines are issued on a yearly basis by the Executive Director of the Loans Board.

It is very important to say these guidelines are not statutory instruments rather departmental practice to guide loan applicants, parents, guardians, and the general public with information on how to access student loans. Notedly, there was a fallacy on the source for which the Loans Board uses to issue these guidelines. It supposedly derived from section 6(b) of the Loans Act. This section provides that "the function of the Loans Board shall be to formulate the mechanism for determining eligible students for payment of loans under the Loans Act". This mechanism came to be known as 'means testing' which is used to determine eligible students. Until 2011/2012 academic year the Loans Board has been able to apply means testing to identifying eligible students. With the use of field data from universities (University of Dar es Salaam - UDSM, Open University of Tanzania - OUT, and Saint Augustine University of Tanzania - SAUT); Ministry of Education and Vocational Training (MoEVT); Tanzania Commission for Universities (TCU); the Loans Board; and potential beneficiaries of the Loans Board; it is the aim of this chapter to present how students from poor families have been denied access to higher education through guidelines and criteria for issuance of students' loans and the present dysfunctional means testing instrument. Generally, private financing of higher education has never democratized opportunities to students from poor families.

5.2 The Loans Scheme and Access to Higher Education

The Policy is a general framework to accessing higher education. It provides for establishment of multiple providers and financing of the education. The motives behind formulation of a general framework are diverse but genuine ones are four. These include: the need for specialized skills, new science and technology, social democracy and governance, sustainability of higher education by resource reallocation, and globalization and international competitiveness (The Higher Education Policy, 1999). The conditions for provision and financing of higher education are expressed in chapter five and six of the Policy. Chapter five provides for the establishment of both private and public institutions while chapter six demonstrates how financing of the education should be undertaken in order to achieve national motives. The Policy starts by identifying private rates of return to higher education which is about 15% greater than social rates of return. Based on this finding the Policy diversifies financing of higher education to include all beneficiaries such as the government[238], students (and their families), and private sector.

Notwithstanding, the Policy admits that the government and the private sector have greater contribution to higher education than students and their families. This sounds fuzzy; if the greater benefit of higher education is accrued by the students then it was for students to contribute much more than other beneficiaries (government and private sector). Arguing differently, social rates of return to higher education are greater than private rates of return (as discussed in previous chapters). Therefore, government and private sector have greater contribution to higher education. To argue otherwise dilutes this fact and justifies democratic injustices to those who have little or no ability to contribute to the education. The review of financing higher education observed economic conditions of Tanzanians. It states in explicit

[238] The Policy recognizes government as the major contributor. This is coherent with Article 14(a) of the World Declaration of Higher Education (1998) whish states in clear terms that public support for higher education and research remains essential to ensure a balanced achievement of educational and social missions. The interpretation of this leads to a conclusion; insufficient public support unbalances achievement of educational and social missions.

terms that there should be financial assistance to students from poor background. This is the essence to endorsing Government Students' Loan Scheme (GSLS), albeit encouragement to establish students' loans scheme by private institutions is emphasized. The implementation of the Policy required establishment of an Act of parliament to guide the operation of loans scheme. In 2004, the parliament enacted the Loans Act (to be discussed later).

Students' loans scheme is a system which forms part of the government's financial package for students. It means that government does not involve directly in distributing financial support (in form of loans). The government provides financial support (fund) to the Loans Board for issuing loans to students. This support comes from the public purse out of annual budgets approved by the parliament to MoEVT. Two conclusions are derived. First, higher education is a non-pure public good. The costs of educating individuals are shared by all Tanzanians through taxation. Under the laws of Tanzania (e.g. Income Tax Act, 2004), all Tanzanians pay taxes in various forms such as VAT, income tax (e.g. P.A.Y.E), skills and development levy[239], corporate tax, withholding tax, stamp duty, excise duty, custom duty (import duty), motor vehicle registration tax, port and airport departure service charge, property or land tax, etc. Notwithstanding, since 1 July 2011, two-thirds (2/3) of the total gross emoluments (of skills and development levy) goes to HESLB and the remaining one-third (1/3) is remitted to Vocational Education and Training Authority (VETA)[240]. According to public good theory, the rationale for government to collect taxes is to assure availability and affordability of the good. Establishing a loan scheme that uses revenues from taxation seems paradoxical. Because, disbursed loans are subject to repayments; and it is equally true that the government collects taxes from citizens (in order to provide public goods). However, disbursing loans to students (citizens) at higher interest makes the government work like a financial institution. Acting as a financial institution, the government keeps money from loan

[239] Skills and Development Levy (SDL) is a kind of tax charged to employers. According to section 33 of the Vocational Education and Training Act No. 14 of 2001 as Revised by Vocational Education and Training Act Cap. 82 of 2006 SDL is mandatory and charged six percent (6%) of total gross monthly emoluments from every employer who has in his employment four or more employees (with the exception of government departments and any public institution that is non-profit making and wholly financed by the government as stipulated under section 17 of the Act). In its budget 2011/2012 government indicated that four percent (4%) of SDL would be allocated to HESLB for students loans.

[240] This has raised controversies among employers as they say SDL is a hindrance to private investment because it is extremely high compared to other East African countries (Kenya is 1%, while others countries like Rwanda, Uganda and Burundi do not apply SDL); inappropriately used and does not fully benefit the private sector. The purpose was to fund vocational training which is supposed to provide hands-on, action-based, and performance driven skills and not theoretical academic education including university education, let it alone to be allocated a great share. The Association of Tanzanian Employers (ATE) has submitted position paper to the government expressing their demand to abolish SDL said ATE Director of Policy and Advocacy, Ms. Justina Lyela (The Citizen Newspaper, Thursday 11 April 2013).

beneficiaries and lends other students at interest. It suggests a very marginal distinction between a citizen and a customer in the understanding of theories of origin of the state.

Second, higher education is an investment. The government invests enormous sums of money in higher education[241]. It is through establishment of higher education infrastructures (policies, laws, institutions, etc), maintenance of public universities' facilities, and financing of the education. For example, management costs of all public universities are taken care of by the government; students from private and public universities access loans, and others access grants/scholarships in particular programmes (such as medicine). It must be remembered, the purposes for government's investment in higher education are to get human resources and researches for development (R&D). Despite of this investment Tanzania is still one of the poorest countries in the world. Arguably, there is defalcation by the Loans Board. The study observed that loans are disbursed to ineligible students; the Loans Board has fewer sources of funds and the available (remitted each year) are mismanaged. As a result human resources continue to be inadequate, of low quality, and mobile.

Those who manage to acquire employment in the region (East Africa and/or Africa) or internationally (Europe, Asia, and USA) leave the country in shambles. To strike the balance, the country engages into the use of expatriates who are very expensive. In fact, the costs incurred to settle one expatriate (e.g. a professor at UDSM) in a month is capable of paying the monthly salary of three university lecturers (at the level of assistant lecturer), for instance. Interestingly, there is relatively big population of graduates which is unutilized. On the other hand, under funding for research and development has ever greater impact on economic growth. Tanzania is endowed with abundant resources (mineral resources and other resources). These include: Minerals such as Tanzanite (only found in Tanzania - Arusha), gold (Rukwa, Mbeya, Shinyanga, Mara, Mwanza, and Kagera), diamond (Mwanza – Williamson Diamonds Mine at Mwadui), petroleum, crude oil (Arusha), natural gas (Lindi), coal (Mbeya, Iringa, Ruvuma), cement (Tanga, Mbeya), iron and steel (Iringa, Ruvuma), mica (Dodoma); national parks[242], game reserves; water resources (rivers, lakes, and ocean); and a

[241] According to the Permanent Secretary in the Ministry of Education and Vocational Training, Ms. Celestine Gesimba, as she was responding to members of Parliamentary Accounts Committee, 75.5% of the total budget allocated to the Ministry goes to higher education (HabariLeo Newspaper, 24 October 2012). Notwithstanding, Ministry of Education and Vocational Training comprises primary, secondary and higher education.

[242] There are unique features in each of the national parks found in Tanzania. For example, there are animals (Chimpanzees, Gorillas, Baboons, Lions, Giraffes, Buffalos, Antelopes, Zebras, Flamingoes, Elephants,

population of 44.9 million people. It therefore means demand for skilled human resources is very high.

The loans scheme is very much contested as being undemocratic by students, parents/guardians and the general public. The study observed that there was no adequate participation of all stakeholders in the formulation and subsequent amendments of loans policy and Act. Between February and May 2012 two specific questions were asked by the researcher to respondents (students, potential beneficiaries, university management, private university owners, experts, the Loans Board, TCU, and MoEVT) in the form of interviews and questionnaires in order to verify their particiapation in the formulation of higher education policy and law. These questions were;- (i) to what extent were you involved in the formulation of higher education policy? and (ii) were there opinions collected from students and general public, including you, on how should the financing of higher education be like? All respondents except two admitted that they were not involved or participated in anyway. Astoundedly, all students admitted not to have seen and examined the content of the Policy and Law. The first respondent who accepted some kind of involvement was Mr. Stephen Rugaimukamu, head of the admissions office SAUT, interviewed on 16 March 2012 at 12.30 pm said he was not involved directly, but participated through a workshop while he was not part of SAUT staff. The second respondent was Mr. Daniel P. Magwiza, Director – Grants, Finance and Administration at TCU, interviewed on 13 April 2012 at 10.30 am; who said he was involved as a member of a commission formed by the President to work out unit costs of university education in Tanzania.

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tragelaphus strepsiceros – greater kudu, hippo, vervet monkey, etc); various types of birds; biodiversity (e.g. wild flowers, vascular plants, flora and fauna, zaraninge forest, botanical marvel, terrestrial orchid, etc); crater lakes, springs, caravans; species of fish (over 40) and reptiles (dolphins, humback whale, green turtle, etc); waterfalls, etc. Therefore, there are fifteen (15) national parks in Tanzania. These include: Arusha National Park (Arusha); Gombe Stream National Park (Kigoma) – Gorillas, Chimpanzees, Baboons, etc are predominat; Katavi (Rukwa); Mt. Kilimanjaro National Park (Moshi) – this is the world's second highest mountain; Kitulo Plateau National Park (Mbeya) – host to one of the great floral spectacles of the world; Mahale Mountains National Park (Kigoma) – Gorillas, Chimpanzees, Baboons, are predominant; Lake Manyara National Park (Manyara); Mikumi National Park (Morogoro); Mkomazi National Park (Moshi and Tanga); Ruaha National Park (Iringa); Rubondo Island National Park (Mwanza); Saadani National Park (Bagamoyo, Pwani, Zanzibar) – dolphins, humback Whale, green turtle and other reptiles are found here; Serengeti National Park (Mara, Arusha); Tarangire National Park (Arusha); and Udzungwa Mountains National Park (Morogoro) – the world's second largest biodiversity. Accessed from http://www.tanzaniaparks.com/ on 9 May 2013. Notably, there are about sixteen (16) regions with precious resources out of thirty (30) regions of Tanzania (as at year 2012). Most of these regions are underdeveloped and the people live in extreme poverty. For example, Lindi (natural gas, Indian Ocean).

Again, the Presidential Commission Report (April, 2011)[243] confesses that private financing policy is not understood and undesirable to most Tanzanians. Both understanding and desirability require individual participation. Once an individual is not involved there is a high probability of rejecting the outcome. It is because s/he feels not part and parcel of the implementation, albeit it is impossible to effectively implement something you know nothing about especially in a democracy where individual (human) rights are emphasized. A simple demonstration on how the policy and law are not democratic enough was taken in 2011 when the Loans Board, after recommendations of the Presidential Commission Report (April, 2011), submitted amendments to the Loans Act to institute interest on loan repayments among others[244] to the Parliament through MoEVT; whereas, no single student, parent or expert (from the university) of all interviewed admitted to have contributed into such proposed amendments. However, the parliament rejected the amendments as they were highly controversial. On 31 January 2012 the government through Minister for State in the Prime Minister's Office (Policy, Co-ordination and Parliamentary Affairs) introduced a bill "The Written Laws [Miscellaneous Amendments] No.2 Act 2011" in the Parliament. The bill was read as first reading where there were no discussions (Parliamentary proceedings of the sixth parliamentary meeting, first seating; [Hansard] 31 January 2012, p.26). The second reading of the bill was on 2 February 2012.

The Attorney General moved the motion to discuss the bill. In particular, he made references to the bill to amend section 5, 16, and 17 of the Loans Act. Specifically, amendments were meant to introduce the following;- (a) loans to be distributed only to students who have been admitted into higher education institutions directly from their secondary schools (Direct Entrants); (b) loans allocation should base on student's needy and priority courses; (c) student's needy should be means tested through orphanage, previous school attended, disability, and income of parents/guardians; (d) the amount of loans disbursed to a student should base on means testing; and (e) depending on large demand for loans, priority will be given to courses of national interest which at the moment should be education, medical

[243] The President, His Excellence Jakaya Mrisho Kikwete established a commission of eleven (11) members in February 2011 to introduce a new mechanism for a viable loan scheme. The committee did the work within seventy-five (75) days i.e. from 14 February 2011 to 29 April 2011. This was a response to students' outcries expressed through riots, demonstrations, and other forms of dissatisfactions towards the Loans Board and loans scheme, particularly criteria for loans (the poor who deserves are systemically restricted).

[244] See the Bill Supplement No.6 of 2011. It first appeared on government gazette No. 44, Vol. 93 on 4 November 2011. A number of sections were set to amendments, they include: section 5 (Composition of the Loans Board); section 7 (powers of the Loans Board); section 16 (provisions of students' loans); section 17 (eligibility for assistance); and section 20 (responsibility of an employer). At large, the proposed amendments were meant to justify the Loans Board practices of restricting poor to access loans by a use of restrictive and stringent criteria for loan (eligibility), priority courses, etc.

sciences, engineering, and agriculture. However, a member of parliament moved a motion to postpone the discussion of the bill until April so that Parliamentary committee, *Constistution, Legal Affairs and Governance Commitee*, would have enough time to scruitinize the bill. The motion was passed (Parliamentary proceedings of the sixth parliamentary meeting, third seating; [Hansard] 2 February 2012, p.47-49). On 16 April 2012, the Attorney General introduced the bill (*new bill*) – "The Written Laws [Miscellaneous Amendments] No.2 Act 2012" – after complying with recommendations of the Constitution, Legal Affairs and Governance Committee about the Loans Act. In fact, all amendments to the Loans Act were removed from the current bill (Parliamentary proceedings of the seventh parliamentary meeting, fifth seating; [Hansard] 16 April 2012, p.82-86). These were his words;-

> "Mheshimiwa mwenyekiti, serikali imezingatia ushauri wa wabunge kuhusu marekebisho yanayohusu sheria ya bodi ya mikopo (The Higher Education Students' Loans Board, CAP. 178). Sehemu hiyo imeondolewa katika muswada kama inavyoonekana katika jedwali lililowasilishwa kwa mujibu wa kanuni ya 84(10)(b) ya kanuni za kudumu za Bunge, Toleo la 2007; ...serikali kupitia Wizara ya Elimu na Ufundi, inaendelea kuifanyia kazi sheria ya mikopo kwa kuhusisha wadau wote na katika wakati mwafaka tutaleta marekebisho hayo katika Bunge lako Tukufu" (Parliamentary proceedings of the seventh parliamentary meeting, fifth seating; [Hansard] 16 April 2012, p.86-87)"
>
> *Translation*;-
>
> "Mr. Chairman, the government has taken into account the advice of the members of parliament on the Loans Act (The Higher Education Students' Loans Board, CAP 178). This part has been removed from the bill as shown in the schedule submitted according to the rules 84(10)(b) of the fixed principles of Parliament, edition 2007; ...the government through the Ministry of Education and Vocational Training, continues to work for the Loans Act to involve all stakeholders and at the right time we will bring this amendment in this esteemed Parliament"

Nevertheless, the Loans Board had been implementing the proposed amendments since 2011/2012 academic year (even before the bill was tabled in the Parliament in January 2012 and rejected in February 2012). These controversial amendments lead to two worthy-noting points. First, because of non-involvement of students into the process, they relegate their responsibility as citizens to account for actions and decisions made by the government. Second, students are not sure of what the Policy and Law say. They normally react through demonstrations and riots whenever their benefits are touched. For example, they demonstrate when;- (i) the Loans Board delays disbursing loans, (ii) loan criteria exclude others who seem to qualify, (iii) there is a negative change on the loan coverage and/or amount of loan. Moreover, loans scheme through the Loans Board has continued to circumscribe students from poor background (low income families) from accessing university education. Specifically, the Loans Board through the guidelines, means-testing, inadequate support, and delays to disbursing loans contributes to restrict access to university by the poor.

Access to higher education implies availability of education providers and ability to pay for the education. The second part (ability to pay) has been an explanation for establishment of loans scheme. The first part, availability of education providers would mean (a) increased number of service providers and (b) nature of service providers. The philosophy of understanding access to university looking at the number of service providers is simple. The more service providers are available (at large numbers) the more the access is widened, and vice versa is true. For example, the existence of only three public universities in 1990s necessitated minimum enrolments. The University of Dar es Salaam alone admitted between 1000 and 1200 students in 1992/3; 1993/4; and 1994/5 (UDSM interview with Mr. Asalea Kitaluka, Directorate of Planning and Finance, on 8 May 2012 at 2:30pm). Notwithstanding UDSM was/is enrolling the highest numbers (i.e. 16,610 in 2010/2011) of all full time students in both public and private universities. However, OUT (distance learning university) has enrolled 32,673 students in 2010/2011 academic year (OUT interview with Mr. Kashinje Stanslaus, Admissions Office, on 3 May 2012 at 9:00am).

The increased establishment of public and private universities has indeed widened access. There are currently, about 61 universities and university colleges and centres (in 2012). Without doubt, access to university has been widened through 61 institutions. Data from the field (TCU interview with Mr. Fabian Mahundu, Admissions Office, on 16 April 2012 at 9:10am) show students enrolled in public institutions were 92,977 against 42,390 in private institutions in 2010/2011 academic year. The admissions alone in 2011/2012 academic year were 40,773 students (Male = 25,999; Female = 14,774). Furthermore, these institutions are wider in scope; they have established various programmes in relation to meeting demands out of globalization, and spread out to other regions (where previously there was no university). For examples, regions like Mtwara, Mara, Tabora, Bukoba, Songea, Njombe, Tanga and Katavi. Interestingly, private institutions are forty-four (44) surpassing public ones which are seventeen (17). In connection to development as the main objective of higher education, these universities and colleges should be able to maintain quality. Arguably, quality higher education spurs economic growth and development. Therefore, both establishments of universities and admission of students are paramount in realization of the role of higher education. The University Act, 2005 provides under section 4 the establishment of Tanzania Commission for Universities (TCU – to be referred as the Commission). The functions of the Commission are stipulated under section 5 of the Act.

These include among others: to audit, on a regular basis, the quality assurance mechanisms of universities, and to provide guidance and monitor (i) criteria for students admission to universities in the United Republic, (ii) proposals of outlines of academic programmes or syllabi and general regulations of curriculum submitted to the Commission by universities, (iii) the long-term planning, staff development, scholarship, and physical development strategies and programmes of universities, (iv) recurrent and development budgets for public universities. Before the Act, universities were established by university Acts and accredited by Higher Education Accreditation Council Since 1995. Each university did admit students individually. The process was chaotic and fuzzy; one student may have two or more admissions from various universities. In effect, the process restricted access to some other applicants. In absence of cordial unison to discharging duties between the Loans Board and the universities, a student with multiple admissions could access loans from the Loans Board as many times (with regard to admissions). In order to avoid this confusion, and as part of its duties, the Commission established Central Admission System (CAS) in 2010/2011 academic year. According to admissions officer at the Commission, Mr. Fabian Mahundu, first CAS (2010/2011 and 2011/2012) had many challenges but main were two: technology and politicization of the exercise.

The technological challenges were faced by both the Commission and the applicants. It was worse to the part of applicants as most of them did not have adequate skills acquitted to internet and other programs. It was revealed that many applicants had not approached internet even for once (especially applicants from rural areas and/or regions with limited access to internet). The easiest way was for these applicants to seek assistance from internet café operators. Interestingly, most of these operators have no adequate knowledge of the technology as well as the activity to be performed. It was admitted by the admissions officer that many applicants did mistakes in filling up the forms. As a result, those forms with mistakes could not be considered and the applicants' names were discarded from the process of accessing loans from the Loans Board. As a practice, the Commission admits students then submits the names to the Loans Board where a decision to receive loans or not is being made. The second CAS (2012/2013) was taking place between April and June 2012 (followed by selection in July). According to the admissions officer, this exercise was improved and demanded a lot of information than it was before. The researcher could not get feedback of this exercise because it was during this time when researcher was leaving Tanzania after field work. She tried getting in touch with the Commission officers through e-mails after leaving the field but to no avail. The good thing with CAS is the ability to eliminate all chances for multiple selections. The practice has been to give applicants up to eight (8) choices of programmes and universities. Currently, choices have been reduced to 5 slots[245]. Thereafter, the Commission through a Joint Admissions Committee (JAC) approved all admitted students to universities through CAS. It was axiomatic many students were enrolled through the first CAS.

The second challenge is politicization of the CAS exercise. CAS was introduced by the Commission as per the Act. The Act did not exclude private or public universities with regard to the Commission's functions. Section 5(c)(i) of the Act states that, "to provide guidance and monitor criteria for student admission to universities in the United Republic." Two conclusive statements are adduced. First, this rule is very clear that the Commission should conduct and observe criteria for student admission to universities. The best way to achieve this great task was to introduce CAS. Second, the rule comprehends universities in Tanzania, i.e. both public and private universities. It is not known from which provision the Commission uses to put it lucidly in their implementation of section 5(c)(i) that CAS is mandatory for public universities and optional for private universities. To a surprise, State University of Zanzibar - SUZA (public) was involved in the first CAS (2010/2011) but not CAS (2011/2012). The reasons behind that situation were rather political and/or religious divides. It is claimed by Zanzibaris (and other Muslims universities) that the Commission is not impartial. The center of interest is explained to be enthusiasm. There is perspicuous feeling among Muslim denomination that political institutions in Tanzania favour Christians. Therefore, they argue that CAS limits access to university by Zanzibaris (and Muslims in general).

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[245] Applications for 2013/2014 academic year (TCU: Admissions Guidebook for Higher Education Institutions in Tanzania, 2013).

The researcher went further to delve the validity of the matter by inquiring to know the process of admitting students by the Commission. The admissions officer expressed very cogently that admission criteria are on merit. Students who perform the best are selected first to public universities (depending on their choices) and those who meet minimum qualifications are selected to private universities (depending on selection choices and slots available). There are two principles with regard to the Commission's practice. First, each university has set minimum qualifications for applicants to join certain programmes. It is always higher in public than private universities. During applications, a student needs to cross-check his/her grades and qualifications required by each programme and university of choice. However, many applicants would wish to join public universities for the basic reason that tuition fee and other charges are not higher as private universities would be and also the quality of education offered by public universities is impressive compared to private ones. For example, inadequate resources (learning materials, lecturers, hostels, etc) have greatly compromised education offered by private universities[246] (part of this discussion has been provided in previous chapter).

The second principle is the capacity of each university. Section 5(b) of the Act mandates the Commission to audit on regular basis the quality assurance mechanisms of universities while sub-section (i) to oversee the provision of universities of essential resources for the needs of their current academic programmes and related functions. It is these two functions when performed properly the Commission is able to identify the capacity of each university. Again, the capacity of most public universities (especially those which have longer span of operation – UDSM, OUT, SUA and the current UDOM) is higher than many private universities (with an exception of SAUT). To concretize the case, field data (TCU admissions office, 2012) show in 2011/2012 academic year the Commission admitted 6610 students (Male = 4015, Female = 2595) to UDSM; 4216 students (Male = 2731, Female = 1485) to UDOM; 1796 students (Male = 1248, Female = 548) to SUA; 1650 students (Male = 1157, Female = 493) to OUT; 5336 students (Male = 3422, Female = 1914) to SAUT; 804 students (Male = 439; Female 365) to ZU; 938 students (Male = 535; Female = 403) to TUMA; 284 students (Male = 155, Female = 129) to KCMC; and 316 students (Male = 187, Female = 129) to IMTU. All these institutions have more than twenty (20) years of operation except UDOM.

[246] To widen the discussion read the work of Makulilo (2012) Proliferation of Private Universities in Tanzania: Quality Compromised? *Wudpecker Journal of Education Research*, Vol. 1, No. 4, p.51-66.

Another strategy employed by the researcher was to compare the number of admitted students at SUZA before, during and after its involvement in CAS i.e. 2009/2010, 2010/2011 and 2011/2012 academic years. The study found that in 2009/2010 academic year 300 students (Male = 161, Female = 139) were admitted by the University; 2010/2011 academic year 379 students (Male = 223, Female = 156) were admitted through CAS; and 2011/2012 academic year 311 students (Male = 153, Female = 158) were admitted by the University. From these figures one would see no significant variance among them; the claims over non-impartiality of the Commission are mere speculation and inferiority complex. Generally, the Commission's CAS has been classified as the best in East Africa and Africa at large.

The relationship between CAS and loans scheme is clear. The Loans Act provides criteria for loans (to be discussed in detail later). One of these criteria is admission into a university. The practice of the Commission which grants leave for private universities to involve themselves or not in CAS is very problematic. At a glance, it has no legal basis. Again, the Loans Board disburses loans to qualified students who have admissions through CAS. It therefore means all students admitted by universities will not access loans from the Loans Board. In fact, the admissions officer at the Commission confessed existence of multitudinous claims of missing loans by students from MUM and universities in Zanzibar. To the Commission's part, in absence of CAS, the process of auditing certificates of all applicants (direct to university) is manual and ponderous. It is difficult to verify certifications as it requires time and direct contact with the National Examination Council of Tanzania (NECTA) which issued those certificates.

5.2.1 The Loans Board Establishment, Powers and Functions

The Loans Act establishes the Loans Board under section 4. It is a body corporate with perpetual succession and a common seal. It is capable of suing and being sued. It may acquire and dispose property, and it is also capable of entering into contract or agreement. The members of Loans Board shall be not less than nine (9) and not more than fourteen (14) appointed by the minister[247] (MoEVT). From provisions of its establishment, the Loans Board is an independent body working on behalf of the government. The practices and blunders done by the Loans Board are not of government. Section 31 of the Loans Act states that, "no

[247] See section 5(1) of the Loans Act.

matter or thing done by any member of the Loans Board or its committee or of the Loans Board if done bonafide in the execution or purported execution of the functions of the Loans Board, committee or the Loans Board as the case may be, render such member or employee personally liable for such matter or thing." However, the law requires the minister to give directions of general character or specific character to the Loans Board, provided that directions shall be consistent with the purposes and provisions of this Act[248]. In order for the Loans Board to discharge duties assigned to by this Act under section 6; there shall be an Executive Director of the Loans Board who shall be appointed by the minister[249]. The Executive Director shall be the chief executive officer of the Loans Board and shall exercise any other functions as the Loans Board may consider necessary to delegate to him. These functions among others include: (a) to supervise and control over acts and proceedings of all officers, staff and other employees of the Loans Board; and (b) to dispose of all questions relating to terms and conditions of service of the staff of the Loans Board[250].

The Loans Act grants powers to the Loans Board under section 7(1) towards discharging functions. These powers may be categorized into two. Powers directed to disbursement of loans and powers to discharging managerial functions of the Loans Board. This study focuses on powers directed to the duty of dispensing loans to students who have no ability to pay for their education costs. These are: (a) to administer the funds, investments and assets of the Loans Board and in particular the funds allocated under the government budget or otherwise available for loans to students; (b) to borrow for any purpose deemed fit by the Loans Board and, subject to any law in relation to investment of funds by a trustee, to invest in land and or government securities such as funds as may be vested in it and which may not be immediately required for current expenditure; (c) on behalf of the Loans Board to demand and receive such fees for services rendered by the officers and other employees of the Loans Board; (d) to receive and consider all students loan applications from eligible students wishing to be considered for the award of loans; (e) to grant moneys to students who have been granted such loan in accordance with the provisions of the Loans Act or regulations made hereunder or furtherance thereof; (f) to determine other criteria and conditions governing the granting of students loan including the rate of interest and recovery of loans; (g) to determine the maximum number of eligible students to be granted loans in any one particular year; (h) to

[248] See section 32 of the Loans Act.
[249] See section 10(1) of the Loans Act.
[250] See section 12(2)(a) & (b).

recover all loan moneys owed by former student loan beneficiaries since July 1994 under the student loan from or with assistance of their respective employers or otherwise in accordance with the provisions of this Act and regulations made there under; (i) to consider and approve the annual budget submitted by the management and monitor and review financial. Statements; (j) to formulate and implement the Loans Board financial policies; (k) to enter into contracts or memorandum of understanding with the Ministry, individuals and other organizations or institutions, establish such trusts and appoint such trustees, agents and independent contractors as may be required by the Loans Board in the proper or better performance of its functions; and (l) to keep under constant review and propose new or amended arrangements, forms and regulations regarding the administration, granting and recovering of students loans in accordance with the provisions of this Act.

The mission beyond granting of these powers to the Loans Board is three-fold. First is to make sure there is available and adequate financial resources to enable the Loans Board dispense loans to students effectively and efficiently. This may be done through a number of strategies in relation to powers conferred to the Loans Board. One, the Loans Board has to initiate accountability mechanisms to safeguard funds available for students (against theft, misdirection of funds to other activities[251], etc). The available funds come from various sources. They include: annual government budgets, fees for services rendered by the Loans Board (e.g. loan application fees), loan recovery (the Loans Act specifies the time of loans to be recovered starting from 1994), and investment of funds which are not immediately required for current expenditure. It is the duty of the Loans Board to make sure there is a good supply of resources. Two, the Loans Board has been given the power to outsource[252] or offshore where necessary. Actually, the assignment to distribute loans to students by the Loans Board is time consuming, costly, and requires multi-skills; outsourcing or offshoring becomes inevitable for some reasons. They can: reduce and control operating costs; improve institution’s focus; save time and money; improve performance; and mitigate risks (especially offshoring).

[251] For example, amusing a series of unnecessary meetings for member to attain allowances and other benefits.

[252] This refers to the process of contracting-out of internal processes to a third party organization. The outsourcing institution may choose to go domestic or international to contract a third party organization. The determinant factor would be the ability of the outsourced organization to accomplish the required task efficiently (time and costs apply).

For example, outsourcing or offshoring may be employed in any of the processes of distributing loans to students (starting with applications and end with recovery of loans) such as verification of information and loan recovery. Until recently, the Loans Board has applied its power to contract agents who assist on recovery of loans. One important advantage of using agents to recover loans is the ability to mitigate risks (loan defaulters). Second is to guarantee loans to applicant by setting and meeting the set target. In each academic year, there must be a target or focus with regard to the number of potential beneficiaries and the available resources. It is within the Loans Board's capacity to set the target. The determining factor is resources (as explained above). Failure to set a target would constrain available resources hence processes' palsy. Lastly, the Loans Board is a trustee institution to observe access to university by those who have no ability to pay for their education (poor). It has legal mandate and responsibility to guarantee access though distribution of adequate loans. It may be argued that the Loans Board is the only institution which determines the fate of the poor in accessing university education; failure to discharge duties in the powers granted would systematically abrogate the Loans Act[253] and right to education (poor).

From those explanations, the study observed a pattern of serious abuse of power by the Loans Board to the extent of begrudging access to university by the poor. The guidelines and criteria for issuance of loans and means testing have been core instruments of the Loans Board to exclude the poor from accessing loans and university education. In addition, the Loans Board has misappropriated the available funds for students. First, the researcher observed a series of meetings (almost every day) are conducted by the Loans Board. Alot of money has been spent on paying allowances instead of loans to students. For example, Godbless Charles[254] notes that each member in a single meeting of about three hours accrues TZS 300,000 (USD 184) to TZS 500,000 (USD 307). Notwithstanding, allowance of TZS 500,000 is equivalent to the amount of meals and accommodation given as loan to students in about 67 days. Mr. Charles goes further to demonstrate how expenditure for management of Loans Board activities is almost equal to students' loans. He specifically, cited 2007/2008 academic year to build his argument. Within that academic year, he says, the Loans Board used only TZS 62.2 billion (USD 38.129 million) out of a total budget of TZS 122 billion (USD 74.786 million) allocated for students loans. It is assumed management expenditure was TZS 54.8 billion (USD 36.657

[253] The prime concern of the Loans Act is to democratize access to university by the poor through provision of loans.

[254] Mr. Charles is the Director for Public Communication and National Interest at Tanzania Students Networking programme (TSNP) – accessed from Mwanahalisi Newspaper online edition 12 February 2012.

million). The difference between students' loans and management expenditure is very marginal (about 5.2%). Similarly, the Parliamentary Committee – Public Organizations Accounts Committee member, Kangi Lugora (MP), while in a meeting with the Loans Board management, expressed his disappointments to high expenditures by the management of Loans Board as a result of seating allowances (in a series of meetings). He advised the Loans Board management to reduce a number of meetings where other issues may be dealt with outside meetings by the management. It must be put into record, loan repayments as at 31 December 2008 was TZS 1,392,133,375 (it is not known how the Loans Board used this money).

Second, the researcher inquired from the Loans Board officers, i.e. the Director of Planning, Research and ICT Mr. Asangye Bangu (interview conducted on 27 April 2012 at 9:15am), and the Assistant Director of Loans Recovery Mr. Robert Lamsi Kibona (interview on 2 May 2012 at 10:00am) to know how recovered loans are used; the answer was simplistic and indistinct. They said recovered loans are used for Loans Board's activities. One would assume the primal use to be distribution of the same to other qualified students (as the law requires). This assumption may be proved correct by Mr. Bangu in a different setting. It was reported by Rose Athumani of Daily Newspaper (Wed. 19 December 2012) that Mr. Bangu, when presenting a report to the World Bank delegation, said the recovered money (TZS 9 billion or USD 5.517 million) in 2011/2012 was disbursed as loans. To the contrary, the researcher had another interview on 30 April 2012 at 12:00 noon with the Senior Officer at MoEVT, Higher Education, policy and planning department Mr. Chacha Musabi where the officer proclaimed that the Ministry allocates money for students' loans without considering Loans Board's other sources (loans recovery and fees). It is due because the Loans Board does not disclose the available resources. To concretize the fact, the officer demonstrated how the Ministry has been increasing budget share to the Loans Board. For example, budget allocation for higher education students' loans has increased[255] from TZS 197.3 billion (USD 121,142,200) in 2009/2010 to TZS 233 billion (USD 143.062 million) in 2010/2011 and TZS 326 billion (USD 200.164 million) in 2012/2013.

[255] URT, Ministry of Finance 2011; Minister for Education and Vocational Training, Dr. Shukuru Kawambwa as reported by Bernard Lugongo of the Citizen Newspaper online edition on Tuesday 18 September 2012.

Precisely, the the interview on 30 April 2012 at 10:00am with Director for Budget at Loans Board, Mr. Maneno confirmed approval of the following budgets;- about TZS 110.751 billion (USD 68.001 million) in 2007/2008; TZS 127 billion (USD 77.978 million) in 2008/2009; TZS 197.348 billion (USD 121,171,672) in 2009/2010; TZS 237.8 billion (USD 146.009 million) in 2010/2011; and TZS 317.8 billion (USD 195.129 million) in 2011/2012 academic years[256]. Suggestively, with budget increases and loans recovery there would not be missing loans to qualified students. For example, about 3,900 qualified loan applicants (after means testing) did not access loans in 2012/2013 Mr. Bangu told the journalists. Again, in an interview with the researcher on 27 April 2012 at 10:00am, the Assistant Director for Loans Allocations Mr. Laizer told the researcher, with evidence, that about 1,800 first years (2011/2012) who qualified for loans could not access loans due to insufficient funds. The researcher noted myriads fractures in accountability to both institutions, the Loans Board and the Ministry. In response to this, the report of Presidential Commission (April, 2011) identified that the Loans Board has performed poorly and has not been accountable. The committee recommended a complete overhaul of Loans Board and the executive director be held accountable by the Ministry in accordance with provisions of the Loans Act; something which (up to the time of uttering this sentence) is left unturned.

The followings are the functions of the Loans Board under section 6 of the Loans Act. They include: (a) to assume responsibility for the control and management of any loans funds vested in the Loans Board under the Act; (b) to formulate the mechanism for determining eligible students for payment of loans under the Act; (c) to administer and supervise the whole process of payment and repayment of loans; (d) to keep the register and other records of students loan beneficiaries under the Loans Board; (e) to advice the minister on matters of policy and of the law concerning provisions and recovery of loans to students under this Act; (f) to establish operational links between the Loans Board and higher education institutions with student loan beneficiaries for facilitating a smooth, efficient and administration of the loans funds; (g) to establish operational links with employers of loan beneficiaries for the purpose of facilitating recovery of loans granted under this Act; (h) to establish net-working and cooperation links on a mutually beneficial basis with institutions and organizations, be they governmental or non-governmental, local, foreign, or international; (i) to conduct research and maintain a databank on other local and external scholarships, sponsorships and

[256] Conversion is 1USD to TZS 1628 as on 25 May 2013 accessed from http://coinmill.com/TZS_USD.html#USD=1

rewards that may be accessed by Tanzania students in need or in search of opportunities and financial sponsorship or assistance for higher education and or training; (j) to ensure overall efficient and effective implementation of the provisions of this Act and of any such other written law concerning government loans; and (k) to perform such other functions as are conferred upon the Loans Board by or under this Act or any other written law.

It is submitted, the Loans Board has to some extent failed to discharge its functions as required by the law. Instead, it has continued forsaking the poor against the provisions of the Loans Act. The evidences are conglomerated. First, the Loans Board disperses loans to non-qualified students. It is done through unworkable means testing and inability to verify information of applicants submitted in structured forms. Second, there is no proper record keeping of students' loan beneficiaries. This is justified by high defaulting rate from 1994 to date. Third, the Loans Board uses improper strategies to recover loans. Fourth, there is no research conducted by the Loans Board to explore financial opportunities domestically or internationally for the purpose of providing the poor Tanzanians a wide access to financial assistance. Lastly, there is no harmonious relationship between and among the Loans Board and higher education institutions and students (and families). The contributing factors are unjustifiable missing loans, excessive delays (to disburse loans and pay tuition fees to the institutions), and insufficient loans.

5.2.2 Students' Access to Loans

Access to loans is a very challenging exercise. Every student regardless of the ability to pay for education costs is interested in accessing such loans. It is perceived by majority Tanzanians that government loans might be a grant in its own way. There is a greater possibility of defaulting due to crude instruments employed in the process of recovering loans. Another reason is reluctance of Tanzanians to implement cost sharing and liberalization policies in higher education. It is due to the fact that loans policy (formulation) followed by enactment of Loans Act did not involve the people. Again, there is limited awareness to the benefits and detriments of loans. Therefore, students with ability and those with no ability to pay for their education costs approach the Loans Board for loans. It becomes difficult for the Loans Board to identify the poor in absence of a viable mechanism. Those with the opportunity to access information and be able to convince the Loans Board through a structured form are categorized as the needy and students from poor background. Access to loans is regulated by section 16(1) of the Loans Act. The rule provides for basic qualifications for access to loans; i.e. a student must be a *needy* and *eligible* student. It is unfortunate the term needy student is neither defined by the Loans Act nor the Regulations. Notwithstanding, the duo are the only principle legal instruments to governing distribution of loans. However, the 2006/2007 Guidelines[257] defines the term needy student to mean a student who really deserves financial assistance[258]. It would mean a student from a low-income earners/background or poor. This definition is coherent with the purposes of the Policy and the Loans Act.

To the contrary, the Guidelines provide further a clarification of who should be considered as needy. Section 3.10 of the Guidelines provides five (5) groups of students who are needy in their interpretations. These include: (a) an orphan; (b) a disabled student or a student with disabled poor parents; (c) student from a poor single family; (d) a student from marginalized and disadvantaged groups; and (e) a student from a low income threshold family earning national minimum wage or below. Similarly, consecutive guidelines for academic years 2007/2008, 2008/2009, 2009/2010, 2010/2011, 2011/2012, 2012/2013 continued to interpret needy student in those five groups. Moreover, the Guidelines for 2012/2013 academic year under section 2.1 defines financial assistance to mean that parents or guardians have the primary obligation of meeting higher education costs of students. Two conclusive statements may be depicted. First, there is a problem of conceptualizing the term needy by the Loans Board. The Loans Board defines a needy student as a person portraying various degrees of destitutions away from low income to an orphan[259] and disabled[260]. The assumptions are: one, always an orphan and disabled need financial assistance; two, a student who is not orphan or disabled does not need financial assistance as an orphan or disabled.

These assumptions are partly incorrect. There are some orphans who are taken care of by well-off people. For example, the Prime Minister, Mizengo Kayanza Pinda, takes care of two

[257] See paragraph 2.3.1 of the Revised Guidelines and Criteria for Issuance of Student Loans Starting 2006/2007 Academic year.
[258] Financial assistance is distinctly defined in the Guidelines for 2012/2013 academic year.
[259] An orphan is a person (child) whose parents are dead. Section 3 of the Regulations defines an orphan to mean a student who lost both biological parents and he is still a dependant.
[260] Disabled is a person having physical or mental impairments to limit movements, senses, or activities. There are several categories of disabilities such as deafness, dumbness, insanity/madness, blindness, cripple, etc. section 3 of the Regulations defines a disabled to mean a needy handicapped student who is in need of equipment, instruments or gadgets in order to be able to perform well academically.

orphans albinos. Unfortunately, there are other orphans who are taken care of by rich businessmen and women without the Loans Board knowledge. Notwithstanding, there are a few numbers of disabled parents who work for the government or private and earn above the national minimum wage (e.g. university lecturers). There are others who are self-employed (in informal sector). Their income cannot be ascertained. The researcher found an interesting story of an orphan female and second year student at SAUT who demonstrated her case while in the high school. She is taken care of by a well-off family. She was confronted by a group of activists who visited her school to provide assistance to all orphan students. She explained her story as not being in need of financial assistance and recommended other orphans who did not have financial assistance. Interestingly, the activists insisted that she should just accept and nothing is going to change. However, the lady refused. Part of the reason is her religious foundation she got from her guardian. She perceived that act as greedy and a sin. She went ahead to demonstrate how many orphans suffer out there without assistance. With such an experience, one would ask:- how accurate means testing through a structured form would be to capture the reality? Certainly, a cheat student who needs extra money would seek loans from the Loans Board without the knowledge of his/her guardian.

The study found that there were many attempts by student applicants to convince the Loans Board of their orphanage status. An interview with Assistant Director for Loans Allocation of Loans Board, Mr. Laizer that many student applicants claim they are orphans and/or sons and daughters of peasants. Consequently, the really orphans or disabled students who live within poverty (low income families) have been denied access to loans through means testing and structured forms. Second, there is improper substitution of prioritization for neediness. The Loans Board makes orphanage and disability of priority over low income (poverty). That means low income is inferior to orphanage and disability. In fact, orphanage and disability are direct causes of low income (poverty). But that is not always the case as explained above. There are multiplicity of factors leading to poverty such as education and lack of skills; political economy; and legal framework. Arguably, all citizens regardless of physical disabilities and/or orphanage face same conditions. It would be best if needy is interpreted within income earning capabilities. If an orphan, disabled or any other person has no ability to earn certain amount of money (say TZS 300,000 or USD 184 in a month)[261] let it be so; albeit an orphan or disabled would automatically feature within a group of needy once fit. Defining orphanage, disability, or single parency as needy against the provisions of the Loans Act is to

[261] Conversion is USD 1 to TZS 1628 as on 25 May 2013 at http://coinmill.com/TZS_USD.html#USD=1

create a loophole for brave students to utilize opportunities to access loans. One would ask why would the Loans Board misinterpret the term needy student so consistently in all guidelines?

The definition of needy student in the guidelines has been influenced by rule 4(3) of the Regulations. Rule 4(3) of the Regulations provides that in determining eligibility for assistance under section 17(1) (d) of the Loans Act; a student shall be given priority in consideration for loans, if he is (a) an orphan; (b) an applicant with disability; (c) an applicant from a single parent; (d) applicants from vulnerable groups; (e) female applicants pursuing or intend to pursue sciences, engineering and technological course; or (f) applicants from low income threshold family whose expenditure does not exceed a minimum sum to be determined by the Loans Board from time to time. It is argued that rule 4(3) is a rule of priority and not an interpretation of the term needy. Its application is only to a small group of needy students envisaged in section 17(d) of the Loans Act. One would even follow how rule 4(3) of the Regulations makes a cross-reference to section 17(1) (d) of the Loans Act which is a broader rule applicable to a larger group of needy students. Construing needy student narrowly (refereeing to a small group of orphans and disabled) has systematically excluded a larger group of needy students to access loans. The modifications to the definition in each academic year (for example, 2006/2007; 2007/2008; 2008/2009) continued to restrict access to loans by many students who are not orphans or disabled but need financial assistance. Moreover, the Loans Board has never been able to set a minimum amount of expenditure that should be considered as a low income threshold with respect to provisions of the Regulations.

Eligible student is defined by the Loans Act as amended in 2007 in section 3 as a Tanzanian student who fulfils conditions stipulated under section 17. Indeed, section 17(1) of the Loans Act provides criteria for determining an eligible student. The Regulations under section 4(1) again, makes a cross-reference for eligibility to section 17 of the Loans Act. Therefore, a student applicant who fulfills the criteria specified under section 17(1) of the Loans Act is an eligible student. In addition to the fulfillment of the criteria for loan, an eligible student must fulfill other conditions to be imposed by the Loans Board with regard to demand of security and require repayment in installments at a period to be determined by the Loans Board[262]. There are additional conditions for student applicant at postgraduate level. Rule 38 of the

[262] See section 18(1) of the Loans Act.

Regulations provides conditions for postgraduate loans. That means for a student applicant to access loans s/he must be eligible student and fulfill conditions for loans. Access to loans for that case is determined by sections 17 and 18 of the Loans Act, and rule 38 of the Regulations. Section 17 is a foundation to determining equitable access to higher education. Sub-section 1(b) puts it clear that an eligible student must have been admitted to an accredited institution. Section 3 of the same Act defines accredited institution as an institution which is licenced to offer courses which lead to attainment of a degree and/or advanced diploma.

Definitely the law requires applicants to acquire admission to higher education institutions before applying for loans. However, the practice of the Loans Board is to invite applications from students who are not yet admitted into higher education institutions. To its extreme, the Loans Board invited applications from students who have not completed their advanced level (A-level) of secondary education (commonly known as Form Six Leavers). The study defines completion of study as a time when a student sits for a final examination and obtains results. Many students applied without knowing whether they had attained minimum requirements to join higher education institutions. It is arguable the Loans Board sought illicit funds through application fee and not to facilitate access to loans by the poor. From 2010/2011 academic year when the Commission introduced CAS, an applicant applies for admission in April (results are expected in July) and for loans in June. Again, the applicant applies for loans without knowing his/her admission status. To the Loans Board, loans are effected after the Commission has submitted the list of names of those who have been admitted to higher education institutions. The questions are: what happens to applicants who were not successful? Would they have applied for loans if they would have known the status of their admission (as being unsuccessful)? The practice does not comply with provisions of the Loans Act albeit it is not fair to the student applicant.

There are five (5) criteria to determining eligibility for loans under section 17(1) of the Loans Act. These include: (a) he is a Tanzanian student; (b) he has been admitted to an accredited institution; (c) he has made a written application in the prescribed form in which shall be included, inter alia, the names of applicant, the applicant's parents or guardian and/or of the applicant's guarantor and which when approved by the Loans Board shall form the basis of the loan contract, to be known as the Student Loan Agreement (SLG), between the applicant of the one part and the government of the other part; (d) he is a person who has no financial assistance from any other source or sources to cover the item or items of cost for which the application is made; and (e) he is a continuing student applicant, who has passed the examinations necessary to enable him advance to the following year or stage of study. It is important to note that these criteria are applied cumulatively and not as alternative. The applicant must fulfill all five (5) criteria to be considered for loan. The following is a thorough discussion of the criteria and how the Loans Board fails to identify eligible students.

The first criterion, the loan applicant must be a Tanzanian student has been quite impossible to implement. It is a concern of citizenship[263]. Since independence Tanzania has no citizen's identification cards (national ID). The only document used by the Loans Board is certificate of birth. Unfortunately, based on information submitted to authorities Tanzanian birth certificates are issued even to non-Tanzanians. In all areas that border with Tanzania such as Mara, Kagera, Mbeya, Songea, Mtwara, and Kigoma are very vulnerable. To cite a few examples, the Kuryas and Masaais are found in Kenya and Tanzania; to identify who belongs to Tanzania and/or Kenya is outright impossible. A Kurya in Tanzania has his/her father/mother and/or close relatives in Migori Kenya, for instance. They behave like chameleons; while in Tanzania they are Tanzanians, and in Kenya they are Kenyans. It is a matter of resources and opportunities. The case is not any different from Maasai and other tribes at the borders. It is always in the Loans Board confession that in absence of national IDs the exercise to identify a Tanzanian student becomes elusive.

The practice has been for the Loans Board to disburse loans on assumptions of citizenship based on birth certificates (certificates are subject to manipulations). The study was able to find two cases of loans beneficiaries who were non-Tanzanians. The beneficiaries were brothers studied at the University of Dar es Salaam between 2002 and 2006, and later got

[263] In his commendable piece of work, "Who is a Tanzanian Citizen? An Appraisal of the Mechanisms of Proof of Tanzania Citizenship", Mubanga (2013) poses that 'in absence of singular and legally recognized document to prove Tanzanian citizenship a number of mechanisms have been resorted to'. These mechanisms include: proof by knowing the place of birth; proof of citizenship by voter's registration card; proof by names; proof by tribe and local language, proof by race; and proof by tracing the educational background. However, Mubanga notes serious weaknesses associated with each of the aforementioned mechanisms. He continues that 'due to lack of effective guaranteed mechanisms of proof of citizenship, government agencies dealing with matters involving determination of citizenship find themselves into contradictory decisions'. For example, while birth certificate (issued by registrar of births in a district) may serve as one mechanism of proof of citizenship by person X it may not pass the test of citizenship by immigration department. In a more complicated situation, Mubanga explains a case where two blood relatives from same mother and father (Mr. Revocatus and Ms. Lydia Buhanza) who applied for a passport and were treated differently, whereas one was considered a citizen and the other not. Acknowledging the fact, Mr. Mubanga is an officer in the immigration department, main office Dar es Salaam Tanzania.

employment at the University of Dar es Salaam (DUCE) as human resources officer and the other tutorial assistant in the department of development studies. During their term of service, one of the two brothers applied for a passport at the immigration department. After a thorough verification of the documents and other tactics used by immigration officers, he was found a Rwandese and not a Tanzanian. With such revelation, the two brothers were dismissed from their employment by the employer.

The second criterion concerns admission into an accredited institution of higher education. According to the law, any applicant pursuing courses leading to a degree or advanced diploma is considered eligible. Inconsistently, the Loans Board disbursed loans only to students pursuing courses leading to a degree. It is not known which provision(s) the Loans Board used to exclude students who pursue courses leading to advanced diploma. Nevertheless, in 2008 the government decided to abolish an award to advanced diploma. As a result, most colleges and institutes that awarded advanced diploma were upgraded to university status and students were able to access loans through the Loans Board. Admission into an accredited institution may be interpreted differently by the Loans Board hence limit poor's access to university. For example, the practice of the Loans Board has been to disburse loan amount for tuition fee equivalent to public universities. A quick ineterpretation of this is that an accredited institution is equivalent to public university. The Guidelines for 2012/2013 academic year puts it clear that loan beneficiaries shall be pegged to the equivalent tuition fees paid in public higher education institutions[264].

However, private universities charge higher tuition fee than public institutions. This is because private universities depend solely on tuition fee. For example, in a year HKMU (private) charges TZS 5.2 million (USD 3194); KIU (private) charges TZS 9.9 million (USD 6081) and IMTU (private) charges TZS 6.2 million (USD 3808) currently; while UDSM (public) charges a maximum of TZS 1.5 million (USD 921) (TCU Admissions Guide Book, 2013; interview with Assistant Loans Allocation, Mr. Laizer 2012)[265]. There is a very big variance between public and private universities in terms of tuition fee, i.e. tuition fee in private institutions is three to four times that of public institutions. Astounding enough, the Loans Board provides a maximum loan amount of TZS 2.6 million (USD 1596) for tuition fee

[264] See section 4.6 of the Guidelines for 2012/2013 academic year.

[265] USD 1 is equivalent to TZS 1628 as on 25 May 2013 accessed from http://coinmill.com/TZS_USD.html#USD=1

only. What are the implications? One, prioritization of admission status is swapped for admission in an accredited institution as a criterion for eligibility. Those who are admitted into public institutions are considered of higher priority than their counterpart students admitted into private institutions. It is imperative to make it clear that the maximum loan amount set by the Loans Board does not in any way base on merit. It was due to the fact that there are no ascertained unit costs for university education and thus tuition fees in private universities are determined solely by individual universities.

According to Assistant Director for Loans Allocation of the Loans Board, Mr. Laizer, the Loans Board allots a maximum loan amount of TZS 2.6 because;- (i) each university determines its own amount of tuition fee and (ii) The Loans Board resources are limited. Notwithstanding the fact that, the Loans Board is fully aware of the huge differences of tuition fees charged between public and private universities. Since the law says one of the criteria for loans is for student to be admitted into an accredited institution then admission into accredited institution is blurred. What it matters is admission into an accredited public institution. One may argue that a person admitted into a public institution has more privilege than his/her counterpart student in private institutions. In effect, students admitted in public institutions have accessed loans more than students admitted into private institutions. The following table confirms the argument.

Table 4: Student Enrollment in Higher Education Institutions Against Access to Loans

	2006/2007		2007/2008		2008/2009		2009/2010		2010/2011	
University	No. of Students Enrolled	No. Students Issued Loans	No. of Students Enrolled	No. Students Issued Loans	No. of Students Enrolled	No. Students Issued Loans	No. of Students Enrolled	No. Students Issued Loans	No. of Students Enrolled	No. Students Issued Loans
ARU (public)	1358	1112	1602	1307	1864	1579	2115	1941	2792	2613
Percentage (%)	**82**		**82**		**85**		**92**		**94**	
SUA (public)	2393	3274	3204	2363	3575	2794	3767	3952	6744	5264
Percentage (%)	**137**		**74**		**78**		**105**		**78**	
DUCE (public)	1483	2004	3326	3334	3528	3731	2955	2995	2895	2853
Percentage (%)	**135**		**100**		**106**		**101**		**99**	

CUHAS (private)	155	185	714	211	538	262	680	353	718	551
Percentage (%)	**119**		**30**		**49**		**52**		**78**	
ZU (private)	1241	756	1350	744	1465	782	1987	408	1308	235
Percentage (%)	**61**		**55**		**53**		**21**		**18**	
Aga Khan (private)	187	84	761	96	379	116	761	82	82	69
Percentage (%)	**45**		**13**		**31**		**11**		**84**	
Total	**6817**	**7415**	**10957**	**8055**	**11349**	**9264**	**12265**	**9731**	**14539**	**11585**

Source: Field Data 2012; Interview with Assistant Director for Loans Allocation of the Loans Board (on 27 April 2012 at 10:00am) and another interview with TCU addimissions Office, Mr. Fabian Mahundu (on 16 April 2012 at 9:10am)

The table shows in five academic years, there is a greater percentage (an average of 84%) of constant access to loans by students enrolled in three public universities and only small percent (an average of 42%) of access to loans by students enrolled in three private universities. Seven awkward cases have been detected at SUA, DUCE and CUHAS. The number of students issued loans has exceeded the number of students enrolled in 2006/2007 2007/2008, 2008/2009 and 2009/2010 academic years. It leaves a lot to be desired. One would think of two powerful annotations. In the first instance, it might be a factual error perpetrated by the Loans Board or the Commission. The study assumes that if it were a factual error then it could have been rectified immediately during annual audits (by the Loans Board and/or the Commission). Notwithstanding, the study was conducted in 2012 and errors committed in two to six years ago. If there were no modifications to rectify the error even after annual audits then it leads to a second thought which is fraudulent. To present the severity of the problem, several universities (public and private) substantiate the fact. For examples, in academic year 2006/2007 there was HKMU, MMU, IMTU, DUCE, MUCE; 2007/2008 there was MUHAS, SAUT, UDOM, MMU, IMTU, DUCE, MUCE; 2008/2009 there was DUCE; 2009/2010 there was MUHAS, and DUCE; and 2010/2011 there was MUCE. The study found that these inconsistencies were not a mere coincidence. Several reports have identified mischievous acts done by the Loans Board and/or higher education institutions. The report of the Controller and Auditor General (CAG), 2012 revealed a series of swindled money in public organizations including DUCE, MUCE and Loans Board.

For example, the CAG report for the year ended 30 June 2011 (p. 32) shows TZS 612 million (USD 378,216) was paid to MUCE as salaries to ghost workers while TZS 267 million (USD 165,006) were not justified as payment for purchase of equipments and laboratory chemicals since there were neither new equipments nor new laboratory chemicals found[266]. Another report of the CAG for the year ended 30 June 2012 (p. 36) shows considerable amount of TZS 317, 878, 110 (USD 195,495) were disbursed as loans to various beneficiaries without instituting proper controls. Some of the pay-out documents were not checked and approved by senior officers. There were suspected forgery and theft of funds amounting to TZS 90,775,800 (USD 55,827) at the head office and there were forgeries through students' loans disbursement at MUCE amounting to TZS 66,057,000 (USD 40,625). In addition, the Loans Board has been issuing loans to beneficiaries without cross-checking the supporting documents. For example, the Loans Board issued unsupported loans for research to MUCE third year students amounting to TZS 15,512,000 (USD 9,540)[267]. Another CAG report for the year ended 30 June 2010 (p. 30-31) shows unpaid (stolen) stipend costs to Tanzanian students in Algeria amounting to €10,137.55 The same report confirmed forged students' documents in the same year by Rweikiza Rugeyamba Erasto by then a student leader of the association of Tanzanian students in Algeria to secure loans amounting to USD 35,812,000 (€27,897.36). However, the Executive Director of Loans Board's, Mr. George Nyatega, submissions of his report to the Parliamentary Social Services Committee (PSSC) said what the CAG referred to as unverified funds, were money disbursed through individual student bank accounts and through Tanzanian Embassies overseas. In that regard, another report by the Parliamentary Committee - Public Organizations Accounts Committee (POAC) (for the year ended June 30, 2010), divulged a number of documents from MUCE showing payments to 'ghost workers' and other documents showing receipt of students' loans from the Loans Board for 'ghost students'.

In a different scenario, POAC under the deputy chairmanship of Juma Njwayo (Member of Parliament, to be referred to as MP), conducted a meeting with the Loans Board top management officers in November 2011 at Dar es Salaam as part of their normal routine (Tanzania Daima Newspaper, 1 November 2011). In the meeting, Women Special Seat Esther Bulaya (MP) asked about the claim over the loss of TZS 150 million (USD 92,700) as

[266] conversion is 1 USD = TZS 1627 as on 28 May 2013 accessed from http://coinmill.com/TZS_USD.html#USD=1).
[267] conversion is 1 USD = TZS 1627 as on 28 May 2013 accessed from http://coinmill.com/TZS_USD.html#USD=1).

students' loans. The question was answered by the Executive Director of the Loans Board, Mr. George Nyatega confessing to know about the matter. He further said the loss concerns Loans Allocation Officer (LAO), and the matter is in the police investigation. Moreover, the evidence from one student Mwesiga, Michael Christian, Reg. No. 2008-04-04775 (who undertook Bachelor of Arts with Education programme from 2008/2009 to 2010/2011) suffices it to say the Loans Board defrauds students' loans. The student, after completing his programme, needed degree certificates from DUCE to seek an employment. DUCE withheld his certificates because he did not pay tuition fee for 2008/2009 and 2009/2010 academic years. Surprisingly, the Loans Board claimed to pay tuition fee for the three academic years, i.e. TZS 2.6 million (USD 1592)[268] – see the Loan Statement from Loans Board as apendix 9.1. The student presented the statement at DUCE as evidence from the Loans Board. To his disappointments, the office of the bursar confirmed to him that the Loans Board did not pay tuition fee for consecutive two years (2008/2009 and 2009/2010) whereas tuition fee for the first year (2008/2009) was returned to the Loans Board because the student did not sign for the payment.

On 20 February 2012, the bursar wrote a supporting letter titled: *Returned Amount of TZS 1 million Tuition Fee and Tuition Fee of TZS 1 million in Favour of Mwesiga, Michael Christian* to the Loans Board explaining the matter (see apendix 9.2: Supporting Letter for Mwesiga Michael from DUCE). The Loans Board could not assist the student in any way even after bursar's confirmation that tuition fee was not paid. Instead they denied him. The student furthered his claim to MoEVT where he sought employment opportunity. On 21 March 2012 the permanent secretary at MoEVT wrote a letter to the Loans Board seeking clarification and truthfulness of the matter (see apendix 9.3: First Inquiry Letter from MoEVT). Yet, the Loans Board did not respond to the letter. Again, on 5 July 2012 the permanent secretary at MoEVT wrote another letter referring to the first letter inquiring information from the Loans Board so that MoEVT could finalize employment deal (see apendix 9.4: Second Inquiry Letter from MoEVT). Unfortunately, nothing came from the Loans Board and the student could not get employment. It was at this point the student decided to air his claim to the public through media. This whole revelation, apart from showing humbug, shows carelessness by the Loans Board. The name of student in the loan statement is Mwesiga, Christian Christian different from DUCE which is Mwesiga, Michael

[268] Conversion is USD 1 to TZS 1631 as on 1 June 2013 (http://coinmill.com/TZS_USD.html#USD=1).

Christian. However, other details like Form Four Index No. S0913.0031.2005 remains the same. Arguably, the Loans Board changed the name maliciously. In fact, the CAG Report (2011/2012, p. 36-37) shows that loans management system (ALMS) of the Loans Board does not allow segregation of duties within the system since means testing and allocation functions can be done by only one person. Again, the rest of the functions in the system can be done by anyone who has user ID in the sytem.

Two, the Loans Board applies double standards. While it is committed to assist students from poor backgrounds with some loans, it wrongly presupposes students who admit themselves into private universities have the ability to pay part of their cost of education. Notwithstanding, students from poor backgrounds can admit themselves into private universities with assistance from the Loans Board. In most cases, students admitted in private institutions have multiple sources of finances. Since students from poor backgrounds have limited resources and finances then private universities are out of their reach (in absence of financial support). Students from poor backgrounds are vulnerable to a number of difficulties[269] in their learning endeavors which lead them to perform poorly in their final examinations of secondary education. However, final examination results are solely a determinant factor to joining university education (public or private), relatively poor performers have only the chance to admit themselves into private universities. In support of this, Verghese (2004: 19) in his work titled, "*Private Higher Education in Africa*" argues that in many countries, the competition for admission to public university is very high. In general, those who do not get admission to public universities seek admission in private universities. It means thus chances for admission in public universities depend entirely on high academic performance on previous studies to joining university. Participants/applicants with lower academic performance have '*zero probability*' of being selected to join public institutions.

Actually, the Commission confirmed to admit students of higher academic performance in public institutions and those with lower performance in private universities (Field Data, 2012). In addition, the Loans Board had for some time substituted academic performance for admission into an accredited institution. The Guidelines for 2006/2007, 2007/2008, and 2008/2009 used academic criterion to restrict access to loans by the poor. Interestingly, the

[269] Poor hygiene, shelter, learning facilities, social interaction, etc; again, they are subject to missing classes due to inability to raise tuition fee in a specified time.

academic qualifications demanded by the Loans Board were higher than the minimum academic qualifications required obtaining admission in private universities and OUT (public university). The Guidelines for 2006/2007 demanded applicants with direct academic qualification (Form Six Leavers) to possess academic scores between 6 and 15 points for physical sciences; and between 8 and 15 points for social sciences and humanities to be eligible for loans. The score points are weighed out of three highly performed principal subjects amounting to a maximum of 15 points (i.e. each subject scores A)[270]. These points are further translated into Division I (First Class), Division II (Second Class), Division III (Third Class), Division IV (Fourth Class), and Division 0 (Failure). Therefore, score points between 6 and 15 fall under Division I and II. However, many of students who obtain Division I and II are admitted in public universities; while many of Division III and probably IV are admitted in private universities and OUT.

The Guidelines for 2007/2008 academic year continued with the same trend but more restrictive and stringent to male gender. Male applicants were required to possess Division I while female applicants Division I and II. The Guidelines for 2008/2009 reinstated Division I and II as eligibility criterion for both female and male applicants. In 2011/2012 academic year Division I and II were abolished as criterion for loan. Adduced to all above, the Loans board cramps the chances for the poor to access loans and higher education. For example, OUT is a distance learning public university which admits students with Division III (it is the only university with the highest enrollment number)[271] displays the following trend.

Table 5: Loans Issued to Students Admitted at OUT From 2005/2006 to 2010/2011

Year of Study	2005/2006	2006/2007	2007/2008	2008/2009	2009/2010	2010/2011
No. of Students	3214	689	1919	121	606	867

[270] There are seven major grade point categories: A=5 point; B=4 points; C=3 points; D=2 points; E=1 point; S=0.5 point; F=0 point.

[271] Enrollment for academic years: 2006/2007 were 7,142 students; 2007/2008 were 25,829 students; 2008/2009 were 34,524 students; 2009/2010 were 39,500 students; 2010/2011 were 32,673 students (Field Data, 2012); the Report of the Visit of the Vice Chancellor's Panel to the University of Dar es Salaam (2011:1) says increased enrollment in Tanzania is, however, attributable to OUT which started operating in 1992 and provides distance and open learning for over 37,000 (35.9%) students (cf 19.2 percent for UDSM). It further shows that OUT currently has the largest number of students and has a wide reach through twenty-eight (28) centres around the country. For example, private universities currently account for 27.6% (mostly non-science students) and all the other public universities and university colleges contain the remaining 17.3%.

Source: Field data 2012; interview with Assistant Director for Loans Allocation of the Loans Board (on 27 April 2012 at 10:00am)

From the table, it is evident that relatively large number of students accessed loans in 2005/2006 academic year. After imposition of Division criterion in 2006/2007 academic year the number dropped tremendously. Without doubt, the reckless imposition of division criterion by the Loans Board renunciated access to loans by the poor. An interview with the Dean of OUT Mr. Zacharia Reginald Rwejuna on 3 May 2012 at 10:00am revealed that many students from poor backgrounds at OUT seek help for tuition fees and books. He went further telling that inadequate finances for poor students has led to university drop outs. In 2007/2008 academic year, the Loans Board modified the criterion by restricting male gender. As a result, relatively more female students accessed loans to the expense of male students (regardless of financial difficulties). The trend continued until the abolition of the criterion. There were many claims from students and the general public whereas the presidential commission was formed to examine the matter and other claims resulted from the Loans Board discharging duties. The recommendation of the presidential commission was to introduce means testing. The implementation of which started from 2011/2012 academic year to date (to be discussed later).

The third criterion requires applications to be done in the prescribed forms[272]. The applicant must supply information about his/her neediness. The information supplied is solely used by the Loans Board to determine eligibility. In other words, the needy student is the only source of information to determination of his/her eligibility. This leads to two major problems hampering validity in the processes of determining eligible students. What sort of information should be supplied to manage the process appropriately is the first challenge. How the information supplied by applicants is going to be verified poses the second most critical challenge. Before discussing these challenges let me describe the forms required during applications. There are two kinds of forms, namely, application form and agreement form. They are simplified as HESLB-SLF 1 and HESLB-SLF 2 for first-time applicants and HESLB-SLF 2 and HESLB-SLF 3 for the continuing students. Such that, HESLB-SLF 2 is the student's loans agreement while HESLB-SLF 1 and HESLB-SLF 3 are application forms (supply of information). So far, there has been two ways of handling applications by the Loans Board. These include: Manual Application System (2005/2006 to 2010/2011) and

[272] See section 17(1) (c) of the loans Act.

Online Application System - OLAS (2011/2012 to date) for the first-time applicants and continuing students[273].

Normally, the Loans Board invite applications between April and June preceding a new academic year. All first-time applicants are required to pay currently TZS 30,000 (USD 18) as application fee[274]; while other continuing student applicants pay TZS 10,000 for fifth and sixth year students[275]; or nothing for second, third and fourth year if they have paid a one-time loan application fee of TZS 30,000 for the academic year 2009/2010 and 2010/2011[276]. This study pointed out, in the previous discussions, application fee as one source of funds for Loans Board operations. Assuming the number of total applicants in one academic year is 100,000 then the Loans Board amasses about TZS 3 billion (USD 1,835,985)[277]. Notwithstanding, application fee is paid by all applicants regardless of the results (successful or unsuccessful). It is a practice of the Loans Board to invite applications before NECTA[278] releases examination results. Therefore, many students tend to apply for loans with anticipation to joining university education after results. According to Executive Director of Loans Board, Mr. Nyatega, in academic year 2012/2013 first year students (first-time applicants) to be granted loans were 30,542 and continuing students were 69,292 (Daily Newspaper, Monday 11 June 2012)[279]. Taking application fee from only first years the Loans Board collected TZS 916,260,000 (USD 560,747) in 2012/2013 academic year. Arguably, this amount could have been used as disbursement loans to about 500 students in a private university[280].

Moreover, applicants who are not satisfied by results of means testing are allowed to appeal[281]. Application for appeal requires a fee of TZS 5,000 (USD 3)[282]as stated in section 13.2 of the Guidelines for online application 2011/2012 academic year and subsequent guidelines. The second set of forms is loan agreement forms (HESLB SLF-2). The practice of

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273 See HESLB OLAS Guidelines 2011/2012 academic year.
274 See the Guidelines for 2009/2010, 2010/2011, 2011/2012, 2012/2013 and 2013/2014 academic years.
275 See section 8.2 of the Guidelines for HESLB OLAS 2011/2012 academic year.
276 See section 8.2 of the Guidelines for HESLB OLAS 2011/2012 academic year.
277 Conversion is USD 1 to TZS 1634 as on 3 June 2013 at http://coinmill.com/TZS_USD.html#USD=1
278 NECTA is a short form of National Examinations Council of Tanzania.
279 Reported by Christopher Majaliwa.
280 For example, ZU, SAUT, TUMA, etc where tuition is less than TZS 2.5 million (USD 1530) Conversion is USD 1 to TZS 1634 on 3 June 2013 at http://coinmill.com/TZS_USD.html
281 See section 13.0 of the Guidelines for HESLB OLAS 2011/2012 academic year.
282 Conversion is USD 1 to TZS 1634 as on 3 June 2013 at http://coinmill.com/TZS_USD.html

the Loans Board has been to compel applicants to fill in loan agreement forms and hand them over to the Loans Board together with application forms. This raises a few challenges to both the applicant and the Loans Board. To the applicant, s/he commits himself/herself to receive a loan for which s/he has not yet received such. A serious question is: what happens if the applicant is unsuccessful? Or worse still, what if the Loans Board does not provide loan amount as stated in the agreement? The study was able to find one case of student, Mwesiga Michael Christian who signed loan agreement indicating a receipt of the following loan items: meals and accommodation, books & stationery, tuition fee, field practical, and special faculty requirements. The total loan amount was about TZS 7.9 million (USD 4835)[283]. Throughout Mwesiga's studies, the Loans Board did not pay all items as specified in the loan agreement. Yet, the Loans Board issued a loan statement requiring Mwesiga to repay the total amount as per the loan agreement. To the Loans Board side, it is quite cumbrous to sort out loan agreements of all successful applicants after means testing. To avoid this, the Loans Board goes whimsical. There were adequate evidences of mismatch between what the applicant specified in the loan agreement and the actual amount of loan items s/he is going to receive.

The first problem with the use of prescribed forms is accuracy of supplied information. The HESLB-SLF 1 inquired information on applicant's personal details (names, marital status, address, place of birth, bank details, status on destitution like orphanage and disability); educational backgrounds (primary, secondary, and/or equivalent qualifications); admission into higher education institutions (entry qualification, faculty, course programme of study, mode of study); applicant's socio-economic details (employment/business, peasant); applicant's own assets (house, farm, livestock, bank deposit, location of assets); applicant's spouse details (personal details, education qualifications, employment status); amount of loan applied; applicant's parent/guardian details (names, place of birth, address, education qualifications, employment status, life style – type of transport most used, type of house you are living in, and assets); guarantor's details (names, employment status, designation) and applicant's/parents'/guardian's declaration. HESLB-SLF 3 inquired information on applicant's details (names, address, bank details, and institutional details); amount of loan applied, applicant's declaration and institution confirmation (official stamp of faculty dean/head of department). HESLB-SLF 2 is a loan agreement between Loans Board and a student. The information inquired by the Loans Board after the introduction of OLAS is simplified and less detailed. It includes: basic information (Education history - candidate type,

[283] Conversion is USD 1 to TZS 1634 as on 4 June 2013 at http://coinmill.com/TZS_USD.html#USD=1

school number, candidate number, year of completion, contact information and password); demographic and contact details (date and place of birth, destitution status like disability/orphanage, address, and place of domicile); and guarantor's details (names, gender, place, contact details). It is worth stating information inquired through structured forms is subject to manipulations since they are ambiguous and difficult to prove in Tanzanian environment. However, the Loans Board requires applicants to supply evidences to support their demonstration of neediness.

During Manual Application System (MAS) applicants were to submit;- birth certificate or affidavit for citizenship; death certificates for orphanage/single parent; doctor's recommendation for disability; certified copies of academic certificates (form IV and VI and/or equivalent) for academic qualifications; any of the following: letter from ward verification committee or local council, certified copy of title deed for immovable property such as farms, plots, or buildings, certified salary slips for in-service applicants, life insurance policy, certified bank statement with certificate of balance from the bank – the purpose is identification/verification of applicant; admission letter from an accredited higher education institutions indicating program to be pursued[284]. The supply of these documents leads to two conclusions. First, based on the criteria for eligibility as stipulated in section 17(1) of the Loans Act, only two documents requested by the Loans Board would serve the purpose. These documents are demonstration of citizenship (as the first criterion requires) and a letter of admission into higher education institutions. However, the letter of admission into a university was never used after 2006/2007 academic year. The rest of documents can not suffice it to demonstrate inadequate finances of applicants (one of the most determinant criterion for eligibility). For example, salary slips alone cannot justify inadequate finances because there may be unrecorded incomes which are associated with employment such as seating allowances, payments for field trips, private business, etc.

But, the most critical challenge about these documents is that they are unavailable as many Tanzanians live without title deeds, life insurance, bank accounts; and others are self-employed in informal sectors. Arguably, those who live without title deeds, bank accounts, life insurance, and salary slips are also self-employed in informal sectors. They have irregular

[284] Admission letter was only demanded in 2006/2007 academic year; see section 9.0 of the Guidelines for that academic year.

sources of income. And most of those who have title deeds, bank accounts, and salary slips have regular sources of income. However, an applicant is determined eligible and needy by the Loans Board only if s/he supplies evidence(s) required and specified in the application form. According to Assistant Director for Loans Allocation of the Loans Board, in an interview with the researcher 27 April 2012, all applications without evidences are unsuccessful. But, there would be a chance for appeals. These appeals are meant for those who by any chance forgot to submit their eveidences. Arguably, those who do not have evidences (like those who live depending on small scale subsistence farming and do not have salary slips, bank statements, title deeds, etc) are left aside.

Assumingly, many applicants (supposedly poor) would not have most of the documents demanded by the Loans Board. How would the Loans Board be able to identify eligible applicants based on these ambiguous documents and information supplied? The answer is oughtright difficult as Otieno (2004: 88) argues that obviously information provided by students (even full objectivity is assumed) is not representative enough to place students into realistic nationally accepted norms of income and expenditure groups. If adequate information could be obtained on the financial backgrounds of students, it would be more practical mechanism for determining need and hence allocation of loans. Second, it is illogical for the Loans Board to demand documents showing incomes without expenditures. There is no single document demanded by Loans Board to express expenditures of applicants and/or their family. It is possible for an applicant to portray relatively adequate income but with high expenditures hence a reason for seeking financial assistance. Since the Loans Board is interested with incomes and not expenditures then the applicant will be considered not a needy. Moreover, starting 2011/2012 academic year, the Loans Board introduced OLAS and added official letter of retirement of the parent to documents need to be submitted as proof of neediness. Again, in 2012/2013, photocopy of the guarantor's voters registration card or passport was added to documents to be submitted. But, nothing much has been done to ensure accuracy of information supplied to correspond with criteria for eligibility. Generally, the problem of accuracy of information leads to the second problem of verification.

The problem of verifying information supplied by applicants makes the Loans Board to disburse loans to ineligible students. This is due to the following; one, verification of documents requires considerable time and resources. To its disadvantage, the Loans Board uses about two months to invite applications and process all applications. This time is never adequate to verify title deeds, bank statements, salary slips, birth certificates, death certificates, letters of retirements (of parents), doctors' recommendations, etc of all applicants who submitted such documents. Since a good number of applicants is determined to access loans in whichever ways, cheating becomes a strategy. Inability for the Loans Board to establish falsehood or correctness of the documents, based on certification of documents by notary public, makes culprit students eligible for loans. Two, the Loans Board does not have enough skilled labour to undertake verification exercise. For example, there are no valuation teams to assess the value of assets (as per documents submitted in respect to immovable properties such as buildings, plots, etc). However, there is a fallacy for the Loans Board to claim to have the forms verified by a number of authorities such as Village Executive Officer (VEO), Ward Executive Officer (WEO), Commissioner of Oaths, and religious leaders. One would want to question the capacity of these authorities to verify information of applicants. All these authorities have no adequate information about the applicants. Cogitatively, in absence of data base of all residents the VEOs and WEOs normally confirm the applicants based on information provided by applicants themselves. It is unreasonable to think of verification of applicants' financial status by VEOs, WEOs and religious leaders in absence of valid data.

In accordance, the Loans Board has consistently from 2007/2008 to date justified the demand for letter from WEOs, religious leaders, etc for purposes of identification (of the applicants). It is interesting to note, for about nine (9) years of the Loans Board operation, none of applicants has ever been found guilty for supplying false information to the Loans Board[285] and yet many applicants supply false information in order to access loans. The interview with Director for Planning, Research and ICT of the Loans Board Mr. Asangye Bangu on 27 April 2012 at 09:15am confirmed this fact. He said one of the main challenges facing the Loans Board is that many student applicants supply false information and the Loans Board is currently not able to verify applicants' information due to abscence of national IDs. He said further it has been difficult for the Loans Board to establish legal proceedings to those who supply false information. This is the reason why the Loans Board cannot trace loans

[285] Section 23(1)(b) of the Loans Act states that any person who knowingly or recklessly supplies information in relation thereto, commits an offence and is liable, on conviction to a fine of not exceeding one million five thousand shillings or to imprisonment for a term not exceeding six months or to both such fine and imprisonment: provided that, the punitive provisions of this sub-section shall not apply to a parent, guardian, or any other person who is a guarantor of the loan beneficiary.

beneficiaries when it comes to loans repayments (further discussion in the following sections). Supportively, the report of Presidential Commission (April, 2011) shows that many applicants supply false information through structured forms. Besides, the information demanded by the Loans Board through a structured form is difficult to verify. Similarly, the study conducted in 2007 by Makulilo (2011: 52) found that the Loans Board has disbursed loans to ineligible students who managed to supply false information. For example, it was reported by MwanaHalisi Newspaper (2-8 April 2008:14) that there were students studying Diploma courses at College of Business Education (CBE) who accessed loans in 2005/2006 academic year. Again, Ishengoma (2010: 185-186) says without means testing the Loans Board issue loans to non-Tanzanians and ineligible Tanzanian students.

The fourth criterion requires applicants to have no financial assistance[286] from any other source or sources to cover the item or items of cost for which the application is made. For a common understanding, the criterion requires applicants with inadequate finances to cover part or all items of cost of education. The cost of university education includes: tuition fee and other fees; room and board; books & stationery; meals; transport; health insurance (medical capitation); field work and research; and other personal/individual expenses like clothing; communication; etc. The guidelines issued by the Loans Board yearly lists the following items which the loans cover. These are: Tuition fee, meals and accommodation, books and stationery, special faculty requirements, research, and practical training. It therefore means students should apply for any or all items specified by the Loans Board if the applicant has no other source to cover the same. Assumedly, all other costs apart from those specified by the Loans Board are covered by students from other sources like parents/guardians, mini-scholarships from any organization, businesses, etc. For those who do not have other sources use part of the loan from the Loans Board to cover other costs such as tuition fee. The impact of which will be discussed in the following sub-section. Conclusively, the fourth criterion is the most focal point of the loans scheme since it concerns with determination of financial capabilities of applicants. The critical part of it is how the Loans Board will be able to determine financial status of each applicant. Section 6(b) of the Loans Act requires the Loans Board to formulate mechanism for determining eligible students for loans under the Act. This mechanism is what the Loans Board call means testing or loan formula. Nonetheless, eligibility and needy student are consistently misinterpreted by the Loans Board (detailed information from previous discussions).

[286] An applicant who has no financial assistance to cover part or all cost of education is a needy student.

Means testing or loan formula has been of controversy since 2006/2007 academic year. Its application is ambiguous and cannot identify the needy student. This ambiguity starts at how the Loans Board defines the term to its wide use in determining needy students. It must be remembered, the rationale to the introduction of means testing or loan formula is to identify eligible and needy students. Tekleselassie and Johnstone (2004) put a distinction between *means testing* and *need analysis.* Means testing refers to various schemes used to determine a household's or individual's ability to pay for higher education, generally including estimates of current income and major assets such as a home, a farm, or investments. Need analysis refers to the estimation of financial need remaining after subtracting an estimated family/student contribution (based on the means test) from the total cost of higher educational attendance counting all fees as well as lodging, and other cost of living. Learning from the above concemptions, it is pellucid that in order to determine needy students the Loans Board has to apply both means testing and need analysis so as to determine income and expenditure estimates of applicants. In this case, there was no concrete formula used by the Loans Board to measure income and expenditure of applicants. The only approximation was prescribed forms. In addition, the Loans Board through section 6.0 of the Guidelines for 2006/2007 academic year provided 60% tuition fee, 60% special faculty requirements, 60% field practical/work, 100% research expenses in selected field only[287] subject to means testing. As if that was not enough, 2006/2007 first years at UDSM, DUCE, MUCE, ARU (current name); IJMC; and SUA were compelled to pay 40% tuition fee and fill in forms for re-means testing before 30 June 2007[288]. Two conclusive statements may be endorsed.

First, the Loans Board used '*sorcery*' loan formula to institute a pay of 40% tuition fee to all applicants. This is contrary to the provisions of the Loans Act. Arguably, the Loans Board deliberately deprived the poor access to loans. Second, re-means testing for first years in public universities was a double standard and unlawful. The first years were already in receipt of loan at 100%. It was an injustice and devoid of a right to education. This was a discrimination based on year of study and nature of providers. The 40% was applied to only first years and not other years of study; and in public universities and not private ones. In 2007/2008 academic year towards 2010/2011 academic year, the Loans Board introduced

[287] Selected fields of study were medicine (which includes human/veterinary, medicine, dental, surgery); pharmacy; engineering; architecture, and agriculture.
[288] See section 5.4 of the Guidelines for 2007/2008 academic year.

‘loan grades’ and percentages. There were only six (6) loan grade categories, i.e. A(100%), B(80%), C(60%), D(40%), E(20%) and F (0%). According to the Loans Board, grade A (100%) meant full loan and grade F (0%) meant no loan[289]. This raised myriads of questions[290] that neither the Loans Board nor the beneficiary of the loan could answer. Interestingly, there was a case when two blood related students (siblings) applied for loans and got two different means testing results, i.e. one got A and the other got C (Field data 2012; interview with student leader – UDSM, Mr. Joseph Emannuel on 9 April 2012 at 11:30am). One of the things Mr. Joseph noted was the diffence in their surnames. One of them used his father’s name as surname; while the other used grandfather’s name as surname. Actually, those surnames where used since they were in their secondary schools. If these two relatives supplied correct information and the Loans Board determined their financial status correctly it is logical the two relatives would have been placed into a single loan grade. Suggestively, one or both of these students supplied false information and the Loans Board could not be able to identify falsehood of such information hence derived into different means testing results/grades.

In other cases, students claimed to know their fellow students who have higher financial status than theirs but they have got higher loan grades after Loans Board means testing. Discrepancies were so big that student applicants logged in appeals at large quantities. Some of them got their grades reviewed to higher ones. For example, Makulilo (2011: 51-52) demonstrates clearly how many students got their grades changed from B to A or from C to B after re-submitting same evidences. Similarly, Prime Minister, Mizengo Pinda said,

> “the formula which is currently used by the Loans Board is inefficient and ineffective since it fails to identify real needy students and those who are not. And it is true that the formula is not proper in identifying the needy students. It is our objective to make sure that loan beneficiaries are really students from poor families” (Mwananchi Newspaper 4 May 2007)

The claims from students and the general public were so alarming to the point where the Loans Board decided to review loan grade categories from six (6) to eleven (11) categories, i.e. A (100%), B (90%), C (80%), D (70%), E (60%), F (50%), G (40%), H (30%), I (20%), J (10%), and K (0%) in 2009/2010 and 2010/2011 academic years. Yet, students and the

[289] See section 4.1 of the Guidelines for 2007/2008 academic year.

[290] What criteria were used to reach into six categories (A, B, C, D, E, F)? How does each grade reflect the actual loan amount? How and why does means testing results differ between and among items of the loan cover applied by a student?

general public were still unhappy with the formula since it failed to identify the true needy students. This was due to the fact that those complaints arised from the applicability of menas testing and not the outcome per se. Similarly, Otieno (2004: 88) argues that “inadequacy of means testing instrument is that it fails to categorize students in realistic clusters of expenditure groups”. Equally, the statement suggests non-workability of means testing in Africa where expenditures are arduous and impossible to ascertain. In addition, Sen in Tekleselassie and Johnstone (2004:141) explains in presence of irregularities and distortions of information some individuals in income-tested transfer schemes are inescapably allowed to gain targeted benefits they do not deserve and may similarly exclude some deserving recipients from obtaining the benefit at all. He continues, even without such misinformation and misinterpretation of information, income-tested transfers can lead to distortions of one’s economic behaviour. There are a good number of evidences in support of Sen’s argument. The study conducted by Makulilo (2011) in eight universities (public and private) found that out of 191 sampled students who were loans beneficiaries; 68% demonstrated to have high wealth status against 32% with low wealth status. In similar vein, the presidential commission (April, 2011) pointed out that the Loans Board has disbursed loans to many students who come from well-off families. In a distinct and gentle statement, Ishengoma (2010: 187) states, both rich and poor students have access to loans.

In 2011/2012 academic year, the Loans Board abolished loan grades formula and introduced a new one claimed to be simple, transparent and fair. The Guidelines for 2012/2013 academic year explains how the formula works. As quoted from section 4.1 of the Guidelines, “means testing considers school fees paid in O-level, A-level, or Ordinary Diploma as indication of applicant’s ability to contribute to the costs of higher education”. Looking at this base critically one would identify frailties. First, the Loans Board measures the ability of a student and/or his/her family to pay cost of higher education using a wrong or inaccurate factor. Instead of measuring sources of income and expenditure, the Loans Board assumes school fee paid in secondary school or diploma is adequate. Notwithstanding, school fee paid in previous schooling before joining a university is not a source of income per se but a consequence of certain source/s of income. It includes both formal and informal sources of income. This raises a number of questions which explore ambiguities. What source of income was used to pay school fee? Whose source of income is being referred to? How sustainable was/is that source of income? Are there changes (physical, environmental, societal, humanity, etc) which have altered the source of income to the better or worse?

The present study comes with exemplification of the ambiguities. If a student whose family is poor and s/he gets financial assistance from a good Samaritan to pay for his/her school fee to study in a very good private secondary school (high fee), how will such school fee help the Loans Board to identify the student's (poor) financial status? Obviously, the poor student will never access loans through this new formula. The main problem here is records and verification. It would be easier if the name appearing on receipt of school fee is that of a person who provides financial assistance; to the contrary, the details appearing on school fee receipts in almost all secondary schools is always the name of the student, the amount paid, name of the school, date of transaction, and signature of bursar. How is the Loans Board going to verify whether the good Samaritan paid school fee? It is even worse when this Good Samaritan financed secondary education in good will and no writings were kept into record. Arguably, there are various sources of income and some might not be sustainable. The researcher in an interview with potential loan beneficiaries identified a number of female students who had their secondary school (especially A-level) financed by their boyfriends/sexual partners (many of them are well-off). Second, the Loans Board wrongly assumes that those students who paid high school fee (definitely those who studied in private schools) have the ability to pay cost of higher education while those who join private universities (high tuition fee) have no ability to pay for higher education. Based on this, it is not known why the Loans Board disburses loans to students who join private universities.

The new formula goes further to measure neediness[291] by subtracting higher education costs (i.e. costs for meals and accommodation, books and stationery, special faculty requirements, field practical, research and tuition fee) of a particular institution of study from the applicants' ability to pay for his/her education costs; multiplied by a factor to acknowledge the high return of higher education to the applicant. Whereas, the factor ranges from 1.1 to 1.5 depending on the magnitude of tuition fee paid at O-level, A-level, and Ordinary Diploma, i.e. the higher the magnitude the higher the factor. However, the formula makes adjustments to cover for loan applicants with special socio-economic disadvantages such as orphanage, disability (of parents/applicant), and single parency. The mathematical expression of this follows below:

[291] Johnstone (2002:81; 2004a) says demonstration of *means* or *need* is both difficult and probably unreliable in any less industrialized country.

"*Neediness = Total Cost of Higher Education – Ability to Pay for own Education*

Ability to Pay for own Education = Resources – Adjustments

Where; Adjustment = Orphanage, Disability, Single parency

Resources = Previous Paid School Fee X Factor (1.1 – 1.5)

Where; Factor is equal to the value to acquire degree/rate of return to higher education"

N:B according to Assistant Director for Loans Allocation, Factor 1.1 = TZS. 200,000 (USD 122) – TZS 500,000 (USD 305)[292]

Source: Field Data 2012; Interview with Assistant Director for Loans Allocation of the Loans Board (on 27 April 2012 at 10:00am)

The analysis of this measurement unfolds several inconsistencies. First, the Loans Board arbitrarily uses secondary school fee as a measure to the rate of return to higher education. It assumes that paying higher school fee implies recognizing higher private rate of return to education. Chapman (2006:18) defines private rate of return to higher education as "the annual additional income associated with investment in higher education, taking into account the value of foregone earnings while studying, plus tuition costs, and time stream of additional income as a result of the receipt of a university degree". It is an investment for future economic benefits. An individual student is expected to receive higher salaries after graduation. There is nexus between investment into higher education and higher salaries after graduation. This leads to a conclusion that;- (a) a student before joining a university (and a particular programme) s/he was able to weigh the costs and benefits of undertaking or not to undertake a particular programme. (b) higher education is associated with significant private economic returns. The assumption is; students know all available options and their uncertainties (risks).

Chapman (2006:20-21) explains '*market failure*' in higher education in the understanding of labour and human capital investments. He says educational investments are risky, with the main areas of uncertainty being as follow: (a) students enroll without knowing fully their capacities for (and perhaps even true interest in) the higher education discipline of their choice. This means that in an extreme they cannot be sure that they will graduate with good qualification. (b) even given that university completion is expected, students will not be aware

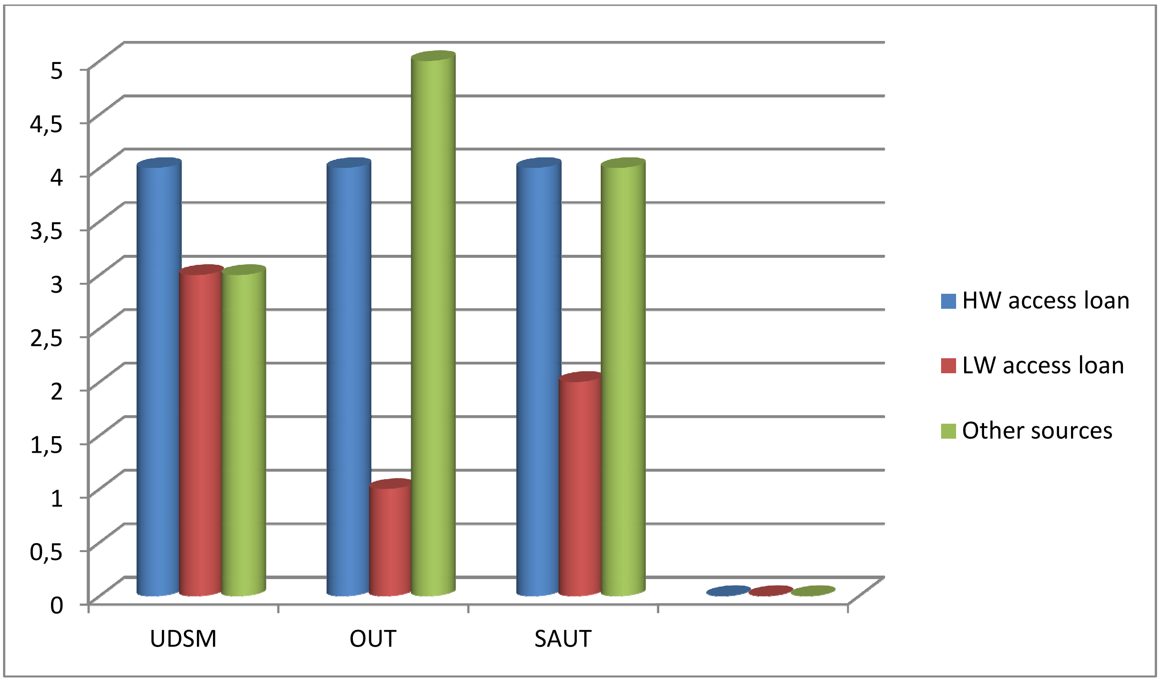
[292] Conversion is USD 1 to TZS 1638 as on 10 June 2013 at http://coinmill.com/TZS_USD.html#USD=1

of their likely relative success in the area of study. This will depend on their own abilities, but also on skills of others competing for jobs in the area. (c) there is uncertainty concerning the future value of the investment. For example, the labour market – including the labour market for graduates in specific skill areas – is undergoing constant change. What looked like a good investment at the time it began might turn out to be a poor choice when the process is finished. (d) many students, particularly those from disadvantaged backgrounds, may not have much information concerning graduate incomes, due in part to a lack of contact with graduates. Integrating these uncertainties many students in Tanzania join university education because they have acquired a minimum requirement to join university and join programmes that have higher chances to accessing loans. Based on this argument, education programmes have immense applicants not because of the higher private rate of return to education (degrees in education are the lowest paid jobs in Tanzania) rather access to loans is guaranteed. This is the reason as to why almost all private universities have introduced education programmes immediately after establishment of the Loans Board (after education was made a priority).

Second, the ability to pay for education costs by individual applicants is correlated with a range of destitutions like orphanage, disability, or single parency. The problem with this correlation is that the aspect of income source is being blurred. It is not always an orphan, disabled, single parent students have inadequate fund sources. The implication of this is to allow students who are orphans, disabled, and single parented to claim loans on bases of their disadvantages and not financial inadequacy. If the purpose of Loans Board was to recognize specific disadvantages detrimental to the ability of applicant to raise money for covering education costs then the range could be exhausted to include unemployment, market failure, health conditions (there are certain diseases hinder maximum production e.g. HIV/AIDS), elderly, etc. The rationale for the Loans Board to factor in some conditions while leaving many others (externalities) is unbecoming and unacceptable. Third, it is fallacious to calculate the ability to pay for education costs based on past expenditure. School fee paid in secondary education is past expenditure. How cogent is past expenditure in ascertaining current income sources and/or expenditures? The appropriate mechanism to find out current income sources of applicants is to calculate exact sources of income such as salaries, businesses, etc which have for ages proven to be arduous. It may be argued, what the Loans Board calculates as the ability of applicants to pay for their education is nothing than an overestimation or underestimation of individual income sources. It is another way to restrict access to loans by students from poor backgrounds.

Interestingly, there is '*sorcery*' means testing applicable to course programmes and not ability to pay for education costs. The Loans Board under section 4.4 and 4.5 of the Guidelines for 2012/2013 academic year applies 100% and 50% loans to specific course programmes. And the maximum loan amount of TZS 2.6 million to the most expensive course programmes (medical related programmes). Therefore, an applicant is subjected to two means testing (i.e. based on ability to pay and course programmes). For example, a student applying bachelor of medicine which cost a tuition fee of TZS 1.8 million at UDSM and UDOM (public); TZS 3.1 million at KCMC (private); TZS 3.7 million at CUHAS (private); TZS 5.2 million at HKMU (private); TZS 6.2 at IMTU (private); TZS 9.9 million at KIU (private); is expected to receive 100% loan (i.e. TZS 2.6 million) subject to means testing (based on ability to pay); while, a student applying bachelor of education (non-science and non-mathematics) at a public or private university is expected to receive 50% loan subject to means testing (based on ability to pay). The study through questionnaires found that many students from higher financial status have accessed loans even after the new formula. The following figure 4 is an illustration of the same.

Figure 5: Family Social Status Against Access to University Education



Source: Field Data 2012; questionnaires were administered to students from UDSM, OUT and SAUT in May 2012

N:B HW means High Wealth; LW means Low Wealth

From the above figure, two characteristics were depicted. First, a great number of students, about 80%[293], from well-off families had accessed both private and public universities through loans and other sources. Other sources in this study include: employment and/or business, parents/guardians, and grants/scholarships from university, non-governmental organizations (e.g. Carnegie) and business companies (mobile phone companies such as Airtel). For example, two students from the sample at UDSM benefited from Carnegie and Airtel scholarships. The one who got Carnegie scholarship was an orphan. The orphan student was being taken care of by a guardian who is well-off. They both live at Masaki[294] in Dar es Salaam. The same guardian financed student's secondary education in a good private school. The other student got Airtel scholarship because he performed excellent in his A-level examination results. This is because he had access to a conducive learning environment[295]. Again, the study observed that most of students from well-off families who stay in hostels use greater part of their sources (loans and other sources) to spend on luxurious contrivances such as radio, TV, iPads, Smartphones, etc. Such behaviour was prominent within students at UDSM. Second, a small number of students, about 20%[296], from low income families have accessed university through loans. The main reason for such a smaller percentage is the formula used by the Loans Board. The formula has never been able to identify those who are needy and those who are not. Arguably, students from low income families have accessed loans by coincidence. Looking at these percentages, some concluding statements may be reached. One, students from low income families have only one source to depend on, i.e. loans from the Loans Board.

Two, students from high wealth families have various sources such as employment, business, parents/guardians, and loans from the Loans Board. Generally, so to speak, private financing of university education has democratized access to university by students from well-off families while restricting access to university by students from low income families. Such that field data (2012) shows, up to 2010/2011 academic year 135,367 students have been enrolled

[293] Students from well-off families at UDSM = 70%; OUT = 90%; and SAUT = 80%.
[294] Masaki is an area in Dar es Salaam where people with high wealth live.
[295] This is the environment where he had no fear of food, shelter and clothing. Above all, he had enough learning facilities.
[296] Students from low income families at UDSM = 30%; OUT = 10%; and SAUT = 20%.

in both public and private universities whereas, students who accessed inadequate loans were 93,181 (68.8% of total enrollment) and students who accessed university through other means (private sponsorship) were 42,186 (31.2% of total enrollment). It means thus only 68.8% of available loans have been shared by students from low income families and high wealth families through ineffective means testing. Conclusively, Ishengoma (2010: 187) says current loans scheme exacerbates the already existing inequalities in higher education due to disproportional representation of children from upper- and middle- class families in both public and private.

5.2.3 Students' Access to Higher Education

Students' access to higher education is a function of financing of higher education (under this case, private financing) and provision of the education. Previous discussions have revealed increased access to higher education through public and private provision. The focus of this section is to evaluate private financing of higher education before and after the establishment of Loans Board. The purpose is to find out whether the current loan scheme facilitates students from low income families to access higher education. Three universities were put into scrutiny. These universities are unique in terms of relatively low cost of education and voluminous enrollment capacity. They are UDSM (public), OUT (public) and SAUT (private). A purposive selection of six (6) academic years revealed that students from low income families have been denied access to higher education. For example, in 2010/2011 academic year, the total enrollment at UDSM, OUT, and SAUT was 61,816 and only 27% of all enrolled students (which is 16,774) accessed loans. One would ask why is the number of students who accessed loans smaller than the total number of enrolment. A hasty conclusion may be that there has small number of poor and needy people. This is contrary to the reality. The reality is that Tanzania is one of the world's poorest countries in terms of per capita income and about 80% of the population (current population is about 44 million people) depends on small scale agriculture[297]. Therefore, the strict and restrictive criteria for loans explain the small number of students who accessed loans. The following table 3 verifies how loan scheme is stringent and restrictive to poor Tanzanians.

[297] CIA Factbook, Tanzania; last updated on 5 June 2013 from https://www.cia.gov/library/publications/the-world-factbook/geos/tz.html accessed on 13 June 2013.

Table 6: Enrollment and Access to Loans Before and After the Loans Board

	SELECTED YEARS BEFORE AND AFTER THE LOANS BOARD											
	BEFORE LOANS BOARD						AFTER LOANS BOARD					
	1994/1995		1998/1999		2001/2002		2005/2006		2007/2008		2010/2011	
university	Enrolment	Loan	Enrolment	Loan	Enrolment	Loan	Enrolment	Loan	Enrolment	Loan	Enrolment	Loan
UDSM	3,358	All	5,250	All	8,305	All	12,479	10,470	17,098	10,923	17,077	9,341
OUT	1,504	N/A	4,726		7,950	N/A	17,596	3,214	25,829	1,919	32,673	867
SAUT	N/A	N/A	294	N/A	404	N/A	1,344	975	4,165	4,409	12,066	6,566
Total	**4,862**	**N/A**	**10,270**	**N/A**	**16,659**	**N/A**	**31,419**	**14,659**	**47,092**	**17,251**	**61,816**	**16,774**

Source: Field Data, 2012; interview with Assistant Director for Loans Allocation of the Loans Board (on 27 April 2012 at 10:00am)

The table indicates a constant decline on loans against the background of rising numbers of students. This is a loan that a student from low income families solely depends on. It is shown by the table, before the Loans Board all students admitted under government sponsorship accessed loans. Approximately, 100% of students enroled at UDSM (with exception of private sponsored students whose number was insignificant) obtained loans regardless of their wealth status. Some commentators argue it was inequitable. Again, students enrolled at OUT and SAUT before the Loans Board were not eligible for loans. Those who argue against inequality say not all students who were/are enrolled at OUT, SAUT and/or other private universities come from families with high wealth. After the Loans Board, one would expect an increase of loan to the poor so as to access both public and private universities. To the contrary, loans allocation against rising numbers of students declines year after year not only at UDSM but also at private universities and OUT. For example, at UDSM the trend shows a decline from 10,470 students who accessed loans out of total enrolment of 12,479 students (2005/2006) to 10,923 students out of total enrolment of 17,098 students (2007/2008) and 9,341 students out of total enrolment of 17,077 students (2010/2011); OUT the decline is from 3,214 students who accessed loans out of total enrolment of 17,596 students (2005/2006) to 1,919 students out of total enrolment of 25,829 students (2007/2008) and 867 students out of total enrolment of 32,673 students (2010/2011); and SAUT loans allocation against rising numbers of enrolment is equivocal, while 2005/2006 shows 975 students accessed loans out of total enrolment of 1,344, in 2007/2008 is 4,409 students accessed loans out of total enrolment of 4,165 students, and in 2010/2011, 6,566 students accessed loans out of total enrolment of 12,066 students. This leads to two interpretations.

One, the current loans scheme is restrictive through meager loan allocations (that do not translate to the rising numbers of students) even before the application of double entendre means testing. Arguably, students from low income families have very fewer chances of accessing widened higher education through private financing. Two, it is very contentious whether a student from poor backgrounds could access private higher education. This is because of not only incertitude of available loans to students studying at private universities but also insufficient loan support. The cost of higher education normally expressed through unit cost is currently non-existent[298]. The impact has been for individual university to charge its own desired amount of tuition fee. Definitely, tuition fee charged by private universities is extremely high and fickle. It is for the student from poor backgrounds out of reach. Varghese (2004: 24) says higher fees levied by private universities attract students from high wealth families, and thus, creates cleavage between those who can afford and those who cannot. This is to say if the Loans Board disburses insufficient loans for tuition fee then students from low income families would never access private universities. The following table 7 illustrates how the Loans Board precludes students from poor backgrounds to access university education.

Table 7: Tuition Fee Eliminates the Poor From Accessing Universities

	Tuition Fee			Possible Loan		Discrepancy
University	BED	BAED	Bmed.	BED & BAED	Bmed.	
UDSM	1,000,000	1,000,000	N/A	500,000	N/A	**500,000**
UDOM	700,000	800,000	1,800,000	350,000/400,000	1,800,000	**350,000/400,000**
TURDACO	N/A	2,300,000	N/A	500,000	N/A	**1,800,000**
ETU	N/A	1,800,000	N/A	500,000	N/A	**1,300,000**
JoKUCo (bukoba)	1,500,000	1,500,000	N/A	500,000	N/A	**1,000,000**
UB	N/A	2,500,000	N/A	500,000	N/A	**2,000,000**

[298] According to Tsang (1994) costs of education refer to the economic value of an education input defined as opportunity cost and is measured by the value of the input in its best alternative use. In determining the costs of higher education, one has to look at primary costs and opportunity costs. At this point several factors influence unit costs of higher education. Saha (Nov-Dec-Jan. 2012-2013) includes enrollment, salaries, infrastructural cost, private cost, and miscellaneous cost as factors influencing unit cost of higher education. Unit cost of education thus refers to costs per unit, i.e. per student, per graduate, per credit, etc. It simply means cost of total number of enrollments in a particular year. Mathematically, Ajayi (1988) expresses that unit cost = Total Expenditure ÷ Total Enrollment. Arguably, enrollment of large numbers cause higher expenditures. Supportively, Duncombe, *et al*. (1995) endorse that both enrollment variables are statistically significant and indicate a U-shaped per students expenditure function.

UoA	1,794,000	N/A	N/A	500,000	N/A	**1,294,000**
SMMCO	1,605,000	N/A	N/A	500,000	N/A	**1,105,000**
MUHAS	N/A	N/A	1,800,000	N/A	1,800,000	**NIL**
KCMC	N/A	N/A	3,100,000	N/A	2,600,000	**500,000**
CUHAS	N/A	N/A	3,700,000	N/A	2,600,000	**1,100,000**
HKMU	N/A	N/A	5,282,000	N/A	2,600,000	**2,682,000**
IMTU	N/A	N/A	6,250,000	N/A	2,600,000	**3,650,000**
KIU	N/A	N/A	9,900,000	N/A	2,600,000	**7,300,000**

Source: Adapted from TCU Admissions Guidelines for Higher Education in Tanzania, 2013

N:B; BED means Bachelor of Education (non-science and non-mathematics)
BAED means Bachelor of Arts with Education (non-science and non-mathematics)
Bmed. means Doctor of Medicine

The above table reveals two most important points of discussion. First, it is quite evident that tuition fee at private university is exceptionally high Some private universities charged tuition fee in USD. Since its establishment (in 1992 to 2011), IMTU (a private university offers medicine and technological related course programmes) charged USD 4500 as tuition fee. Between July and August 2011 students demonstrated violently to pressurize university management to charge tuition fee in TZS (because fee fluctuates as the USD does) and improve learning environment. Tuition issue led to closure of the university until October 2011. The conflict invited attention of the Minister for Education, Dr. Shukuru Kawambwa; the Commission and Loans Board. Some students demanded transfer to other universities (which was primarily impossible due to admission criteria and university capacity to enroll students). The ultimate solution was for the university management to grant some of students' demands like tuition fee. From January 2012 students pay tuition fee in TZS 6,200,000 instead of USD 4500 (7,400,000)[299]. A common discrepancy of TZS 500,000 (USD 305) to TZS 7,300,000 (USD 4453)[300] is detected. It is beyond unconceivable that a student from poor backgrounds would have extra TZS 500,000 to TZS 7,300,000 in each academic year to pay part of his/her education costs. Notwithstanding, tuition fee is just one, there are some other costs which are completely not covered by loans (private cost i.e. communication, internet, clothing, etc) while others are partially covered (meals & accommodation, research, field

[299] According to TCU News on 16 November 2011 (Website: http://www.tcu.go.tz/info/news/view news.php?id=68) students were allowed to transfer to other universities once under prescribed conditions have been met. Again, TCU promised to initiate academic administrative and admission audit of the university immediately. Unfortunately, the researcher could not get the report of such audit. Johnstone (2002: 77) provides similar examples of Latin America and Asia, whereby, cost-sharing manifests in increasing reliance on a tuition-dependent private higher education sector and public universities continue to feature either no or very low tuition. This leads to the anomaly of students from upper and upper-middle income families, frequently benefiting from vastly superior (and often private) secondary education, and thus able to pass the rigorous public university entrance examinations, attending 'free', while ordinary students from middle and lower-middle income and rural families are either excluded altogether, or are forced to pay for tuition-dependent and frequently interior higher education.
[300] Conversion is USD 1 to TZS 1639 as on 13 June 2013 at http://coinmill.com/TZS_USD.html#USD=1

practical, faculty requirements). Taking the current minimum wage for workers in various sectors like health; agriculture; mining; marine and fishing; domestic services (including hotels); private (security services); commerce, industry and trade; and other sectors not mentioned in the wage board; where most parents/guardians of students from poor backgrounds come from is pathetic[301]. As from July 2013, the Government gazette for the revised rates will be issued.

These rates are between a monthly pay of TZS 80,000 (USD 49) and TZS 160,000 (USD 98)[302]. If the maximum rate is calculated in a year it becomes TZS 1,920,000 (USD 1172) which is far below tuition fee charged on medicine related programmes in private universities. The question is; how possible is it for a parent/guardian who depends on employment be able to raise the existing discrepancy of university tuition fee? The answer is definitely NO possibility; unless through corruption. It is thus argued, the only possible access to university by students from poor backgrounds is public rather than private. It must not be forgotten, public universities enroll students with higher performances (excellent), as the case may be in medicine related programmes. Due to despicable environment that a student from poor backgrounds undergoes through learning, it is only a few gifted/talented students who would achieve excellent performances. Alluding to, students from low income families are technically deserted access to both private and public universities. For those who successfully access loans and university education against all odds experience a miserable life at universities. The present study found numerous but interesting issues. For purposes of explicitness only a few were referred. These include: (i) quality of education (ii) psychological torture (iii) citizenship and democracy.

To start with quality of education, students from poor backgrounds are susceptible to abominable environment than their counterparts from high wealth families. Generally, the Loans Board provides loans for meals and accommodation at the rate of TZS 7,500 (USD 5) per day for 300 days (medicine programmes) which is equivalent to TZS 2,250,000 (USD 1373) and 240-308 days (other programmes) which is equivalent to TZS 1,800,000 – 2,310,000 (USD 1099 - 1410) that students spent on campus for theoretical instructions in the

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[301] Tekleselassie and Johnstone (2004: 137) expound that the incomes of the average family in most of Africa, however, are *extremely low*, and the resources available to many or most families are insufficient to meet new expectations of paying tuition fees as well as costs of student living.

[302] Conversion is USD 1 to 1639 as on 14 June 2013 at http://coinmill.com/TZS_USD.html#USD=1; minimum wage rates accessed from http://www.wageindicator.org/main/minimum-wages/tanzania on 14 June 2013.

academic year; and TZS 200,000 (USD 122) for books & stationery in one academic year (Field Data, 2012; interview with Assistant Director for Loans Allocation of the Loans Board, on 27 April 2012 at 10:00am)[303]. The practice has been for students from poor backgrounds to use part of loans for meals and accommodation, and books & stationery to cover the discrepancy of 50% on tuition fee. The interviews with Deans of Students at UDSM, Mr. Aminiel E. Maro on 7 May 2012 at 11:00am; OUT – Mr. Zacharia Reginald Rwejuna on 3 May 2012 at 10:00am; and student leaders at SAUT – minister for loans, Mr. Anatory John on 15 March 2012 at 01:30pm; and UDSM – loans desk officer Mr. Sylvanus Joseph on 9 May 2012 at 03:00pm confirmed that many students from poor backgrounds use part of the loans they get from the Loans Board to pay for tuition fee. The implications are: (a) the student lacks books and stationery for proper learning (b) the student takes less or no food which is pernicious to his/her health (c) the student finds cheap accommodation regardless of the state of being deleterious to his/her learning (d) the student looses concentration during classes.

All those implications were corroborated by the Dean of Students, students' leadership, loans desk officers, and students from sampled universities. Loans desk officer at UDSM Mr. Sylvanus Josepph acknowledged to receiving fifty (50) students and above who miss loans and live miserably, whilst the Deputy Dean of Students at the same university, Mr. Aminiel E. Maro confessed to receive countless claims of students who were not able to feed themselves apart from fulfilling other needs. He went further to demonstrate that he normally assists these students to make formal arrangements with cafeteria owners to allow students obtain daily meals in a specified period of time so as to give ample time for the student find money either from Loans' Board meager installments or any other means. Again, he stated to acknowledge the contribution of CAMFED[304] albeit limited in geographical extension (operates in Dar es Salaam) and capacity to assist large number of students. CAMFED assists needy students from specific districts. On the other hand, Dean of Students at OUT Mr. Zacharia Reginard Rwejuna said OUT students are not entitled to loans for meals and accommodation and the loan for tuition is currently TZS 300,000 (USD 183)[305] maximum. This has led to reduce time in learning, loss of concentration in studies, and frustration. They are always on movement seeking for financial assistance. It is very calamitous to their academic endeavor because of the nature of studies (distance learning).

[303] Conversion is USD 1 to 1639 as on 14 June 2013 at http://coinmill.com/TZS_USD.html#USD=1
[304] CAMFED is an abbreviation for Campaign for Female Education. The executive Director of CAMFED is Prof. Penina Mlama; for more details follow this link http://www.ungei.org/infobycountry/tanzania_1639.html
[305] Conversion is USD 1 to 1639 as on 14 June 2013 at http://coinmill.com/TZS_USD.html#USD=1

Students' leadership at UDSM, OUT and SAUT were not far from statements of their deans. For example, Minister for Loans at SAUT, Mr. Anatory expressed a serious practice by the Loans Board to delay tuition fee. This leaves students in direct confrontation with university management since private universities depend entirely on tuition fee. He further noted that there is an increasing trend of university drop-out due to inability to pay for tuition fee. Moreover, testimonies from interviewed students justified statements from former speakers. For example, some students at SAUT and UDSM explained in specifics vexation of accommodation. Both SAUT and UDSM possess inadequate accommodation for university students in public and private. UDSM has a maximum capacity to accommodate 6490 students of undergraduate (USAB data base)[306]. Currently, the university has enrolled 16,610 students as at 2010/2011 academic year. It means 61% of enrolled students have to find private accommodation. SAUT has the capacity to accommodate 3,000 students out of the current 13,000 enrolled students (Field Data, 2012; interviews with Dean of students, Ms. Scholastica Nasania and student mister for loans, Mr. Anatory). This is where problems start.

Private accommodation is not only expensive but also obnoxious for proper learning. Some premises are situated near night clubs, bars, or guest houses. Moreover, other private accommodations have irregular supply of water, no adequate toilets, constant electricity interruptions, and much more. As a rule, private accommodation around/near university or university hostel premises is very expensive. Yet, affordable housing with appropriate facilities such as electricity and running water is in short supply (UDSM Report, 2011). While students at university hostels (i.e. UDSM) pay TZS 420 (Main Campus) and TZS 250 (Mabibo Hostel) per day, which is equivalent to TZS 7,500 (USD 5) and TZS 12,600 (USD 8) in a month respectively; their counterpart students at private accommodation pay between TZS 50,000 (USD 31) and TZS 150,000 (USD 92) per month depending on location and environment surrounding that private accommodation. In same context, UDSM Report (2011:46) reveals that most landlords charge an average of TZS 5,000 (USD 3) per day when, in fact, most students (who depend on government loans) can only afford to pay TZS 1,000 (USD 0.6) per day. Testimonies from students at SAUT showed that landlords/ladies in

[306] USAB is a short form of University Students Accommodation Bureau which is a semi-independent unit operating under the Dean of Students Office. There are two main locations where students' halls and hostels reside. They include: seven halls at UDSM Main Campus and Mabibo hostel at Mabibo external. More details can be found at UDSM-DOSO website: http://www.doso.udsm.ac.tz/index.php?option=com_content&view=article&id=5&Itemid=5

Mwanza demand lump sum payments of one year which is between TZS 600,000 (USD 366) and TZS 1,500,000 (USD 915)[307].

Depending on the ability to pay accommodation cost, students are obliged by necessity to share a single room. Sometimes, up to six students, especially male students may share one small room to save some costs. The situation is not any better for UDSM students[308]. After paying accommodation cost and tuition fee, the poor student has no choice than to skip certain meals. Interviewed students at UDSM, OUT and SAUT between February 2012 and May 2012 affirmed the practice of many students at universities to skip lunch or dinner during the period they are bankrupt. It is commonly known in local language as '*kupiga deshi*'. Others opt for the use of tea and bread as lunch or dinner, also known as '*kukomunika*'[309] in local language. To conclude on the quality of education, the study found it very difficult for a student to learn in detrimental environment and yet achieve a quality degree and skills at the end of their learning. Inadequate food and pathetic accommodation have greater contribution to poor quality of university students. The 2012 Human Rights Report by the Legal and Human Rights Centre (LHRC) implicates the Loans Board to have derailed the quality of higher education in the country because of delays in disbursing student loans which fuels a wave of demonstrations, strikes and boycott (The Citizen Newspaper, Tuesday, 7 May 2013)[310].

On psychological torture, students with inadequate finances are affected badly by Loans Board delays to disburse loans, tuition discrepancies, pathetic private accommodations, inadequate learning sources, etc. Continuous torture makes students lose concentration during

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[307] Conversion is USD 1 to TZS 1639 as on 14 June 2013 at http://coinmill.com/TZS_USD.html#USD=1

[308] UDSM Report (2011:46-47) says many off-campus students are accommodated in housing that is inappropriate for their needs. Some share cramped space, while a number of them live in units with no electricity or running water. Reportedly, a large number of students, perhaps about a third (1/3), are 'illegally' accommodated by their fellow students in the halls of residence. The Panel learned that rooms meant for three (3) students are occupied by up to six (6) students with some sleeping on the floor. Although a university by-law prohibits this practice, christened "carrying one another", it is so widespread that administration is unable to ban it, given its pervasive nature and the dire situation regarding student accommodation. In the view of the Panel, it is inconceivable hoe students in such an environment can read in their rooms. Conclusively, the Panel is convinced the situation sounds like a brutal and brutalizing environment which can only engender many forms of adverse behaviour on the part of the students.

[309] *Kukomunika* comes from religious perspective. The Roman Catholic Church has seven (7) sacraments that a believer has to acquire all of them in different periods during his/her life. One of such sacraments is the Holy Communion. Since the Holy Communion is symbolized by Holy Spirit in form of bread then students especially Christians coined 'communion' in their perspective as bread. This bread is eaten not just for leisure but because of inadequate money to buy meal; bread is not considered as a complete meal.

[310] http://www.thecitizen.co.tz/News/-/1840392/1844952/-/exl7oaz/-/index.html on 14 June 2013.

classes and it destroys their critical thinking. All interviewed people under this study identified Loans Board delays to disburse loans as the prime source of confrontations between students and university management as well as students and the Loans Board. For example, Mr. Joseph said delays to disburse loans have been a source of conflict between their university management and students. Students are confused during this time because neither the university management nor the Loans Board would have convincing answers as to why there are delays. As a consequence, they boycott classes and demonstrate towards Loans Board offices. The CAG report (2009/2010, p.36-37) said treasury releases funds in peace meals causing the Loans Board not to disburse loans to students in time; as a result students riot and demonstrate every time. These riots and demonstrations, according to CAG, may have negative impact on students' performance in studies. Therefore, CAG advised the government in his report to release funds in time so as to minimize riots and demontsrtions.

Since the establishment of Loans Board there has been countless number of demonstrations[311] by students due to loan delays. Speaking of the same, the student minister for loans at SAUT explained the severity of the case. He says loans were supposed to be disbursed on 6 February 2012 but were delayed to 3 March 2012. For about a month students were suffering/tortured by ineffectiveness of Loans Board operations. Psychologists attest that psychological torture in forms of forced stress, humiliation, and deprivation cause as much mental distress and traumatic stress. Arguably, university students are humiliated, deprived and stressed by the Loans Board through anomalous and procrastinated loans. This may be explained by unforeseeable actions like mass action, regular but violent visits and awaits at Loans Board office (Dar es Salaam), suicidal acts and attempts, iniquitous practices (such as prostitution, theft, other illegal means to acquire income) etc.

[311] Chronologically, student demonstrations have been scanty between 1960s and 1980s period and more apparent between 1990s and todate. The report, of '*the probe team on student crises in higher education in Tanzania*' formed in 2004 by the then Ministry for Science, Technology and Higher Education (MSTHE) to find out the root cause/source for prevalent crises, revealed the main cause to be 'underfunding' which affects quality of graduates, deteriorating environment and overcrowding, and erosion of cultural values in the society in general. Sadly expressing, it is about fourteen (14) years since the probe team observed causes and suggested recommendations yet today things are getting even worse. The probe team comprised the following: (i) Dr. Hawa Sinare (chairperson); (ii) Mr. N.E Ligate (Deputy chairperson); (iii) Prof. T.A.S Mbwette (Secretary) – with an acknowledgement, Prof. Mbwette is currently the Vice Chancellor of OUT; (iv) Mr. M Rweyemamu (member); and three staff members from MSTHE as core secretariat. They include: Mr. A.J Kajigili (principal education officer); Mr. M.L Lubambula (a senior education officer) – he was an in-charge officer in the loans disbursement section; Mr. J.H Msumi (senior education officer).

Again, mysterious attacks, theft and rape by unknown people occurred at SAUT between April and May in 2012. Notwithstanding SAUT is a secular private university[312], but students are required to conduct themselves in a virtuous manner. As such, pattern of dressing styles for both males and females (in Tanzanian values) have been imparted within the student community. Yet, at nights a lot of immoralities transpire among university students. At UDSM, the UDSM Report (2011:49) shows two main impacts. These include: (a) inadequate finances make students struggle financially, eat poorly, live in sub-standard accommodation off campus; and (b) delays in disbursement of loans cause not only delays on course registration but also impose hardship on students. On the last aspect of citizenship and democracy[313] the study found that students are bereft of their dignity through a loan scheme. A major contributing factor is politicization of students' financial assistance. All what is done is copy and paste of policy and law without a proper evaluation of the implementation process[314]. The people who have been trusted by citizens to speak and act on their behalf (politicians) have turned their backs. It is neither expected for a student who passes through non-quality education and psychological torture to turn into a good citizen and good leader.

In fact students are becoming less patriotic. They do not want to involve themselves in elections for a reason that nothing will change. It is unfortunate to say students who have better education and greater awareness on how to make the government accountable are relegating their duty as citizens, who else will be able to do that? This is a betrayal as J.K. Nyerere on 12 May 1964 speaks about the responsibility of those who had the opportunity to access education, immediately after the union between Tanganyika and Zanzibar (26 April 1964). He says,

[312] SAUT is owned by Roman Catholic Church in Tanzania.

[313] Cohen (2006: 8) explains that in a democratic society in which the public serves as both citizen and sovereign, individuals and public institutions have affirmative obligations. Again, there is a bond between public scholarship and democracy. This bond is explicit in two ways: (a) impart in students a deep understanding of the obligations and duties of democratic community, (b) provide the opportunity to employ the university's intellectual and creative resources in the services of those obligations. The interpretation of this is two-fold. (i) adequate financial assistance to students in accessing university education by the government is a catalyst for creation of responsible citizens; and (ii) inadequate financing of students' university education by the government abates the ability of students as citizen to perform their obligations.

[314] For example, in 2008 following continuous and vehemently protests by university students which led to closure of several universities, the government through the Deputy Minister for Education, Ms. Gaudensia Kabaka, directed public universities to readmit only students who agreed to pay for education through cost-sharing policy and lock-out those demanding for government to fully finance their education, the Citizen Newspaper reports (30 November 2008). It is surprising to find the government resorts into such a drastic decision instead of getting into the root cause of the matter.

> "…some of our citizens will have large amounts of money spent on their education, while others have none. Those who receive this privilege therefore have the duty to repay the sacrifice which others have made. They are like a man who has been given all the food available in a starving village in order that they might have strength to bring supplies back from a distant place. If he takes his food and does not bring help to his brothers he is a traitor. Similarly, if any of those young men and women who are given education by the people of this Republic adopt attitude of superiority, or fail to use their knowledge to help the development of this country, then they are betraying our union."

In light of this, both the government officials and students who do not utilize their knowledge for the betterment of the whole society are betrayers. Apparently, many students are enrolled in education related programmes yet the country suffers from inadequate teachers. In some places, the whole school (i.e. secondary) has less than five (5) teachers and sometimes one teacher teaches all subjects. Data from MoEVT show that in 2010 there were 40,517 teachers and 837,656 students from all secondary schools - public and private (National Bureau of Statistics, 2011). In 2012 data augmented to 65,025 teachers and 1,602,756 students in public schools and 281,520 students in private schools (grand total of 1,884,276 students)[315]. Despite insufficiency number of teachers, education programmes enroll a great number of students each year. For example, 11,058 students were enrolled in 2006/2007; 18,798 students in 2007/2008; 21,908 students in 2008/2009; 48,812 students in 2009/2010; and 53,531 students in 2010/2011 (Field data, 2012; interview with TCU Admissions Office Mr. Fabian Mahundu on 16 April 2012 at 09:10am). Amusingly, students graduated in education have 100% chances to be employed by government, yet only 7,239 were employed in 2011/2012 (URT, Performance Report 2011). Alluding to, the government offers employment appointments to many graduates but they do not take up appointment for various reasons. And, a good number of students study education related programmes just to have access to loans and the knowledge acquired is not utilized fully. This totally contravenes Article 1(a) of the World Declaration on Higher Education (1998) which affirmed the core mission and values of higher education as to educate highly qualified graduates and responsible citizens able to meet the needs of all sectors of human activity by offering relevant qualifications to the present and future needs of the society.

[315] URT, Education Sector Performance Report 2011/2012.

Second, there is erratic pattern in the way the Loans Board disburses loans for tuition fee in various universities. In its Guidelines for academic year 2012/2013, the Loans Board introduced a clumsy formula whereby certain course programmes get loans for tuition fee at 100%, 50% and 0%. For example, medicine related programmes fall under 100% tuition; BED and BAED (non-science and non-mathematics) fall under 50% tuition; and all other programmes apart from certain science related programmes fall under 0% tuition. However, in the Loans Board understanding 100% loan for tuition fee on medicine related programmes is TZS 2,600,000. While all private universities charge above TZS 2,600,000 for the same programmes, public universities charge below the benchmark. The interpretation of this is to negate the poor access to private universities. The claimed increase of chances to university by the poor through loans is automatically overruled. Another fussy aspect of the formula is the 50% tuition applicable to education related programmes (non-science and non-mathematics). On one hand, it is constantly applied in all relevant programmes at public universities, for example, UDOM and UDSM. But, on the other hand, the application of the same in private universities is skewed. For example, UB charges TZS 2,500,000 (USD 1526) tuition for BAED; TURDACO charges TZS 2,300,000 (USD 1404) tuition for BAED; UoA and SMMCO charge 1,794,000 (USD 1095) and TZS 1,605,000 (USD 980) tuition for BED respectively; the Loans Board provides a loan of TZS 500,000 only. The prime question is; why is skewness apparent at private universities and not public universities? It is appropriate to state there is a systematic dissidence to assist the poor access higher education as the policy and law require. Consistently, UDSM Report (2011:49) observed that many students from poor socio-economic backgrounds are denied loans or receive inadequate amounts while those from economically privileged backgrounds are awarded more generous rates.

5.3 The Loans Scheme Undermines Access to Higher Education

Loans Scheme was introduced in Tanzania in 1990s to assist students from low income families with finances to accessing university education. The first loans scheme (1990s to 2004) was implemented by the then Ministry for Science, Technology and Higher Education and the second by the Loans Board (2005 to date). However, Luhanga, *et al*. (2003:15) once warned, loans scheme executed by only central government or agency officials is likely to be abused to a greater extent than the one executed by both agency and local government as chances of cheating are very small. As the discussion goes on, one would note there is no big difference between the two modes (either central government or agency); what matters is the level of accountability and efficiency of the institutions. The scheme involves two main processes. These are: disbursement of loans and loan repayments and recovery. Disbursement of loans includes various issues such as mechanism to ensure smooth disbursement of loans, loan amount, and any conditions imposed to make the process efficient. Two issues i.e. mechanism to disburse loan and loan amount have already been intensively and extensively discussed in previous sections. This section dwells to discuss conditions[316] imposed by Loans Board as necessary impediments to access loans by students from low income families. It also argues that a loan repayment and recovery is another hurdle. Students from low income families who were supposed to be assisted with some loans to access higher education, are technically left out by means testing, insufficient loan amount, prioritization of courses, requirement of a guarantor, security for loan, absence of quota allocation, and distinction between full time programmes and part time programmes for purposes of disbursement of loans.

5.3.1 Prioritization of Courses

With the exception of the Guidelines for 2005/2006 academic year, all other guidelines provide for prioritization of courses in each academic year. For example in 2006/2007 academic year, priority courses were medical based courses; physical sciences, engineering and technology courses; and economics, accountancy, commerce, finance, law, and education courses[317]. In the following academic year the Guidelines retained health sciences courses; science courses; education courses; engineering and technology courses with an addition of agriculture courses[318]. That means economics, accountancy, commerce, finance, and law became non-priority courses. All proceeding guidelines in 2008/2009, 2009/2010, and 2010/2011 maintained prioritization of courses made in past guidelines. In 2012/2013 and 2013/2014 academic years modifications have been effected.

The guidelines put a distinction among science courses as well as education courses in terms of loan amount. Within sciences and education courses there are more priority and less priority courses. And thus, more priority sciences and education qualify for 100% loan (in the Loans Board categorization) and less priority qualify for 50% loan; all before means testing.

[316] These conditions are stated in the guidelines in each academic year. They include: priority courses; full time programs vs. part time programmes; security for loans; quota allocation; and requirement of a guarantor.
[317] See section 4.0 of the Guidelines for 2006/2007 academic year.
[318] See section 3.4 of the Guidelines for 2007/2008 academic year.

More priority sciences include health sciences (Doctor of Medicine, Dental Surgery, Veterinary Medicine, Pharmacy and Nursing); civil and irrigation engineering, other engineering courses recognized by Engineering Registration Boards (ERBs) such as computer engineering, and architecture engineering; agricultural sciences; animal sciences; and education sciences; on the other side less priority courses include non-science and non-mathematics education courses (Guidelines, 2012/2013; TCU Admission Guidelines, 2013/2014). Alluding to, prioritization of courses pales a limited access to university by students from low income families in two major ways.

First, priority courses restrict student from low income families to access other courses and/or universities. Since course programmes like law, political science, sociology, geography, statistics, philosophy, tourism, human resourses, etc are non-priority courses then they are prone to '*zero probability*' loan. It is even worse in a situation where two students from poor backgrounds, one taking health science programmes and the other law (or social science programmes) collide on eligibility for loan; the poor who undertakes law would definitely be denied access to loan. In absence of a workable means testing many students from low income families are denied access to loans through prioritization of courses. From a broad-spectrum, students from low income are coerced to admit themselves into priority courses as a result both poor and well-off compete for admission slots. Notwithstanding, priority courses have a very narrow range. There are other sciences course programmes for example, are not priority courses. These include: Bachelor of Science in environmental science and management; Bachelor of Science in information systems and management; Bachelor of Science in information technology; Bachelor of Computer Science; science programmes offered under ODeL; etc. Under these circumstances the study identified a number of implications. One, application of priority courses not only limits access to higher education but also limits supply of diverse skilled labour (for which the country needs to develop economically, socially and politically). Arguably, the country remains underdeveloped albeit heavily investing in higher education. Two, consistent application of priority of courses annihilate talents of the future generation. Shen and Ziderman (2008) uphold the argument by stating that "loans offered at favorable conditions for study in particular fields, can lead to a loosening of skilled manpower bottlenecks that inhibit social, economic, and industrial development".

Second, this is a concern of affordability and accessibility. Priority courses are purely science course programmes and offered by both public and private universities. In terms of affordability, these courses are the most expensive ones (see table 7 above). Admission into these programmes requires a student with high performance in A-level examination results or equivalent qualification as compared to admission into other programmes. For example, while it is possible to be admitted into bachelor of laws or computer science with a minimum qualification of 2.5 points at JUCO and KIU respectively, it is impossible to be admitted with the same qualification in health sciences programmes at public and private universities. Private universities enroll students of low performance but for these programmes minimum qualification is 4.5 points (TCU Admission Guidelines, 2013). The question is: how many students from poor backgrounds are able to perform highly (in science subjects) in their advanced secondary education? Outwardly, science subjects are also relatively expensive in secondary education. Supposedly, students from poor backgrounds cannot afford the cost of science subjects. Interestingly, the Loans Board provides loans for expensive priority courses at 100% equivalent to TZS 2,600,000 leaving a huge discrepancy (see table 7 above). It is submitted that students from poor backgrounds are highly restricted to access university education through loans scheme and private financing.

5.3.2 Security for Loan and Requirement of a Guarantor

One common feature of a loan is demand for security and/or guarantor from the borrower. Educational loans are never exceptional nor the Tanzanian loans scheme for higher education. Section 18(1) and (2) of the Loans Act requires the Loans Board to demand security for loan and a guarantor who guarantees a loan beneficiary. Again, section 6(1) of the Regulations requires security for loan to be indicated in the application form. Security for loan is a guarantee that the loan will be paid. It is commonly known as collateral. Collateral refers to an additional form of security which can be used to assure a lender that you have a second source of a loan repayment[319]. Normally, the amount of loan is equated to the worth of collateral provided. For example, if a borrower asks for a loan of TZS 13,010,000 (USD 7926)[320] to cover tuition fee, research, field practical, books & stationery, and meals and accommodation for a doctor of medicine programme at KIU. S/he has to submit a collateral equivalent to the amount subject to borrowing. In that case, the Loans Board has since its

[319] Definition accessed from http://www.sba.gov/content/collateral on 19 June 2013.
[320] Conversion is USD 1 to TZS 1642 as on 19 June 2013 at http://coinmill.com/TZS_USD.html#USD=1

establishment demanded security for loan explicitly through the Guidelines for academic year 2006/2007 to 2009/2010 and implicitly through a requirement of guarantor from 2011/2012.

The securities for loan specified by the Loans Board include immovable properties like farms, plots or buildings[321]. Therefore, the applicant is required to submit just a copy of title deed for such properties. The fallacies behind Loans Board's demand for security for loan are many. First, since the purpose of security for loan is to guarantee repayments, then it is not known how a simple submission of copy of title deed, for instance, would guarantee a repayment of TZS 13,010,000? Sometimes, the property under question might be of less value to the amount borrowed. Second, how would it be expected for a poor Tanzanian to possess a title deed worth to amount for borrowing? Moreover, many Tanzanians (both poor and rich) live without title deeds and on unsurveyed areas. This makes the process to determine the value of a plot very difficult[322]. Third, if students from poor backgrounds are capable of possessing security for loan, there is no point why should they refrain from accessing bank loans? For quite some time, people of poor backgrounds have never been able to approach banks for loans, the reason being collateral. It is argued that those who will not be able to fulfill this condition are subjected to missing loans. Again, students from poor backgrounds are vulnerable.

Requirement of a guarantor is guided by section 17(1) and (2) of the Regulations. Qualification of guarantors and role of guarantors are stipulated under section 18 and 19 of the Regulations respectively. In addition, section 18(3) states that, "where the guarantor is qualified to guarantee the applicant for loan, the Executive Director shall:- (a) inspect or cause an inspection to be conducted to the attached security; and (b) enter in the register the particulars of the security in respect of loan granted to the applicant". The requirement of a guarantor has two major implications. The first implication is that s/he is liable to loan repayments in case of default by student in the repayment of loans[323]. Second, s/he has a duty to keep the Loans Board informed about the current status of loan beneficiary (status on physical address, occupation, etc)[324]. The duo leads to theoretical and practical complications.

[321] See supporting documents in the Guidelines for 2006/2007, 2007/2008, 2008/2009, 2009/2010 academic years.

[322] However, section 6(4) of the Regulations requires securities without title deed (e.g. farm) to be subjected to appraisal report of the same.

[323] See section 18(2) of the Loans Act.

[324] See section 22 of the Loans Act.

The assumptions are: (i) the guarantor have a property worth to equivalent sum of money borrowed (security for loan) or would be able to save money (from whatever sources) and repay the loan. (ii) the guarantor is aware of his/her obligations as specified by the Loans Act. (iii) the guarantor has and will continue to have a good knowledge of the loan beneficiary. One would want to know who this guarantor is. Assumption (iii) suggests beyond reasonable doubt a parent and/or guardian may be in a good position to know the beneficiary better in a number of aspects[325]. Based on the same assumption, the government may also be in the best position to know the beneficiary chronologically, again, in various respects[326]. With acknowledgement, the government was the guarantor of all loan beneficiaries in the 2005/2006 academic year. Even before the Loans Board, the government was the only guarantor of all loan beneficiaries.

From 2007/2008 academic year, all applicants were to find their own guarantor after the government to isolate itself from being guarantor. This is where practical problems started. First, students who referred themselves as sons and daughters of peasants presented their fellow students as guarantors so as to access loans. In absence of proper verification mechanism the Loans Board could not identify falsehood of guarantors. On the other side, those students who acted as guarantors for their fellow students did not have adequate knowledge on obligations of guarantors as specified by the Loans Act. In effect, the Loans Board has not been able to track loan beneficiaries nor guarantors (a broader discussion of this will be on sub-section 5.3.6 of this chapter). Second, students who truly presented their parents/guardians as guarantors were not better off. For parents/guardians who were/are from poor backgrounds do not have the ability to repay the loan because (a) they do not have collateral that may be used to repay loans; (b) they are completely unaware of the implication and obligations conferred to them. An interview between February 2012 and May 2012 with experts from UDSM, OUT and SAUT confirmed this fact.

[325] A parent or guardian may be capable to know most of information about their children below 18 years. This is because most of young men and women above 18 years cease to be solely dependent on their parents/guardians. At this point young men and women make their own decision on various issues including higher education. They may even apply for loans without the knowledge of their parents/guardians.

[326] The government is a custodian of people's data in various forms such as employment (government is an employer), population census, immigration department, registration of births and deaths, licensing businesses (TRA), registration of properties, etc. If government works diligently and accountably all information about loan beneficiaries are expediently acquired.

Two specific questions were asked by the researcher collect experts' opinions on viability of the Loans Act to assist poor students access university education. These were;- (a) do the criteria set by the Higher Education Loans Act favourable to poor's access to loans? (b) in your opinion, do you think Higher Education Loans Act is sufficient in terms of assisting the poor to access higher education? Their responses were;- (i) the Loans Act is to a greater extent sufficient to assisting poor students access loans and higher education, and (ii) they expressed reservations to the implementation/execution of the Act by the Loans Board. For example, an expert from UDSM said clearly that the issue of guarantor is capable of constraining access to higher education on the poor. Another expert from OUT said guarantors do not know their responsibilities as per the Loans Act and thus can lead to loan default. The last expert from SAUT reiterated what others have said. Currently, the Loans Board uses Voter Registration Card (VRC) to counteract mischief by applicants. However, the voter register is highly contested by politicians as it is not genuine. People have been registered more than one time and/or different identities. Arguably, student loans are difficult to recover in the best of circumstances even from guarantors or co-signatories; students frequently – and especially in the countries of Sub Saharan Africa face prolonged periods of unemployment following their departure from the university (Johnastone, 2004:12).

5.3.3 Quota Allocation

The Loans Board has been given powers by the Loans Act to determine the maximum number of eligible students to be granted loans in each academic year. With an exception of a mentioning that Loans Board will apply quota i.e. determine the number in particular academic years, there has been no exact number for each particular year. Howsoever, in 2012/2013 the government has set a number of eligible (first year) students to be granted loans academic year to be 23,340 (Field Data, 2012; interview with Assistant Director for Loans Allocation of the Loans Board on 27 April 2012 at 10:00am). The practice has been for the Loans Board to invite applications without setting the target. A failure to specify the maximum number of students to be awarded loans has two consequences. First, the number of students eligible for loans transcends the available budget. Second, there are delays and poor information system. Within a limited time (usually two months) for the Loans Board to invite and process applications, absence of specific number makes the process indistinct. For example, the number of students eligible for loans could not access loans due to budget constraints. Others got their loans very late while others could not.

A complicated situation was presented by the student minister for loans at SAUT, Mr. Anatory (during an interview with the researcher on 15 March 2012 at 01:30pm) who explained past experiences of some students. He said the Loans Board delays money for tuition fee for a semester. Once that happens the Loans Board does not pay for the same in the next/following academic year. Students whose tuition fees were not paid found themselves into problems with university management. He went further to say that the Loans Board has the poorest information system meant for students who are studying in Dar es Salaam. It becomes difficult for student leader/individual student to make follow-up on his/her loan status in Dar es Salaam. In support of these arguments, in an interview with Loans Desk Officer, Mr. Alex from the same university (interview on 16 March 2012 at 12:30pm) admitted delay claims and poor information system (by the Loans Board) as impediment to students' proper learning. According to Mr. Alex, in each university there is a loan office yet there are several issues these officers cannot help. Such issues need to be solved in Dar es Salaam.

5.3.4 Full Time Programmes and Part Time Programmes

For purposes of loan disbursement, the Loans Board has put a clear distinction between full time programmes and part time programmes. In that case, students who study full time are eligible for loans while others not. Part time programmes include evening or morning programmes, online and distance learning. One distinctive feature of part time and full time programmes is two-folds. One, part time programmes allow students to work and study in alternation. That means a student may study in the morning and work in the evening and vice versa is true. Two, students are not required to study through traditional ways of being present into classrooms, i.e. studies are undertaken on individual basis while at home or anywhere deemed conducive and online. It might be very helpful for students from poor backgrounds to study through part time than full time because of the cost involved.

It is equally not surprising to find many young men and women enroll themselves into ODeL programmes. Sometimes they enroll into ODeL programmes not because they are workers (convenience) but because the costs to attend some of these programmes are comparatively cheap for a number of reasons: (i) studies can be undertaken while at home (room and board costs are blurred) (ii) students have enough time to undertake various activities to generate income (e.g. employment, businesses, etc). The income generated can be used to pay some of education costs such as private costs, tuition fee, etc. Since its establishment, the Loans Board has not been giving loans to students studying part time programmes. However, students studying at OUT have been exceptional. They are allowed to access loans from the Loans Board (interviews with Assistant Director for Loans and Allocation of the Loans Board, Mr. Laizer; Dean of Students OUT – Mr. Zacharia Reginald Rwejuna; and OUT students, 2012). It is not known what legal provisions have been used to limit access to loans by students studying ODeL while allowing OUT accessing the same. It is undemocratic and illegal. All the same, there are a number of limitations put by the Loans Board to OUT students and not other students from universities offering full time programmes.

First, normally, Loans Board provides loans for six (6) items, i.e. tuition fee, meals and accommodation, research, field practical, books & stationery, and faculty requirements (see the Guidelines, 2005/2006; 2006/2007, 2007/2008, 2008/2009, 2009/2010, 2010/2011, 2011/2012, 2012/2013, 2013/2014). Unlike students studying full time programmes who apply for all six (6) items, students at OUT are limited to apply only two items, i.e. tuition fee and books and stationery[327]. Again, books and stationery is possible in the third and fourth years only and not every year[328]. Notwithstanding, all students studying at OUT are required to do research at their final year (partial fulfillment to acquire degree). They are also needed to submit reports for science practical, teaching practice, and other field related assignments[329]. Second, according to the guidelines by the Loans Board, students are allowed to apply for loans to cover costs of education (for the years a programme is offered). For example, students who study full time have three to five years (plus one year of internship) to acquire a degree (UDSM prospectus 2011/2012; SAUT prospectus 2011/2012). Dean of Students, Mr. Zacharia Reginard Rwejuna said (during an interview with the researcher on 3 May 2012 at 10:00am) students from OUT, by the nature of studies, had unlimited time to acquire degree, i.e. it could take 3-10 years for instance depending on individual ability to finish the required course units. Currently, students have three levels; each level is equivalent to one academic year in conventional university, yet a student is allowed to select a minimum of 50% of units at each level[330]. While students studying full time apply for loans to cover

[327] See section 3.10 of the Guidelines for 2012/2013 academic year.
[328] See section 4.12 of the Guidelines for 2012/2013 academic year.
[329] See general examination regulations for undergraduate courses from OUT Prospectus for 2012/2013 academic year.
[330] See section 2.0 mode of study for undergraduate courses from OUT Prospectus for 2012/2013 academic year.

throughout their studies, students at OUT are limited to six (6) years. It means students who go beyond six years cannot access loans for extra years even if they come from poor background families.

To the greatest disadvantage, OUT offers most programmes which are categorized by the Loans Board as non-priority. Only education related programmes have higher chances of 50% loans for tuition fee. For example, Bachelor of Arts with education, Bachelor of Science with education, Bachelor of Education, Bachelor of Education in Special Education, Bachelor of Business Administration with Education and Bachelor of Education Teacher Educator (BEDTE) are the only priority courses offered at OUT. Since these programmes are non-science and non-mathematics then they are subject to 50% loans. According to TCU (Admission Guidelines, 2013) these programmes have a possibility of maximum loan of TZS 150,000 (USD 92) for tuition fee while the university charges tuition fee of TZS 360,000 (USD 220) for almost all programmes except Bachelor of Education with Special Education which is TZS 1,200,000 (USD 732)[331]. The duration of study for these programmes is three to eight years. Students are allowed to take maximum units depending on individual capacity, yet tuition fee must be paid for the period of six (6) years even if the student fulfills the requirement to attaining a degree in less than the specified time (interview with the Dean of Students at OUT Mr. Zacharia Reginard Rwejuna on 3 May 2012 at 10:00am).

In other words, in order to acquire a degree at OUT a student must pay tuition fee of TZS 2,160,000 (USD 1318) while the Loans Board provides a maximum loan of TZS 900,000 (USD 549). It is argued that if the student has no other sources of income, it is difficult to pay a discrepancy of TZS 1,260,000 (USD 769)[332]. Therefore, students from poor backgrounds are highly restricted to access higher education through ODeL. The questionnaires administered by the researcher to OUT students revealed that those students coming from poor backgrounds are suffering due to insufficient loans provided by the Loans Board. In addition, the Deans of Students, Mr. Zacharia Reginard Rwejuna reiterated some of the problems. He specifically said “poor students from all our regions are getting problems through learning which are manifested through frustration, reduced time for learning, and loss of concentration. A good number of students come to me asking for help”.

[331] Conversion is USD 1 to TZS 1639 as on 20 June 2013 at http://coinmill.com/TZS_USD.html#USD=1
[332] Conversion is USD 1 to TZS 1639 as on 20 June 2013 at http://coinmill.com/TZS_USD.html#USD=1

5.3.5 Loan Repayments and Recovery

In order to make loans scheme sustainable, loan recovery or repayment mechanism is mandatory. Salmi (2001) argues that loan programs require effective collection mechanisms. There are various mechanisms, as discussed in chapter two, to recover loans but the most effective one is Income Contingent Loan Repayments (ICLR). ICLR is a mechanism where loan is repaid after graduation. The idea is that a student has completed his/her education and got employment. The loan will be recovered through monthly deductions. Loan repayment in the Tanzanian loans scheme is guided by section 19 of the Loans Act. According to this section, the loan to be repaid shall be the total sum of money calculated on the basis of prescribed application forms where the beneficiary signed and submitted to the Loans Board; and which s/he has received the same through a personal bank account. The law requires the loan be recovered within ten (10) years. Section 42(1) specifies duration of deductions to be monthly for a period between ten (10) or fifteen (15) years. How much to be recovered in a month should be agreed between the Loans Board and the beneficiary[333]. Again, the law states clearly that defaulting the loan by student beneficiary leads to civil proceedings. The present study observed several factors preventing effective recovery of loans. These factors are contributed by the ineffective Loans Board and Tanzanian milieu. In addition, Johnstone (2004a; 2004b; 2004c) notes that ICLR may be very problematic in Sub Saharan Africa, where earning streams may be multiple, frequently informal, and often unreported and essentially untraceable.

First, the Loans Board does not have a genuine number of loan beneficiaries. According to Loans Act, loans recovery should start from beneficiaries since 1994. From 1994 to 2004 loans were disbursed through the Ministry and 2005 to-date by the Loans Board. It brings about two major complications. One, there is no data base of all beneficiaries during loans disbursement by the Ministry. This has been admitted by the Director of Loans Recovery, Mr. Robert Kibona in various occasions. On 30 May 2011 Saumu Mwalimu of the Debt Masters[334] reported her conversion with Mr. Kibona confirming the argument. On 2 May 2012 at 10:00 am the researcher had an interview with Mr. Kibona. While confirming that

[333] See section 19(4)(a) of the Loans Act.
[334] Title of the article is Tanzania: Loans Board 'Too Soft on Repayments' accessed from http://www.debtmasters.blogspot.de/2012/09/tanzania-loans-board-too-soft-on.html on 14 September 2012.

loan beneficiaries from 1994 to 2005 are hard to ascertain, he applauded the effort of the Loans Board to organize data base of beneficiaries from 1994 to 2005. As a consequence, recovery started officially in 2007. Based on this information, the Loans Board claims to have names of beneficiaries from 1994 to 2005. According to Mr. Kibona, 48,378 students were provided loans from 1994 to 2005; as a result TZS 51.1 billion (USD 31.2 million)[335] were disbursed. Up until June 2012, total amount of TZS 1.138 trillion was already disbursed, said Assistant Director of Loans Allocation, Mr. Laizer (HabariLeo Newspaper, 24 October 2012).

The study found that the claim by Loans Board to have a list of beneficiaries' names was not genuine for a couple of reasons: (a) the Loans Board accumulated names of student enrollment from various public universities and assumed a list of beneficiaries. Notwithstanding, after the introduction of private financing public universities admitted a number of privately sponsored students and other students had different financial assistance from IGOs, NGOs, business companies, and bi-lateral cooperation between Tanzania and other countries. For example, the 'claimed' list of loan defaulters displayed by the Loans Board in its website and local newspapers on 29 January 2012 is highly disputable. Good number of names of beneficiaries was repeated[336]; some of students 'claimed by Loans Board to be beneficiaries' were actually not; while, a number of students who accessed loans in the specified time were not in the list. For example, 28 names appeared twice in one list of 217 names of defaulters. If the Loans Board claims to have data base of loan beneficiaries from 2005 to date; and at the same time admits to have a problem with that data base; specific questions concerning data base of loan beneficiaries are five-fold;- (i) are these names genuine? (ii) does the Loans Board really have correct data of loan beneficiaries? (iii) what is the rationale behind reiteration of names? (iv) what is the impact of reiteration on collection of repayments? (v) was reiteration a mere error? Notwithstanding, the names were published as a warning to defaulting students because the Loans Board threatened to file civil cases, among other sanctions, against all defaulting students. (b) Since data base of loan beneficiaries is contested, it is also proper to question the total amount of loan disbursed. For example, there have been discrepancies between number of enrollment and loans disbursed in one particular year at different universities hence creating numbers of 'ghost' beneficiaries. The following table 8 is a proof of persistent 'ghost' beneficiaries of loans.

[335] Conversion is USD 1 to TZS 1636 as on 21 June 2013 at http://coinmill.com/TZS_USD.html#USD=1

[336] Names of loan defaulters were accessed from http://www.heslb.go.tz/index.php?option=com_content&view=article&id=291:university-of-dar-es-salaam-graduated-between-2006-a-2009-names-l-to-m&catid=62:defaulters&Itemid=64 on 29 January 2012.

Table 8: 'Ghost' Beneficiaries From Various Universities in 2006/2007 and 2008/2009

	2006/2007			2007/2008		
University	enrollment	loan	**ghost**	enrollment	loan	**ghost**
DUCE	1483	2004	**521**	3326	3334	**8**
SUA	2393	3274	**881**	N/A	N/A	**N/A**
MUCE	917	1022	**105**	1084	1483	**399**
MUCAS	N/A	N/A	**N/A**	1431	1442	**11**
IMTU	371	632	**261**	168	402	**234**
HKMU	109	421	**312**	N/A	N/A	**N/A**
MUM	326	466	**140**	654	689	**35**
MMU	236	336	**100**	267	336	**69**
Total	**5835**	**8155**	**2320**	**6930**	**7686**	**756**

Source: Field Data 2012; interview with Assistant Director for Loans Allocation of the Loans Board (on 27 April 2012 at 10:00am)

From the above table, the Loans Board has allocated loans to 2320 non-existent students in 2006/2007 and 756 in 2007/2008. It is quite evident that the total amount of loan disbursed to these non-existing students will never be recovered. How would the Loans Board recover loans from 'ghost' beneficiaries? Where will 'ghost' students be found? How shall the Loans Board establish civil proceedings to 'ghost' beneficiaries (and necessary defaulters)? These are some of the complex questions that can never find answers than to undermine access to loans by the poor.

Second, collection of loan repayments is another interesting area. The Loans Board has the poorest strategy towards collection of loan repayments. In the study conducted by Shen and Ziderman (2008) titled, "*Student Loans Repayment and Recovery: International Comparisons*" found that loans recovery is highly influenced by a number of lending conditions (built-in factors)[337] such as grace period, repayment period, interest rate, rate of inflation; and administrative efficiency under which the loans scheme is run. Lending conditions have greater impact on repayment ratio[338]. Repayment ratio is lowered due to grace

[337] Lending conditions are those imposed by the policy for various reasons such as cost sharing, improving equity and access by the poor, lessening student and/or family financial burden, etc. Naturally, implementation of these objectives leads to 'hidden grant'. Shen and Ziderman define hidden grant as built-in interest rate of subsidies incorporated in the design of the loans scheme. It is therefore proper to say, recovery ratio is very much influenced by hidden grants as well as inefficiencies in running the scheme in terms of substantial repayment default and high administrative costs. Usher (2011) reports that built-in subsidy in Tanzanian loans scheme is about 80% which means recovery ratio is only 2% (albeit the current recovery of 8% in nominal terms in real terms). In other words, even with effective collection of repayments at 100%, the government will still lose 80% of the value of its investment in student loans.

[338] Repayment ratio is defined by Shen and Ziderman as the amount of loan an average borrower is required to repay measured in terms of present values.

periods, interest-free repayments, below market interest rates, long amortization period, and repayment in nominal terms. For example, in 44 loans schemes in 39 countries studied by Shen and Ziderman, all these factors were substantiated. They found interest-free in six schemes (Egypt, Ethiopia, Germany, Japan – for the first category, Malaysia, and New Zealand – from April 2007); Germany displayed anomaly as it provides grace period of five (5) years and a maximum amortization period of twenty (20) years while a minimum monthly repayment of 105€ is required; repayment period in Egypt is forty (40) years, etc. As a result, repayment ratio in Germany is 38.23 while 11.95 in Egypt. Generally, repayment ratio is low. In the same study by Shen and Ziderman, repayment ratio was as low as less than 60% for most of 44 loans schemes examined. Normally, recovery ratio is lower than repayment ratio[339]. This is because repayment ratio does not take into account the probability of repayment default nor does it include administrative costs. Recovery ratio is affected by two main factors namely hidden grants and inefficiencies in running the scheme. Arguably, the problem of hidden grants cannot be mitigated by implementers of the loans scheme. In Tanzania, for instance, the Loans Board can never recover all loans disbursed even with maximum efficiency. In other words, efficient loans scheme will both maintain administrative costs at reasonably low levels and minimize the extent of repayment default (Shen and Ziderman, 2008). It is from here the study argues the Loans Board is highly inefficient.

Efficiency of the Loans Board in recovering loans is examined in terms of low administrative costs and minimizing repayment default. Administrative costs include initial loans processing costs, over all maintenance costs, and collection costs (Shen and Ziderman, 2008). From previous discussions, it became evident that the higher proportion of budget allocated to Loans Board goes to managerial expenditure. Moreover, Johnstone (2004:13) says student loans with the best of lending practices are expensive to collect partly because of high administrative costs (to maintain current records and frequently to chase after the borrowers) and servicing costs. For example, the Loans Board has currently contracted agents to collect loan repayment. They are: Msolopa Investment Company Ltd. (Address: P.O. Box 40561, Dar

[339] From Shen and Ziderman study the differences between repayment ratio and recovery ratio is shown as follow: China (repayment ratio is 64.63 and recovery ratio is 56.31 default incorporated); Japan – Category 1 (repayment ratio is 64.55 and recovery ratio is 59.39 default incorporated); Philippines (repayment ratio is 66.01 and recovery ratio is 1.32 default incorporated); Vietnam (repayment ratio is 80.11 and recovery ratio is 73.68 default incorporated); Ethiopia (repayment ratio is 35.24 and recovery ratio is 24.67 default incorporated); Colombia – ICETEX (repayment ratio is 83.17 and recovery ratio is 68.60 default incorporated); Jamaica (repayment ratio is 47.55 and recovery ratio is 34.23). In a different scenario where default and administrative costs are incorporated recovery ratio gets lower and lower. Three examples may be enough to exhibit the trend. Japan – Category 1 (repayment ratio is 64.55 and recovery ratio is 50.43); Philippines (repayment ratio is 66.01 and recovery ratio is -22.05); and Jamaica (repayment ratio is 47.55 and recovery ratio is 19.17).

es Salaam; Office: Nkrumah Street, Plot No. 1083/157; e-mail: msolopainvest@yahoo.com); Nakara Auction Mart (Address: P.O. Box 22453, Dar es Salaam; e-mail: nakaraauctionmart@gmail.com); Sikonge International Co. Ltd. (Address: P.O. Box 40561, Dar es Salaam; Office: Nkrumah Street Plot No. 1083/157); and Dodoma Universal Trading Company Ltd. (Address: P.O. Box 126 Dodoma). Usually, agencies are contracted to collect repayments from defaulting students. Then, the student will be responsible for all costs for contracting an agency. To the contrary, in Tanzania where loan defaulters are nowhere to be found due to available insufficient information on their whereabouts and others are 'ghosts'[340]. It means thus costs are augmented. Taking a rough observation of administrative costs from 2005/2006 to 2009/2010 (five years); Usher (2011) in his final report on "*Student Loans in Tanzania: The Challenges Ahead*" explains, the Loans Board has spent TZS 54,422,353,628 (USD 33,418,644) for operational expenses (they include: personnel expenses, administrative expenses, bank charges, and interest on PSPF). Therefore, administrative costs alone accounted for 26.77%; while personnel expenses were 16.09% and interest on PSPF was 56.17%. As a result there has been a deficit of income over expenditure in 2006/2007 (about TZS 4,304,366,239 or USD 2,643,758); in 2008/2009 (about TZS 8,546,229,730 or USD 5,247,906); and in 2009/2010 (about TZS 116,460,652 or USD 71,514)[341]. As noted earlier, from Shen and Ziderman, heavy administration costs drastically reduce the recovery ratio as in the Malaysian scheme (recovery ratio fell from 51% to 29%) and Philippines loans program (recovery ratio fell from 1% to -22%). This suggests that loans scheme is even more expensive than grant scheme.

In the second aspect, i.e. minimize repayment default; the Loans Board has proven considerable failure. Repayment default is broadly defined by Shen and Ziderman to include payment in arrears and repayment evasion. There are several reasons leading to repayment default in general and Tanzania in particular. These include: unemployment, scanty and/or absence of information about borrowers, cheating during loans application, and non-compliance. Officers from the Loans Board have confessed difficulty in recovering loans in several occasions. One, the Director of Planning, Research and ICT, Mr. Bangu said, when

[340] The Report by Usher (2011) shows one major problem to low loan repayments to be difficulty in finding or tracing loans beneficiaries since their records can be easily found in the Loans Board own documents. Strenuous efforts are made to get employers to participate in the process of tracing beneficiaries and in sending remittances, but this is expensive in administrative terms.

[341] Conversion is USD 1 to 1629 as on 4 July 2013 at http://coinmill.com/TZS_USD.html#USD=1; Operational expenses were accessed from the Loans Board proposal (2011) table 2: HESLB Condensed Financial Analysis 2005/2006 – 2009/2010, p.20.

addressing a conference on "*The 4th Higher Education Forum*" held on 13 and 14 September 2012 in Arusha, one of the challenges facing the Loans Board is the low rate of repayment emanating from difficulties in tracing the loan beneficiaries, and apathy towards loan repayment, and submission of wrong information by students. Two, the Assistant Director of Loan Repayment and Recovery, Mr. Kibona supported the argument with data. He said after creating data base of loan beneficiaries from 1994 to 2005/2006, a list of 48,948 beneficiaries was identified but only 27,837 beneficiaries were traceable (Field Data, 2012; interview on 2 May 2012 at 10:00am). And, cumulative loan beneficiaries traceable up to 30 June 2012 were only 43,946 out of total 110,529 due for repayment (Bangu, 2012). This is only 39.7% of all beneficiaries whose loans were due for repayment – about 14,638 were those who were issued loans by the Loans Board from July 2005 to June 2010 (Field Data, 2012; interview with Mr. Kibona on 2 May 2012 at 10:00am)[342].

To illustrate non-compliance, Mr. Kibona said the Loans Board was able to recover only TZS 6.7 billion (USD 41 million) out of TZS 630.6 billion (USD 386 million) having been dished out to students between 1994 and 2011. He concluded that the problem was on students who are given money and take it as a grant not a loan (Saumu Mwalimu of Debt Master, 2012). Supportively, CAG report (2009/2010, p.99) inclines that stakeholders perceive loans to students are grants and not loans posing a policy challenge. By 30th June 2012, the Loans Board collected TZS 20.15 billion (USD 12.4 million) out of TZS 39.5 billion (USD 24.2 million) that was due for repayment, Mr. Bangu (reported by Rose Athmani of the Daily Newspaper 19 December 2012) and Assistant Director of Loans Allocation, Mr. Laizer (reported by Gloria Tesha of HabariLeo, 24 October 2012) explained. According to the CAG report (2009/2010, p.30-31) from 1994 to Jue 2009 the Loans Board paid a total of TZS 433,254,461,262 to students in various universities within and outside the country out of which TZS 80,957,774,609 being the principal loan due for repayment to the Loans Board by students who already completed their studies. By June 2009 the Loans Board was supposed to have collected a total of TZS 15,331,105,774.20 being payment by instalments from students but as at June 2009 the Loans Board had recovered only TZS 2,180,372,449.

[342] However, the Loans Board alone has issued loans to 93,181 students between 2005 to 2011.

Moreover, the total amount disbursed to students between 1994 and June 2012 is TZS 1.14 trillion (USD 697 million)[343]. Based on those data, Loans Board has been able to collect only 1.8% of total loan repayments. And 42% loan recovery (Field Data, 2012; interview with Assistant Director for Loans Allocation of the Loans Board, Mr. Laizer on 11 October 2013 at 9:00am). By international standards, this is not unprecedented, but it is quite low (Usher, 2011:7). In addition, until January 2013 TZS 1.09 trillion was still outstanding out of TZS 1.138 due for repayment; i.e. only TZS 48 billion has been collected by the Loans Board (Field data, 2012; interview with the Director for Planning, Research and ICT of the Loans Board, Mr. Asangye Bangu on 14 October 2013 at 9:00am). Conclusively, the Loans Board has failed to recover loan repayments since 1994. The idea to revolving fund through loan repayments remains an ideal and chimerical. For example, the number of loan defaulters has increased from 24,398 in 1994-2005 to 70,406 in 2006-2009 (The Loans Board report, 2012/2013). The CAG Report (the year ending June 2010, p.21) shows there is poor follow-up on loan repayment by the Loans Board and advised the management to invoke sections 20 to 23 of the Loans Act against employers and individuals who did not abide by loan repayment procedures. Internationally, loan repayment rate and loan recovery rate have not been significant (Ziderman and Albrecht, 1995; Shen and Ziderman, 2008); even loans programs that have functioned reasonably well such as ICETEX in Colombia, CONAPE in Costa Rica, and FUNDAPEC in the Dominican Republic are relatively small in scale (Salmi, 2001). Therefore, it would have been cheaper to substitute loans with outright grants (Salmi, 2001; Shen and Ziderman, 2008). Nevertheless, there have been ways to reduce repayment default. The Tanzanian loans scheme has adopted some.

In conjunction with CAG advice and presidential commission (2011) recommendations, the Loans Board applies a number of strategies to minimize repayment default. Yet, most of the strategies are difficult if not impossible to apply. These include[344]: (i) requirement of guarantors (as discussed above); (ii) publication of defaulters lists (moral suasion) – it has been argued above that the lists are dubious; (iii) use of debt collection agencies – the information about defaulters is obscured, how would the agencies trace debtors without accurate information? (iv) instituting monthly loan repayment installment of 8% of basic

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[343] Conversion is USD 1 to TZS 1636 as on 23 June 2013 at http://coinmill.com/TZS_USD.html#USD=1

[344] The Loans Board warnings via different media like internet, newspapers, etc; presentation to the conference on "4th Higher Education Forum" by the Director of Planning, Research and ICT, Mr. Bangu in 2012; Bill Supplement No. 6 for Amendment of Loans Act, Cap. 178 (2011); Section 5.0 of the Guidelines for 2012/2013 academic year introduces interest rate of 6% p.a. to loans issued from 2011/2012.

salary (but basic salary is higher than net salary that an employee usually get) of loan beneficiaries – before year 2011, the Loans Board applied a monthly loan repayment installment of TZS 5,000 (USD 3.1) to TZS 10,000 (USD 6.2) depending on individual debt of beneficiaries (the purpose was to make sure loan is repaid within 10 years as the law specifies). From year 2011 the Loans Board issued a notice to employers (public universities in particular) to deduct 8% of the basic salary of every loan beneficiary working at the university (Field data, 2012; interview with Assistant Director for Loans Recovery of the Loans Board, Mr. Kibona on 2 May 2012 at 10:00am). Consequently, the implementation started immediately as the case was for UDSM staffs who are loan beneficiaries of the Loans Board (Field data, 2012; interview with DUCE accounting department, Mr. Makoye on 5 March 2012 at 9:30am).

Acknowledging the fact that the Loans Board submitted amendments to the Loans Act and were rejected, the application of a monthly installment (of 8% basic salary) contravenes the Loans Act; and creates injustice. Section 19(4)(a) of the Loans Act 2004 as amended in 2007 states that "any beneficiary who, secures employment with an employer on contract or permanent terms upon successful or unsuccessful completion of studies for which the loan was granted or upon earlier termination of such studies for any reason or cause whatsoever shall arrange with the Loans Board about the amount and period during which remittance of money shall be made to the Loans Board". Similarly, section 27(3) of the Regulations stipulates that, "the loan beneficiary shall after informing the Loans Board about his/her employment, agree with the Loans Board on the amount to be deducted from the salary for loan repayment". Notwithstanding, eight percent (8%) of the basic salary for a public servant (e.g. teacher) is much higher since the basic salary is low albeit there are other obligations which the teacher (as a parent, guardian, part of society, etc) has to fulfill and such obligations demand money. It could be democratic if the Loans Board and the beneficiary agree on how much should be deducted. (v) introduction of interest rate of 6% p.a. on loans issued from 2011/2012 to date – interest rate does definitely not reduce repayment default but it may have impact on repayment ratio (as it reduces hidden grant); and (vi) general warnings and threats – such as (a) legal action against recalcitrant defaulters as per section 19(a)(1) of the Loans Act – the Regulations under section 33 and 34 specifies procedure for recovery of loan through legal proceedings. The Loans Board has to inquire in writing from defaulting beneficiaries the reasons for not repaying loans within specified time (i.e. 10years). The defaulting beneficiaries must respond within fourteen (14) days without fail. If the reasons provided by beneficiaries are not reasonable, the Executive Director shall proceed to the court.

After the Loans Board being awarded a court decree directing that loan be recovered by selling properties attached as securities for loan, then the Loans Board ask the beneficiary and/or the guarantor to vacate such properties. It is argued the procedure is cumbersome and may yield little since some of beneficiaries introduced to the Loans board untraceable guarantors; (b) additional monthly penalty of 5% p.a. on the outstanding loans, over and above the 5% that was levied earlier; (c) beneficiaries' outstanding loans loaded with the cost of tracing that will be charged after being tracked by debt collection agent of the Loans Board; (d) barred from securing government scholarships or admission for further studies within and outside the country; (e) defaulters shall be blacklisted and their information shall be submitted to the credit reference bureau following which they shall be barred from access to credit facilities from all financial institutions; and (f) defaulters' details will be submitted to the ministry of home affairs, department of immigration and all embassies where they will be denied approval for travelling abroad.

Generally, none of those warnings have been taken seriously. Until this minute, nobody has been sent to court by the Loans Board; dubious lists have been published on the internet and local newspapers; and defaulters' have never been barred from accessing scholarships or admissions within or outside the country. According to Chief Executive Director of the Loans Board, Mr. George Nyatega, the Loans Board has submitted information about all defaulters to the Ministry of Home Affairs' department of immigration where their application for passports or approval for travelling abroad will also be denied. Again, he added that the government has already started acting against all defaulters by denying them government scholarships or admission to post graduate studies in any higher education institution in or outsde the country, unsless they get loan clearance from the Loans Board (Field data, 2013; interview with the researcher on 14 October 2013 at 12:10pm). His statements leave some doubts because;- (i) the list of loan defaulters is questionable as discussed above; and (ii) loan clearance is currently unavailable. Speaking of personal experience, the researcher happened to be the loans beneficiary and is currently employed by the University of Dar es Salaam. During data collection the researcher asked the Loans Board (Assistant Director for Loans Repayment Mr. Robert Lausi Kibona) the procedures for issuance of loan clearance since the researcher was one among the beneficiaries who have completed loan repayments through monthly salary deductions. Unfortunately, there were explicit procedures and Mr. Kibona adimitted this fact. Up to this moment the researcher has not yet obtaine loan clearance from the Loans Board despite the fact that loan repayments were completed since 2011. Interestingly, the Loans Board through the Minister for Education and Vocational Training prepared a Bill Supplement No. 6 of 2011 under certificate of urgency in order to make amendments to the Loans Act for proper implementation of duties including loan repayment (strategies) but the Bill was turned down by members of parliament (as discussed in the first sections of this chapter).

5.4 Conclusion

Private financing of higher education in Tanzania is detrimental to democracy in accessing the education. Students from low income families are left in the colds while those from high income families enjoy wider access and choice. The establishment of higher education loans scheme has never had positive impact to accessing higher education by students from poor background families. The Loans Board which has been given mandate to assist students from low income with loans to access higher education has failed the job. The mechanism employed to identifying students from low income families is dysfunctional and many poor have been shunned as a result. Loans repayments are very low due to higher governmental subsidies injected within loans through longer amortization, inflation rate, below market rates, and grace period. Consequently, the loans scheme experiences higher hidden grant and lower loan recovery ratio. Sustainability of such scheme is smudged, suggesting more government budget. It is submitted that the objectives of higher students loans scheme have not been achieved (and perhaps not ever) and private financing continues to exclude students from low income families from accessing higher education.

Chapter Six

Private Financing and Access to Higher Education in Kenya

6.1 Introduction

Kenya is the first country in Eastern Africa to introduce private financing of higher education. As it has been stated elsewhere in this study, private financing through loans scheme of 1975 failed. A revised loans scheme was introduced in 1995. The introduction of private financing is guided by a number of commission reports and policy papers. The prominent one is the Kamunge report of 1988. The focus of the report was financing of education, quality and relevance. It is out of this report cost sharing was born in Kenya. Prelude to cost sharing, the government introduced direct fee of Ksh. 6,000 (USD 67)[345] per student in a year. Recognizing the fact that not all Kenyans would have the ability to pay direct fee; the Higher Education Loans Board Act, Cap. 213A of 1995 (revised in 2012) was established to make implementation of the loans scheme effective. Section 3 of the Act establishes the Higher Education Loans Management Board (to be referred to as the Loans Board).

Generally, there are four major instruments to the implementation of private financing of higher education in Kenya. Specifically, these include: (a) the Kamunge report, 1988; (b) Higher Education Loans Board Act, Cap. 213A of 1995 (to be referred to as the Loans Act); (c) The Regulations as stipulated under section 37 of the Loans Act; and (d) Sessional Paper No. 14 of 2012. The Regulations are made by the Minister for a better carrying out of the provisions of the Loans Act[346]. Until the end of data collection period in Kenya there were no Regulations in place. Nevertheless, the execution of loans scheme in Kenya does not fully benefit students from low income families. With the use of field data from universities (Kenyatta University - KU, Catholic University of Eastern Africa - CUEA, and Daystar University); the Ministry of Higher Education, Science and Technology (MHEST); Commission for University Education (CUE); the Loans Board; and potential beneficiaries of the Loans Board; private financing of higher education has not democratized access to students from poor backgrounds as the law requires.

6.2 The Loans Scheme and Access to Higher Education

Access to higher education is influenced by the provision and financing of that education. Historically, access to education in Kenya is highly unequal (the Ominde Report, 1965[347]; Alwy and Schech, 2004; Sessional Paper No. 1 of 2005; Keriga and Bujra, 2009; Sessional Paper No. 10 of 2012; Sessional Paper No. 14 of 2012). Factors that contribute to inequality are ethnicity, globalization, geography, and leadership (politics)[348] among others. As a

[345] Conversion is USD 1 to Ksh. 87 as on 12 July 2013 at http://coinmill.com/KES_USD.html#USD=1
[346] See section 37 of the Loans Act (revised, 2012).
[347] The Ominde Report led to Sessional Paper No. 10 on African Socialism and its Application to Planning in Kenya. It sought to reform the colonial education and its impact to the Kenyan society, i.e. inequality.
[348] Wanzala (2013: 38) says the political fraternity took advantage of socio-economic pillar to claim and initiate ethnic- and regional-based university campuses and colleges for gaining political supremacy and mileage.

consequence, there has been unequal distribution of resources (land, educational facilities, household incomes, etc)[349]. Some ethnic tribes are more advantaged than others (such as Somali in the North Eastern province[350]). For example, among the forty-two (42) major ethnic tribes which are found in Kenya, the Kikuyu have acquired a greater portion of land and a good number of educational facilities. As such, a good number of schools, training institutions, and universities are found in a region constituted by Kikuyu. Therefore, access to education by the Kikuyu has been far greater than others. While it is understandable that product output of secondary education is an input of university education, Kikuyu have accessed secondary education at large numbers. Keriga and Bujra (2009: 27) say secondary school education is important as it enables individuals to pursue higher education.

Therefore, Alwy and Schech (2004) show gross enrollment in secondary school in Central province was 33.7%, Nyanza was 38.7% and Coast was 14.2% in 1997. Statistical Abstract (2009) shows that in 2007 enrollment in secondary school in Central province was 223,200 students; Nairobi was 49,700 students; Nyanza was 207,000 students Coast was 65,300 students; and North Eastern was 9,000 students. Similarly, Statistical Abstract (2012) shows secondary school enrolments in 2010 were 305,000 students in Central; 67,700 students in Nairobi; 320,200 students in Nyanza; 84,600 students in Coast; and 17,000 students in North Eastern. The interpretation of this is two-fold. First, students from disadvantaged ethnic tribes like Swahili (Coast) and Somali (North Eastern) have been denied access to secondary education and consequently higher education. Mwiria and Ng'ethe (2007:32-33) while making reference to analysis made by British Council 1996 of the ethnic composition of students in public universities indicated a heavy representation of the Kikuyu ethnic group, which makes up 37.8% of all students in the public universities. Other ethnic groups were represented as follow: Kamba 13%; Luo 12%; Luhya 10%; Kalenjin 8%; Meru 7%; Kisii 4%; and Embu 3%. The remaining percentage (6.7%) represented other ethnic groups[351] like the

[349] Alwy and Schech (2004:267) say Kenya‘s administrative units and constituencies were/are created along ethnic boundaries. For example, Nairobi and Central Provinces are dominated by Kikuyu; Cost province is Mijikenda; Eastern province is Kamba; Nyanza province is Luo; North Eastern province is Ogaden (Somali); Western province is Luhya; and Rift Valley province is Kalenjin (and Masai). They further say there was/is a relationship between political leadership and inequalities in accessing resources as a result of ethnicity. To illustrate this, they provide two regimes that favoured particular tribes. During President Kenytta's regime (1963-1978) certain parts of Kikuyu community gained considerably, while President Moi (1978 - 2002) granted similar advantages to his tribe – the Kalenjin. For instance, during President Moi's term Moi University was established in Eldoret (his home town) under the Presidential Working Party on the Establishment of Second University (Mackay Report 1981).

[350] Geographically, North Eastern province is characterized by arid and semi-arid climate.

[351] Individual ethnic group accounted for no more than 1.4% of students in public universities.

Teso, Mijikenda, Maasai, Samburu, Turkana, Boran and Somali. A more recent study by Munene and Otieno (Zalanga, 2009: 48) shows that with marketization of education, inequality to accessing public universities based on ethnicity has not essentially changed, as the Kikuyu, Kamba, Luo, and Luhya (among other Kenyan ethnic groups) continue to be the most numerous ethnic groups in university enrolment.

Second, education promotes social equality, informed citizenry, and has strong link to poverty reduction (Keriga and Bujra, 2009). Similarly, Sessional Paper No. 1 of 2005, page 1, emphasizes, education is necessary for development and protection of democratic institutions and human rights. Therefore, inequality in accessing education in Kenya facilitates endless conflicts, increased poverty among disadvantaged ethnic communities, and disunity among Kenyans (divided society). For example, Alwy and Schech (2004) explain that inequalities in education are also likely to be a significant factor in explaining the higher levels of poverty in Somali and Swahili ethnic groups. Again, Keriga and Bujra (2009: 6-7) show poverty rates in different ethnic groups as follows;- Nyanza 65%; North Eastern 64%; Western 61%; Eastern 58%; Coast 57.6%; and Rift Valley 45%; Nairobi 44% and Central 31%. From their data it is very clear, Kikuyu (who come from Central and Nairobi) being advantageous to accessing education has the lowest rates of poverty. In addition, Keriga and Bujra (2009: 26) show a link between conflict and limited access to education. They say "conflict that rocked the coastal region after the 1997 and 2002 elections also have a bearing on school enrolment inequalities".

In order to mitigate the impact of inequality in accessing education the government formulated/formulates a number of policies with specific objectives which focus on improving equity in access. In that regard, educational policies in Kenya have been set to foster national unity, promote social justice and morality, social obligations and responsibilities, and serve the needs of national development. For example, the Gachathi report of 1976 redefined policies and emphasized national unity and socio-economic and cultural aspects. Similarly, Sessional Paper No. 1 of 2005 introduced reforms through Sector Wide Approach to Planning (SWAP). The focus became access, equity, quality, and relevance; whereby access to secondary day school was made free of charge in 2006. Sessional paper No. 10 of 2012 on Kenya Vision 2030 makes education and training of all Kenyans fundamental to the success of the Vision. The policy goes further to take responsibility of creating a knowledge-based society that upholds justice, democracy, accountability and encourages issue-based and result-oriented political engagements. Sessional Paper No. 14 of 2012, a Policy Framework for Education and Training is set to address constitutional requirements and national aspirations as well as offer direction in modernizing and re-branding the country's education and training system.

Access to higher education is guided by two policy documents. These are the Mackay Report of 1981 and Sessional Paper No. 6 of 1988 (Kamunge Report, 1988). The Mackay report led to the establishment of the Commission for Higher Education (to be referred to as the Commission) under Universities Act Cap 210B of 1985. In facilitating the Commission to discharging duties assigned to, the Universities (Establishment of Universities) (Standardization, Accreditation and Supervision) Rules 1989 were established by the Legal Notice No. 56. Most functions of the Commission were directed to private universities. In 2012, the Parliament formulated Universities Act No. 42 of 2012 which under section 4 establishes the Commission for University Education (CUE) as a successor to the Commission. The Commission was introduced to establish and accredit private universities and the programmes they offer (the Commission Report, 2012; interview with Senior Deputy Director of Education, the Ministry of Higher Education, Dr. Nyang'ate Areba on 4 April 2012 at 09:15am). In addition, the Commission regulates, co-ordinates, and assures quality of university education in Kenya. However, the work of the Commission was limited to private universities (the Commission Report, 2012).

Following recent amendments, the functions of CUE are broader. Section 5(1)(f) of Universities Act 2012 provides that CUE shall develop policy for criteria and requirement for admission into universities. This provision presupposes criteria and requirements to apply in both public and private universities. This development follows the practice of the Commission in Tanzania which was declared the best practice in Eastern Africa, Mr. Ndoria Ngari, Head of Planning and Research Department acknowledged (Field Data, 2012: interview on 3 April 2012 at 4:00pm). Moreover, section 5(1)(h) require CUE to undertake or cause to be undertaken, regular inspections, monitoring and evaluation of universities to ensure compliance with set standards and guidelines. The commencement of CUE has been after Kenya Gazette Supplement No. 192 in December 2012. Its operation cannot be evaluated within a very short time.

The performance of the (first) Commission was limited by the legal framework. Both an interview with Assistant Commission Secretary and Head of Planning and Research Department, Mr. Ndoria Ngari and the Commission for Higher Education Strategic Plan 2010-2015 reveal this fact. For example, the strategic plan 2010-2015, on page 18 highlights that the Commission is unable to act on critical issues in higher education; while the mandate to regulate higher education comprehensively is hampered hence focus on quality is compromised. Similarly, Mr. Ngari pointed out two main challenges which thwart the Commission from ensuring quality of university education. The first is legal framework. He categorically said the Acts of Parliament establishing public universities and the Commission were in conflict. Second, the Commission lacks capacity in terms of resources to recruit staffs. Consequently, it is difficult to observe quality of students studying abroad (their certificates), and those studying online, Mr. Ngaria posed (Field data, 2012: interview with Mr. Ngaria on 3 April 2012 at 04:00pm). In terms of quality assurance, both admission of students and accreditation of universities and programmes have been under hot debate in Kenya.

For example, Abagi, *et al*. (2005) and Wanzala (2013: 38-39) explain the weak legal framework as one factor compromising quality of university education in Kenya. Wanzala says some higher education institutions are operating without accreditation from CUE. For instance, about 83 tertiary institutions are collaborating with local and/or international universities to offer degree programmes without accreditation. Again, Abagi, *et al.* demonstrate that a number of private institutions have entered into agreements with public universities to offer degree or diploma courses on behalf of or in cooperation with the other universities, including public universities. Wanzala goes far to state that there is a common consensus that quality is low, academic fraud is rampant, efficiency is weak, relevance is questionable and wastage is noticeable significant. This is justified by Sifuna (2010: 417-418) who reveals that rapid expansion of public universities for instance has a negative impact on quality in various ways such as the introduction of 'double intake'. Gudo, *et al*. (2011: 204) say double intake at KU for instance, resulted to insufficient learning facilities, staff, and finances hence increased examination irregularities such as cheating. In addition, Odhiambo (2011: 300) mentions poor quality of students and poor quality of programmes as a result of expansion of higher education in Kenya to deteriorating quality of higher education. He says students with low grades as low as 'C+' are now gaining admission to competitive professional programmes like medicine and law on parallel degree programmes. In the same vein, Gudo and Olel (2011: 182) find authentication of student certificates during admissions was inadequate and some students were admitted in public and private universities with forged certificates. In conclusion, Owuor (2012: 126) says the steady increase in university enrollment without corresponding increase in budgetary allocation and investment in facilities has arguably led to a ‘quantity-quality’ mismatch. Similarly, Mwangi (2012) argues that mass university education in Kenya compromises quality of education.

Since CUE’s establishment (1985) the provision of university education has increased from five (5) private higher education institutions to twenty-seven (27) at present (The Commission Report, 2012). Before this achievement, there were only three (3) public universities in 1985. They include: University of Nairobi (UoN) established in 1970, Moi University (MU) established in 1984, and Kenyatta University (KU) established in 1985. In total, there are currently sixty-seven (67) universities and university constituent colleges (the Commission Report, 2012; CUE Website, July 2013). Among 67 institutions, about thirty-four (34) were established between 2010 and 2013 years. Indeed increased university providers have increased access to the education. For example, university enrollment has skyrocketed from 571 students (from existing one public university: UoN) in 1963 to 15,051 students (from existing five public universities: UoN, MU, KU, Egerton, JKUAT) in 1987[352] and to approximately 231,871 students currently (from 67 public and private universities and constituent colleges)[353]. However, Boit and Kipkoech (2012) argue, quantitative expansion of higher education undertaken by government since 1960s appears to have negatively impacted on equity. Specifically, higher education is biased for and against certain groups of people in the society in terms of social class composition of students. Indeed, Keriga and Bujra (2009: 8) say inequalities are also apparent in accessing higher education; and access to institutions of higher learning is competitive and influenced by finances. Since the focus of this study is to examine access to university education by students from low income backgrounds then financing of the education is supreme to this examination.

Financing of higher education in Kenya is guided by Sessional Paper No. 6 of 1988 (Kamunge Report, 1988). The policy introduced loans scheme through cost sharing. The cost of higher education is shared among stakeholders: the government, private sector and

[352] Republic of Kenya, Statistical Abstract 1995.
[353] Commission for Higher Education Report, 2012.

students/their families. In effect, the government introduced direct fee of Ksh. 6,000 for each student per year and student loan of Ksh. 21,000 (USD 241) per year[354] in 1991/1992 academic year. In 1995 Loans Board was established. Again, in 1998/1999 the government introduced 'dual track' tuition policy or parallel degree programmes (module II). This leads to two interpretations. First, there were two categories of students in terms of financing. They include: students who pay cost of education by themselves (higher education to them is a private good) and those who depend on loans scheme (higher education to them is a public good). Consequently, students who pay for their education were able to access both private and public universities since loans were not made available for students who study at private universities and Module II programmes in public universities. Students from poor economic backgrounds could not access private universities and Module II programmes as a result.

In fact, cost of accessing education under parallel programmes or private universities is high and mainly attracts individuals from middle and upper classes (Keriga and Bujra, 2009: 8). Nevertheless, the capacity to enroll students in public universities ranges from 8,000 to 10,000 students. And limits access to public universities (where the cost of education is low) by students from low income families. Keriga and Bujra (2009: 34) indicate, since 1990s government has had to admit a maximum of 10,000 students annually. That means students from low income backgrounds were/are limited to access widened higher education. Second, the cost of higher education, capital intensive as it is, was/is to be shared between the government and students/their families. Even with the loans scheme a student from poor backgrounds has to endure a large portion of the burden (with comparison to his/her ability to share the cost). The most challenge remaining being the mechanism to identify the student from poor backgrounds. The means testing employed by the Loans Board is ineffective. Both students from poor backgrounds and those with the ability to pay for cost of higher education access loans (comprehensive analysis of means testing will follow in the next sections). This is because student loans are technically complex, costly even in the best cases, and financially disastrous in the (not infrequent) worst cases (Johnstone and Marcucci, 2010:7).

6.2.1 Establishment and Functions of the Loans Board

The Loans Board is established under section 3 of the Loans Act. It is a corporate body with perpetual succession and common seal. By that, it is capable of suing and being sued; taking,

[354] Conversion is USD 1 to Ksh. 87 as on 24 July 2013 at http://coinmill.com/KES_USD.html#USD=1

purchasing or otherwise acquiring, holding, charging and or disposing of movable and immovable property; entering into contract; borrowing and lending money; and doing or performing all such other things or acts necessary for the proper performance of functions under this Act, and which may lawfully be done or performed by a body corporate. Through this section, the Loans Board is given powers to borrow or lend money so as to make Higher Education Loans Fund (to be referred to as Loans Fund) sufficient to meet the needs of Kenyans. In respect of this, section 11 of the Loans Act establishes the Loans Fund for purposes of providing funds to be used for granting loans to assist Kenyans to pursue higher education within and outside Kenya. In addition, section 12(1) specifies sources of revenues of the Loans Fund[355] while subsection 2 allows the Loans Board to use those revenues in connection with administration of Loans Fund. Arguably, if all sources of revenues are fully exploited by the Loans Board; no Kenyan who qualifies to pursue higher education would be denied access because of insufficient fund. However, Mr. Joseph Ndegwa, Assistant Lending Manager of the Loans Board, made it clear during an interview with the researcher that there has been a budgetary constraint. He precisely cited 2011/2012 academic year as an example whereby the Loans Board projected a budget of six (6) billion but ended up with only four (4) billion[356](Field data, 2012: interview with Mr. Ndegwa on 3 April 2012 at 08:45am). The discrepancy of two (2) billion (33.4%) may be interpretated as a limitation to assisting a good number of Kenyans with loans in order to pursue higher education studies.

According to section 3(3) of the Loans Act, the Loans Board is the successor to the Loans Board established by the Higher Education Loans Fund Act (Cap. 213) (now repealed) and subject to this Act, all rights, duties, obligations, assets, and liabilities of the Loans Board existing at the commencement of this Act, shall be automatically and fully transferred to the Loans Board, and any contract or document executed prior to the commencement of this Act, shall for all purposes be deemed to be a reference to the Loans Board established under this section. Moreover, the functions of the Loans Board are;- (a) to formulate sound policies for regulating the management of the Loans Fund; (b) to solicit funds and other assistance to

[355] The sources include: (a) sums of money which may from time to time be voted by parliament for that purposes; (b) sums of which represent the repayment of the capital and interest of any loan granted or any other loan made prior to the enactment of this Act by the Ministry of Education; (c) income from any investment made by the Loans Board; (d) any sums of money borrowed by the Loans Board with consent of the Minister; and (e) any gifts, donations, grants, and endowments made to the Loans Fund.

[356] The main reasons to a budget constraint are: (a) the Loans Board has not exploited all sources of revenues. The Loans Board utilizes at most revenues from the government and loans recovery. In fact reliance on government revenues is higher; and (b) the government itself is constrained; it has to allocate minimum budgets to all sectors.

promote the functions of the Loans Board; (c) to set the criteria and conditions governing the granting of loans including the rates of interest and recovery of loans; (d) to receive any gifts, donations, grants or endowment made to the Loans Board, and to make legitimate disbursements therefrom; (e) to establish and make links with other persons, bodies or organizations within or outside Kenya, as the Loans board may consider appropriate for furtherance of the purposes for which the Loans Board is established; (f) to enter into contracts with financial institutions for purposes of loans disbursement and recovery;

(g) to grant loans out of the Loans Fund either with or without security, as the Loans Board may deem fit, to any eligible person to enable him, or assist any student, to meet the cost of higher education; (h) to determine the maximum number of eligible persons or students to be granted loans in any one particular year; (i) to invest any surplus funds not currently required for purpose of the Loans Board in any investment authorized by law for the investment of trust funds with power from time to time to vary or realize those investment; (j) with the consent of the Minister, to set up and expend such other funds as from time to time may be required; (k) to receive and consider all loan applications from eligible persons or students wishing to be considered for the award for the higher education loans, and to approve, withhold or reject such requests in accordance with the provisions of this Act; (l) to borrow such monies from such sources and in such amounts as may be approved by the Minister with the concurrence of the Treasury and secure such loans in such manner as they deem fit; (m) to take out insurance cover for risky loans such as death, incapacity or inability to pay, as the Loans board deems fit; (n) to establish and award bursaries and scholarships which it may consider necessary for the promotion of the objectives and functions of the Loans Board; (o) to perform any other functions relating to the granting of students' loans in accordance with the provisions of this Act; and (p) to perform and exercise all other functions and powers conferred on the Loans Board by this Act.

Generally, functions of the Loans Board may be put into three major groups. First, the Loans Board has a legal mandate to disburse loans to Kenyan students; and award bursaries and scholarships to the neediest Kenyans. Second, in order to successfully accomplish the first duty, the Loans Board has to find wide base sources of funds. This shall be done through a number of ways as described elsewhere in this study. The greatest challenge to the implementation of the second function is three-folds. One, the budget from the government is always insufficient. Two, the Loans Board is capable of borrowing, e.g. from financial institutions, only after the approval of the minister. Third, the Loans Board has the duty to recover all disbursed loans. However, loans recovery ratio is low due to a number of reasons (to be discussed later). The study observed that the Loans Board has no full capacity to discharge all functions stipulated in the Loans Act. Therefore, students from low income families are vulnerable to the denial of access to loans and higher education.

6.2.2 Students' Access to Loans

Access to loans is guided by section 13(1) of the Loans Act. It states that every student wishing to be considered for the grant of a higher education loan shall make an application to the Loans Board in a prescribed form. It is assumed, all Kenyan students are eligible for loans. Eligible person (student) is defined by the Loans Act as any person, who being a Kenyan citizen, has attained minimum requirements and been admitted to a recognized institution of higher education to a full time course of at least one year's duration. Again, student is defined as any Kenyan admitted and pursuing higher education with financial assistance from the Loans Board. Eligibility of all Kenyans to access loans is cemented in the objective of establishing the Loans Fund. Section 11(2) clearly states, "the object and purpose of the Loans Fund shall be to provide funds to be used for granting loans to assist Kenyan students to pursue higher education at such institutions within and outside Kenya, recognized by CUE". In other words, the law makes no distinction between and among Kenyans in terms of income differentials, tribal affiliations, disabilities, etc for purposes of granting loans.

However, access to loans by all Kenyans is limited by section 6(c) which empowers the Loans Board to set criteria and conditions governing the granting of loans; and consequently section 14(1)(a) allows the Loans Board to accept or reject any application for loans. The criteria and conditions for granting loans to students by the Loans Board have been changing over time[357]. The general ones are two as applied in 2011/2012 academic year. These include:- (a) an applicant must have been admitted to an undergraduate degree programme in a recognized university; and (b) an applicant must come from a family with annual income of less or equal to ksh. 850,000 (USD 9,725). It is equally appropriate to say eligible student is an applicant

[357] The change has been mostly on setting the maximum amount of income in order to identify the needy, and the amount to be granted as loans in each academic year. For example, in 2011/2012 academic year the maximum loan amount was Ksh. 65,000 and the minimum loan amount Ksh. 35,000.

from a family with a monthly income of around Ksh. 28,300 (USD 3,238)[358]. Without doubts, the Loans Board criteria and conditions for granting loans target students from low income families. Generally, there are four main criteria for granting loans. They are:- (a) an applicant must be a Kenyan citizen; (b) an applicant must have been admitted in higher education institutions recognized by CUE; (c) an applicant must make an application to the Loans Board in a prescribed form; and (d) an applicant must come from low income family.

The first criterion is a question of citizenship. Citizenship is provided under Chapter three of the Constitution of Kenya Rev. 2010 and the enactment of Kenya Citizenship and Immigration Act No. 12 of 2011[359]. There are three ways of acquiring Kenyan citizenship as stated in the Kenya Citizenship and Immigration Act No. 12 of 2011. These include:- citizenship by birth, presumption and marriage[360]. Moreover, both the Constitution and the Kenya Citizenship and Immigration Act, 2011 allow dual citizenship. Any person registered as a citizen of Kenya in either way prescribed by law shall be issued with a certificate of registration as a citizens of Kenya[361]. However, for a long time National Identity Cards (IDs) have been emblematic of citizenship in Kenya. Unlike Tanzania, Kenya has a more rigorous system of issuing IDs introduced since the colonial period. In 1915 the British government passed the Native Registration Ordinance which required all male adults to be registered and carry the identification papers worn around their necks. These identification papers were known as 'Kipande' hence the Kipande system. The Kenyan government inherited the system of registering citizen under the Registration of Persons Cap 107 of 1963. In 1978, the Act was amended to provide for the registration of all Kenyan citizens both male and females who have attained sixteen (16) years of age and above. In 1980, the Act was amended again and the age qualification was extended to eighteen (18) years. The current IDs known as second generation were launched in 1995[362]. Therefore, in all official matters[363] that require identification, IDs are utilized fully.

[358] Conversion is USD 1 to Ksh. 87 as on 29 July 2013 at http://coinmill.com/KES_USD.html#USD=1
[359] Section 65 of The Kenya Citizenship and Immigration Act, 2011 repeals Caps. 170, 172 and 173 (The Kenya Citizenship Act, the Immigration Act, and the Aliens Restriction Act.).
[360] See section 6, 9, and 11 of the Kenya Citizenship and Immigration Act of 2011.
[361] See section 18 of the Kenya Citizenship and Immigration Act, 2011.
[362] This information was accessed from Department of National Registration Bureau website: http://www.identity.go.ke/index.php?option=com_content&view=article&id=76&Itemid=104; National Registration Bureau was established in 1978 to implement the Registration of Persons Act Cap 107 of 1963. The department provides compulsory registration and issuance of IDs to Kenyans. It has about six hundred (600) registration centres around the country. This department is under the Ministry of State for Immigration and Registration of Persons.

The Loans Board also uses IDs to identify Kenyans. In fact, living in Kenya depends on possession of an ID, without it you are a non-entity (Kenya Human Rights Commission, 2009:33). The problem with issuance of IDs in Kenya lies on the process. Kenya Human Rights Commission (2009) reported in their work titled "*Foreigners at Home: The Dilemma of Citizenship in Northern Kenya*" that government procedures for issuance of IDs is not equal for all Kenyans (ethnicity has been dominant). The report says applicants for Kenyan citizenship from Northern region often undergo stringent vetting –at least compared to other peoples in other parts of Kenya[364]. Consequently, being female, muslim or belonging to Somali ethnic group further complicates the application procedures for obtaining a passport or an ID. The impact of this has been the chronic delay and outright denial of this valuable document to many people in the region. Conclusively, majority of residents in Northern Kenya face serious challenges in acquiring documents required for recognition as citizens under Kenyan law (Kenya Human Rights Commission, 2009). It is highly convicning to state that access to loans by students from Northern Kenya is hampered.

Admission into a recognizeable higher education institution in Kenya is a second criterion. The criterion focuses on two important aspects. The first is accreditation of higher education institution by CUE. With the new Universities Act of 2012, CUE accredits both public and private universities. Until recently, CUE has accredited a good number of universities in various levels. There are twenty-two (22) chartered public universities; nine (9) public university constituent colleges established by a Legal Order upon satisfying set minimum standards by CUE; seventeen (17) chartered private universities and five (5) chartered private constituent colleges; twelve (12) private universities with Letter of Interim Authority (LIA); and two (2) registered private universities. It therefore means, any student admitted to these institutions has met the second criterion for loans. Second aspect is admission of students into

[363] Kenya Human Rights Commission (2009) enlists the follow:- (a) registration as a voter; (b) obtaining a passport; (c) purchasing a property; (d) opening a bank account; (e) conducting business; (f) accessing higher education; (g) entering government buildings; (h) receiving emergency aid; (i) seeking employment; and (j) getting married.

[364] For example, registration process requires individuals to present proof of age and proof of citizenship which becomes practically an obstacle to minority groups. Again, the law empowers an officer to inquire an applicant to furnish any additional evidence 'as it is within the power of that person to furnish'; and thus principal registrar may require and demand proof of such other particulars as may be prescribed. According to Kenya Human Rights Commission (2009) this open-ended language grants broad discretion to officers determining whether to issue an ID. Therefore, registration and issuance of IDs in Northen Kenya may have fostered mistrust between the government and the residents. This could have challenged residents' access to citizenship rights and freedoms.

higher education institutions. This is perhaps the most critical one. Before the implementation of University Act of 2012; students were admitted into higher education institutions through two main systems. The first system was/is through Joint Admission Board (JAB) and the second is through criteria set by individual private universities. This is where the problem started.

Admission into higher education in both ways is heavily based on student's performance in the Kenya Certificate of Secondary Education (KCSE) examination[365]. Those who performed the best i.e. B+ and above[366] are more likely to be admitted through JAB and become government sponsored students. As government sponsored students, they are entitled to pay very low tuition fee (because of government subsidization) and access to loans is of wide chance. Other students who performed at the minimum entry requirement, which is C+ may be admitted into private universities and/or public universities under fee-paying (self-sponsored) programmes. To its extreme, private universities admitted/admits students with C- in pre-university programmes. Upon successful completion of pre-university programmes a student can transfer credits into undergraduate programmes. As a result, students admitted as self-sponsored have to pay higher fees than government sponsored students; and the chances to accessing loans are very low. For example, until 1999 and 2008 students from private universities were not allowed to access students' loans; and students admitted as self-sponsored in public universities were also disallowed to access loans respectively (Field data, 2012: interview with Assistant Lending Manager of the Loans Board Mr. Ndegwa on 3 April 2012 at 08:45am). This leads to two interpretations.

First, students admitted into self-sponsored programmes in public universities as well as private universities must have had the ability to pay for higher education cost. Keriga and Bujra (2009: 15) provide that "private universities and parallel programmes tend to be expensive and inaccessible for the majority of poor and low income students". Since students from low income families cannot pay the cost of higher education especially at private universities and parallel programmes (public universities) then they are left with only one

[365] Results of KCSE examination are expressed into grade points, whereby, A = 12points; A- = 11points; B+ = 10points; B = 9points; B- = 8points; C+ = 7points; C = 6points; C- = 5points; D+ = 4points; D = 3points; D- = 2points; E = 1point.
[366] With an exception of 2013/2014 academic year where JAB admitted students with B of 61points if they are males and B- of 59 if they are females.

option, which is admission into government sponsorship (regular programmes in public universities). Government sponsorship demands students with the highest performance for which only a few students from low income families could afford to achieve. It is appropriate to say students from low income families are technically left out. Access to higher education by them is highly constrained. Because, “students that access public institutions of higher learning remains very low, less than 40% of students that sit for for the KCSE national examinations are admitted to regular programmes at public universities (Keriga and Bujra, 2009: 15)”and thus only “few qualified students are admitted to public universities via Joint admissions Board” (p.8). Second, students from low income families even with loan facility cannot meet the cost of higher education. They live miserable life in campuses (to be discussed into detail later).

The third criterion demands students to apply for loans in a prescribed form. Application form for first applicants requires an applicant to fill in all necessary information which would enable the Loans Board determine financial status of applicant. In order to accurately determine financial status of the applicant with regard to ability to pay for the cost of higher education, the Loans Board requires two sets of information. The first set is to ascertain applicant’s income. It is through applicants’ personal information and parents/guardians information. From applicant’s information, the Loans Board needs personal details (names, address, disability information, and marital status); applicant’s university details (university code, campus code, faculty, registration/admission number, year of admission, year of study, admission category i.e. government sponsored, self-sponsored or private university, the amount of loan and bursary the applicant is applying for, the amount of money that the family can raise towards financing higher education, names and IDs of siblings in university applying for loans in that particular year) and education background (i.e. primary, secondary and tertiary). The study observed inadequacy of the information to be supplied by applicants. There is no where asked about individual applicant’s income and/spouse’s income. Some students are also workers and/or businessmen/women and married to workers and/or businessmen/women. In fact, majority of students admitted as self-sponsored in public universities are employed or have reliable income. It is out of employment, business or marriage; some students have adequate or inadequate finances. The point is some students do have their own sources of income aside of their parents/guardians. If these sources are not ascertained wouldn’t it jeopardize the whole process of determining financial status of individual applicant?

Consequently, the Loans Board places students with the ability to pay for higher education cost into students with little or no ability to pay for the cost of education. From parents/guardians information, the Loans Board needs parents' details (names; address; highest level of education attained; employment status; and income i.e. from salary, business, farming; or pension, parents' marital status to determine whether a student comes from a single parent family, or s/he is an orphan). At this point the study observed that a good number of students expressed themselves as students from single parent family (Field data, 2012: interview with Assistant Lending Manager of the Loans Board Mr. Ndegwa on 3 April 2012 at 08:45am). Two points are in support of this assertion.

One, a student from single parent families has a greater chance of accessing loans as per means testing. For example, according to means testing for 2011/2012 academic year a student from single parent family can access loan of Ksh. 65,000 (USD 744) to Ksh. 50,000 (USD 573) together with a bursary between Ksh. 8,000 (USD 92) and Ksh. 4,000 (USD 46) if the annual family income is less or equal to Ksh. 600,000 (USD 6,870); while a student with both parents can access loan of Ksh. 45,000 (USD 515) to Ksh. 35,000 (USD 401)without a bursary if the annual family income is between ksh. 400,000 (USD 4,580) and Ksh. 850,000 (USD 9,732)[367]. It thus means a student from single parent family is more privileged than student with both parents. Two, the only proof for single parency is a sworn affidavit for a parent who is unmarried or divorced. It is interesting to say a good number of marriages in Kenya are done under customary practices that end-up without a certificate of marriage. In that case, a student from such a family could easily claim to belong to a single family and access loans. This was revealed by Assistant Lending Manager, Mr. Ndegwa, during an interview with the researcher. He said "many students express themselves as students from single parent families. They go further to say their parents are no longer living together where the father has refused to take full responsibility of children and family" (Field Data, 2012: interview with Assistant Lending Manager of the Loans Board Mr. Ndegwa on 3 April 2012 at 08:45am).

The second set of information is on expenditure. The applicant is required to indicate estimated family monthly expenditure on food, clothing, mortgage/loan repayment, medical,

[367] Conversion is USD 1 to Ksh. 87 as on 2 August 2013 at http://coinmill.com/KES_USD.html#USD=1

rent, transport/fuel, and other expenses (such as taxes, etc). In addition, gross education expenses for siblings in secondary, tertiary or university who are not beneficiaries of Loans Board has to be presented (this includes annual fees). The main problem with a prescribed form is verification of the information. Under this case, the Loans Board depends at most on the applicant. Since the aim of the applicant is to access loans, mischief becomes part of the strategies. Mr. Ndegwa confirmed that information given by students is not reliable and at all time students do not disclose the exact amount of income of the family. In addition, Ms. Bocha said students give wrong bank account numbers (Field Data, 2012: interview with Assistant Lending Manager of the Loans Board Mr. Ndegwa on 3 April 2012 at 08:45am). As it is already discussed elsewhere in this study, there are no viable means of verifying information supplied by students in Africa, Tanzania and Kenya in particular.

For example, people in Tanzania and Kenya live without keeping proper records on expenditure. No receipts are available during purchase of goods like food or clothing in an open market. Even with purchases that involve issuance of receipts, normally, people misplace or dispose the receipts immediately. Indeed, students who have the ability to pay for their education are considered needy and eligible for loans in absence of efficient means to verifying information. Odebero, *et al* (2007: 217) conducted a study among university students from both public and private universities and found that means testing was ineffective because of cheating and canvassing. Supportively, Mr. Richard, the assistant administrative officer in the Deans of Students office expressed that both forms and criteria for loans are inadequate to allowing cheating by students from high socio-economic status in absence of appropriate means to verifying information submitted by them (Field Data, 2012: interview with Mr. Richard from CUEA on 27 March 2012 at 02:13pm).

The last criterion is for an applicant to have insufficient funds to finance his/her education. In order to identify applicants with insufficient funds, the Loans Board has devised a mechanism commonly known as means testing. Circumspectly, Johnstone and Marcucci (2010: 8) explain that means testing, which to an American is a relatively simple matter of filling out a form drawing on information already compiled and entered onto a federal 1040 form for the annual payment of income taxes, is for much of the rest of the world a matter of both great complexity and significant resistance, as well as a process that lends itself to considerable manipulation and dissembling. Therefore, means testing in Kenya has no immune to manipulation and dissembling since it is one of the developing countries where information about applicants is unavailable or manipulated. Means testing in Kenya is based on certain factors. The consideration of these factors by the Loans Board has in one way or another facilitated limited access to loans by students from low income families. These factors include:- (a) second and subsequent applicants will normally be awarded loans similar to previous year's loan unless where socio-economic status has changed. Presumably, students whose socio-economic status has changed from better to worse would definitely inform the Loans Board for loans revision; and it is doubtful for those whose socio-economic status has changed from worse to better if the Loans Board could be able to know this information. However, there are no mechanisms in place that the Loans Board may use to acquire this information away from the applicants themselves (more details have already been provided).

In effect, students whose socio-economic status has changed for the better and have not informed the Loans Board they will continue to access loans in the expense of students from low income families. In the same vein, earnestly, Johnstone and Marcucci (2010: 85) say means testing is not only technically difficult, sometimes imperfect, and expensive to monitor but also demands an official reporting of earnings and assets that some individuals and some cultures consider intrusive and unwanted. This expression does not exclude Kenyan citizens and cultures. (b) parents level of education will be used as a proxy to the level of house income. The consideration of this factor is somehow problematic. While it is true that parents have the obligation to pay for the cost of their children's education, in Africa, Tanzania and Kenya in particular the family (extended family) and sometimes the community have been taking responsibilities in the financing of children's education. That means sources of finances are not concentrated onto the parents as this factor tends to consider. The danger of determining house income based on parents level of education alone is to undermine the actual sources of income a student would have obtained from family members (if other members have the same or higher level of education as the parents). The point I am trying to make here is that students normally have multiple sources of income (from parents, individual student if employed/do business, members of the family, mini scholarships, etc) which at most times these sources are not confined to the Loans Board. If the Loans Board is going to determine house income based on parents alone leaving all other sources, a student may be considered needy and eligible for loans while it is actually not true.

In other words, Johnstone and Marcucci (2010: 82) elucidate while in industrial countries, parental contribution is expected as the means of immediate or nuclear family, in very low income countries (generally rural or remote) regions of middle income countries, stipulating the approximate unit for calculating an expected family contribution may be even more complex because financial responsibilities may be started within extended family units that may include not only several generations but also combined families of siblings. In such a way that the principal breadwinner may be outside the country, making substantial remittances to the family, but also making verification of that income difficult. (c) annual income of parents who have two or more children in the university will have such income divided by the number of children in the university for purposes of computing the loan award. It is quite right to consider this factor because it tries to balance income and expenditure. Surprisingly, the Loans Board did not apply the same factor while computing a loan for one student from low income (and single parent) family until the student wrote an open letter to the Loans Board through a newspaper complaining over his maliciously missing loan. The story was reported by the Daily Nation Newspaper (Thursday, 14 March 2013) as follow;-

The student wrote,

"*I am a government sponsored student at Moi University and my problem is to do with the Loans Board. I passed my Kenya Certificate of Secondary Education (KCSE) examination with an A-(minus), earning a slot in a public university and thereby qualifying me to get a student's loan from the Loans Board. However, to my disappointment, this has not been the case. After several attempts of applying for the loan, officials at the Loans Board have frustrated me time and again, saying I do not qualify. They claim that my mother's gross salary as a nurse is enough to sustain me. My question is, does a worker receive gross salary or does he or she receive net pay? Currently, she is servicing huge loans which she took to see my brother and I to university level. Early this year, I deferred my studies for one year to enable my mother to raise money to pay my brother's college fees and also to try raising my fees. At the moment, I am running a kiosk back home, but the earnings are not enough. My question is, if the Loans Board claims to assist needy students, then why are they not there for me? It is hard to understand why the Loans Board has consigned me to suffering. Benson*"

The reply from the Loans Board follows,

"*Hi Benso! We sympathise with you for what you have been through to the point of deferring your studies to give chance to your young brother an opportunity to study too. This is an act of compassion and congratulations are in order. It also encouraging that you took this chance to venture into business in an effort to raise your school fees. We got in touch with the Loans Board and the student lender stated that your case is one of those appeals that could not be processed last year due to lack of funds and the timing of your application. However, it said that you were recommended for a loan of Ksh. 45,000 (on 27 June 2012) on grounds that you are from single parent family. According to its records, your brother also applied for a loan for the 2012/2013 calendar year and a review of both you're your records was done.*

Following the review, the Loans Board informed us that your allocation as well as that of your brother has been fixed at Ksh. 50,000 each. We hope this will assist both of you as we wish you all the best in your studies and future endeavour."

From such communication two things are conclusive. One, to ascertaining parent's income through gross salary is myopic and does not give a clear picture of parent's socio-economic status, as a result students from poor families are considered not needy. Notwithstanding, a parent may be receiving less than what the Loans Board assumes to be as it was the case for Mr. Benson's mother. Two, the criteria (and factors) regarding loan allocation are inadequate. The poor student has struggled several times to access loans from the Loans Board to no avail just because the mechanism used to determine his neediness is ineffective. If he would not have written an open letter probably nothing would have changed the Loans Board decision to reject his loan application based on its assumed ability of Benson's mother to pay the cost of university education (after imperfect screening test). And, single parency at this stage was blemished. It is submitted that the Loans Board does not consistently apply the criteria and factors (made by the same body) for granting loans hence limit access to loans by the poor.

(d) student's secondary school fees payment history will be taken into consideration, to determine the family's ability to pay fees, appreciating changes that may have occurred overtime. In addition, consideration on type of school attended both at primary and secondary will be used as a proxy to house hold income. The problem of using secondary school fees as the base to ability to pay the cost of higher education has been extensively discussed elsewhere in this study; and (e) government or other structured institutional sponsorship at previous levels of study will be factored in. After consideration of all factors the Loans Board applied a number of criteria for loan and bursary processing in 2011/2012 academic year. Since continuing students will be awarded as per the previous year unless where there is evidence of changes in socio-economic circumstances, then Loans Board criteria were applied for first time applicants. These criteria are based on the following:- (a) annual family income of less or equal to Ksh. 850,000; (b) students with evidence of institutional sponsorship at secondary school will be treated like orphan; (c) orphanage and applicants with special needs like physical and/or visually challenged; (d) single parented applicants; (e) gender (females against males); and (f) parent's education. The Loans Board says an applicant with one or both of his/her parents' with university education will be awarded a maximum loan of Ksh.

40,000 (USD 458)[368] unless there is prove that socio-economic circumstances have changed. In addition, any applicant who attended a national or private school will be evaluated like any other student except those with household income above Ksh. 400,000 will be awarded a loan of Ksh. 40,000 (this condition excludes orphan applicants). The following table 9 is a simplification of criteria for loans and amount of loans and bursary to be awarded.

Table 9: Criteria, Loan and Bursary Amounts

Criteria		Maximum Loan Amount	Bursary Amount	
Destitution	**Annual Income range**		**Female**	**Male**
Orphonage + special needs	N/A	65,000.00	8,000.00	8,000.00
Single parented applicants	≤ 250,000	60,000.00	7,000.00	6,000.00
	>250,000 ≤ 400,000	55,000.00	6,000.00	5,000.00
Applicants with both parents are alive (poor)	>400,000 ≤ 600,000	50,000.00	5,000.00	4,000.00
	≤ 250,000	55,000.00	6,000.00	5,000.00
	≤ 400,000	50,000.00	5,000.00	4,000.00
	>400,000 ≤ 600,000	45,000.00	NIL	NIL
	>600,000 ≤ 750,000	40,000.00	NIL	NIL
	>750,000 ≤ 850,000	35,000.00	NIL	NIL

Source: Field Data 2012: interview with Assistant Lending Manager of the Loans Board Mr. Ndegwa on 3 April 2012 at 08:45am

The table above shows that Loans Board provides a maximum loan of Ksh. 65,000 (USD 743) and a minimum loan of Ksh. 35,000 (USD 400) together with a bursary of between Ksh. 8,000 (USD 92) and nil depending on various criteria as indicated above. Although the primary criteria for eligibility for loans are basically two (admission into higher education institution recognized by CUE and insufficient funds/income); the Loans Board seems to apply criteria other than the basic ones. The new criteria imposed by the Loans Board undermine the basic criteria and limit access to loans by students from low income families. Annual income of less than or equal to Ksh. 850,000 is not enough to qualify for a maximum loan and bursary amounts. In order to qualify for a maximum loan an applicant has to possess other criteria. These criteria are such as orphanage, disability and single parency. They have taken greater consideration to accessing maximum loan and bursary. For example, there is a huge difference between the maximum amount of loan that an orphan or single parented applicant could get and the amount of the counterpart student/applicant from a family with both parents (staying together) even when the two applicants have similar annual income range. The interpretation of this is threefold.

[368] Conversion is USD 1 to Ksh. 87 as at 6 August 2013 from http://coinmill.com/KES_USD.html#USD=1

First, the Loans Board applies two criteria (destitution and annual income range) which are in conflict. In most cases, destitution supersedes the annual income criterion. In a situation where the Loans Board cannot provide loans to all applicants with annual income less than or equal to Ksh. 850,000 due to budget constraint students from low income families (with both parents) are technically sacrificed. Second, there is inconsistency in processing loans by the Loans Board. While family annual income of less or equal to Ksh. 850,000 is set as a benchmark for a person to apply for loans (supposedly adequate to meet the cost of education) the Loans Board awards a maximum loan of Ksh. 40,000 to an applicant whose parent/s has/have a university education. The assumption is that a parent with a university education is capable of acquiring more money through the education s/he got. In contemporary Kenya where there are a good number of university graduates, unemployment is lofty. Zalanga (2009: 44) adds that the main logic and ethic of neo-liberal globalization is to provide the highest return possible to stakeholders, college students may still experience unemployment or downward wage pressure inspite of their education because investors' desire is to use labour-cost saving technology, only the best educated and hardworking works. Apart from political positions, government employees such as teachers were/are inadequately paid. For example, continuous workers strikes have led to teachers pay increase in 2012. Yet, there is a huge discrepancy between and among employees with university degree.

According to estimates by the Business Daily Newspaper (Tuesday 25 September 2012) a total of 156,053 (65%) out of 240,672 teachers currently fall between job groups F and J, the lowest paid job groups whose pay ranged between Ksh. 13,750 (USD 158) and Ksh. 25,895 (USD 297), this is before pay increase were agreed upon. After pay increase some teachers got an increase by more than Ksh. 5,000 (USD 58) but less than Ksh. 10,000 (USD 115) while others saw their increase by more than Ksh. 25,000 (USD 287) in some instances[369]. In September 2012, Teachers Service Commission in pursuant with the memorandum of understanding between the government and Kenya National Union of Teachers (KNUT) and Kenya Union of Post Primary Teachers (KUPPET) made a realignment of teachers and civil service salaries as well as payment of hardship and special school allowances as per the provisions of the Legal Notice No. 534 of 1997. In effect, teachers in job groups between K and R got their salaries increased to between Ksh. 31,020 and Ksh. 144,928 per month

[369] Conversion is USD 1 to Ksh. 87 as at 7 August 2013 from http://coinmill.com/KES_USD.html#USD=1

(Teachers Service Commission, 2012). Since the Loans Board considers a needy student comes from a family with an annual income of less or equal to Ksh. 850,000 (which is Ksh. 70,830 monthly) then it makes no sense to provide a maximum loan of Kh. 40,000 to a son or daughter of a teacher whose income is far below Ksh. 70,830 (Loans Board benchmark) just because the parent is a graduate. The fact that a parent holds a university education should not detriment access to loans by students from families with monthly income of less or equal to Ksh. 70,830.

Third, there is iniquitous distinction between single parented applicant and an applicant with both parents in terms of loan allocations. An applicant from single parent family with a wide range of annual income of less or equal to Ksh. 250,000 but less or equal to Ksh. 600,000 can access loans between Ksh. 60,000 and Ksh. 55,000; whereas, applicant from a family with both parents having annual income of less or equal to Ksh. 250,000 is limited to access a loan of Ksh. 55,000. It is not known why a single parented applicant would get a loan of e.g. Ksh. 60,000 and his/her counterpart from both parents yet with same income threshold get a loan of Ksh. 55,000. Interestingly, a single parent is considered by the Loans Board as the parent who is either unmarried or divorced. This being the case there is no significant difference between the two applicants. In fact, both applicants have parents. It is very hard to prove whether the supposed single parented applicant gets or does not get financial assistance from both parents. Likewise there are other families with both parents living together, yet the source of family income is solely from one parent (*defacto* single parent). Therefore, the distinction between applicant from single parent and from both parents creates loophole that many students from families with ability to pay for their education use to access loans. During an interview between the Loans Board assistant lending manager, Mr. Ndegwa, and the researcher on 3 April 2012 at 08:45am; single parency was highlighted as number one criterion used by many applicants to access loans.

The criteria table also demonstrates how the Loans Board provide bursary through means testing. Again, the same criteria used in processing loans apply to the allocation of bursary. It therefore means inconsistencies in allocation of loans are replicated in the process of allocating bursary. However, there is a unique scenario at this aspect of bursary allocation. This is the distinction between male and female applicants. With an exception of orphan applicants (who both female and male get Ksh. 8,000) and applicants with both parents (with access to maximum loan of between Ksh. 45,000 and Ksh. 35,000) who get no bursary, all other applicants who are entitled to bursary get their bursary amount depending on gender. For example, applicants who are entitled to maximum loan of Ksh. 60,000 get bursary of Ksh. 7,000 if they were females and Ksh. 6,000 if they were males. There is a difference of Ksh. 1,000 between a female and male applicant in terms of bursary allocation. If both female and male applicants come from low income families, what is the rationale behind this discrepancy? It is even more questionable as whether this bursary amount facilitates access to university by students from low income families. Because, it is very small and was intended to assist students admitted into public universities meet the direct cost (currently Ksh. 8,000) introduced by cost sharing in higher education (Abagi, *et al*. 2005: 29). It is submitted that while the bursary amount can meet the direct cost of higher education in public universities, it cannot meet even a quarter of direct cost of higher education in private universities. This is to limit access to university by students from low income families (details follow below).

After examination of means testing formula, the researcher went further to examine effectiveness in its application from the three leading universities in Kenya (i.e. KU, Daystar, and CUEA). Unfortunately, the study found that means testing does not work properly. Supportively, Mr. Ndegwa agreed that the formula is not sufficient but it tries to capture the average. His argument is based on the fact that about 80% of applicants never complain (Field Data, 2012: interview with Assistant Lending Manager of the Loans Board Mr. Ndegwa on 3 April 2012 at 08:45am). There are two possible explanations to fewer complaints regardless of unsatisfactory means testing results; (i) students are fed up with the way the Loans Board mishandle complaints, and thus they either use other channels to air their grievances (as it was the case of Mr. Benson) or they become gloomy and despairing. For example, Ms. Robi Werema Bocha, the Loans Board officer in the loans allocation section (interviewed on 3 April 2012 at 11:00am) said that normally only half of the appeals are successful. And most of the appeals are those where students are not satisfied with loan amount (but not appeals on unsuccessful applications); she went ahead to say students in private universities are disadvantaged; (ii) the loan criteria are too stringent that some deserving students are stricken out even before the application. The inefficient of means testing starts from the criteria used (for screening students) to loan amount. The following table 10 is a clear demonstration of the argument.

Table 10a: Means Testing Against Loans Award at Catholic University of Eastern Africa

Parents Education	Parents Profession	Parents Current Occupation	Fees Paid at Secondary School (per year)	Who Paid Secondary School Fees	Loan Beneficiary	Loan Amount	Other Sources	Family Status
Secondary Education	Church Personnel (father)	N/A	36,000	Parents	NO	N/A	N/A	Low income
Both – University Education	Medical (mother)	Civil Servant (father) Medical Officer (mother)	36,000	Parents	YES	35,000	Land (farming)	Low income
Both – Diploma	Medical (father) Teaching (mother)	Clinical Officer (father) Primary Teacher (Mother)	23,000-26,000	Guardian	YES	35,000	Parents	Low Income
Secondary Education	Policeman (father)	**Deceased (father)** Small scale farming (mother)	6,150	Mother	YES	40,000	Uncle	Low Income
Certificate (father) Tertiary Education (mother)	Art (father)	Painter (father) Civil Servant (mother)	21,000	Parents	NO	N/A	NIL	Low Income
Both - Non-educated	**Deceased (father)**	Small scale farming (mother)	13,000	Mother and Community	NO	N/A	Student works as a security guard	Low Income
University Education –PhD (father) Primary Education (mother)	Academician (father)	Rector (father) Housewife (mother)	18,000	Parents	YES	35,000	Small scale farming	Low Income
Non-educated (father) Primary education (mother)	N/A	Small scale business	40,000	Parents	NO	N/A	Nothing	Low income
Secondary Education	N/A	Farmer (father) Small scale businesswoman	22,000	Parents	NO	N/A	Nothing	Low Income
Both – Tertiary Education	Teaching (father)	Secondary teacher (father) Small scale businesswoman	30,000	Parents	NO	N/A	Land	Low Income

Source: Field Data, 2012: questionnaires administered to students at CUEA on 9 April 2012 between 08:00am and 06:00pm

Table 10b: Means Testing Against Loans Award at Daystar University

Parents Education	Parents Profession	Parents Current Occupation	Fees Paid at Secondary School (per year)	Who Paid Secondary School Fees	Loan Beneficiary	Loan Amount	Other Sources	Family Status
Both - University Education (PhD)	Management (father) Academician (mother)	Director and large scale businessman (father) Dean of Students (mother)	60,000	Parents	NO	N/A	Student works as a sales representative -rental houses (many)	High income
Both – Secondary Education	Business	Medium scale businessman (father) Small scale businesswoman (mother)	72,000	Parents	YES	65,000	N/A	High income
Both – University Education (father- PhD)	Academician (father)	Lecturer (father) Secretary (Mother)	60,000	Parents	YES	35,000	Large scale businesses Livestock (many)	High Income
Both – University Education	Politician (father) Business (mother)	Minister (father) Medium scale businesswoman (mother)	250,000	Parents	NO	N/A	Houses Livestock	High Income
Diploma (father) Deceased (mother)	Business	Medium scale businessman	60,000	Parents	NO	N/A	House (for renting)	High Income
Both – University Education	Business Administration (father)	Financial Consultant (father) Housewife (mother)	90,000	Parents	NO	N/A	Land	High Income
Secondary Education (father) Tertiary Education (mother)	Business	Large scale businessman (father) Small scale businesswoman (mother)	18,000	Parents	NO	N/A	Small scale farming	Low Income
Diploma (father) University education (mother)	Engineering (father) Academician (mother)	Electrical Constructor (father) Lecturer (mother)	90,000	Parents	NO	N/A	Student works for part time (NOKIA) -Land -Livestock	High income
Both - Secondary Education	Business	Medium scale businessman (father) Small scale businesswoman	22,000	Parents	NO	N/A	Nothing	Low Income
Universit	Politician	Member of	60,000	Parents	NO	N/A	Land	High

y Education (father) Secondary Education (mother)	(father)	Parliament (father) Small scale businesswoman						Income

Field Data, 2012: questionnaires administered to students at Daystar on 10 April 2012 between 08:00am and 06:00pm

N:B Minister – different ministries such as Ministry of Home Affairs, Ministry of Higher Education, and Ministry of Agriculture

Table 10c: Means Testing Against Loans Award at Kenyatta University

Parents Education	Parents Profession	Parents Current Occupation	Fees Paid at Secondary School (per year)	Who Paid Secondary School Fees	Loan Beneficiary	Loan Amount	Other Sources	Family Status
University Education (father) Diploma (mother)	Banking (father) Teaching (mother)	Banker (father) Primary teacher	60,000	Parents	YES	40,000	Student works with Safaricom during promotion	High income
Secondary Education + CPA (father) Secondary Education (mother)	Accounting (father)	**Jobless (father)** Officer at City Council (mother)	66,000	Parents	NO	N/A	Nothing	Low income
Secondary Education (father) Primary Education (mother)	N/A	Small scale farming	25,000	Parents	YES	60,000	Parents	Low Income
Both - University Education	Medical (father) Art (mother)	Medical officer (father) Film editor (mother)	54,000	Parents	NO	N/A	Land Livestock	High Income
Deceased father) **Secondary Education (mother)**	N/A	Housewife/Jobless	30,000	Parents	YES	40,000	NIL	Low Income
Both – Tertiary Education	Business	Large scale business	24,000-32,000	Parents	YES	45,000	Livestock Houses	High Income

University Education (father) Secondary Education (mother)	**Father became Blind after 1998 Bomb blast** Mother is a housewife	N/A	35,000	Brother	N/A	In process (Jan. 2012)	Student works on construction site (daily basis)	Low Income
University Education (father) Secondary education (mother)	Accounting (father)	Auditor (father) Large scale businesswoman (mother)	60,000	Parents	NO	N/A	12 Houses (for renting)	High Income
Diploma (father) Secondary Education (mother)	Teaching	Both - Primary teacher	36,000-49,000	Parents	YES	60,000	Livestock House	Low Income
Tertiary Education (father) Non-educated (mother)	N/A	Civil Servant (father) Small scale businesswoman (mother)	30,000	**Scholarship**	YES	40,000	Uncle (USA)	Low Income

Field Data, 2012: questionnaires administered to students at KU on 11 April 2012 between 08:00am and 06:00pm

The above tables reveal a number of issues. First, above half (60%) of all sampled students at CUEA, Daystar, and KU qualified for loans but some of them did not have access to loans and others got low amounts. For example, one single parented applicant (the father is deceased) at KU got a loan of Ksh. 40,000 while the mother is jobless and the family has nothing extra to depend on apart from the family land (which is used for living and small scale farming). The amount of loan awarded is first and foremost contrary to the criteria for loans (of which the Loans Board created). The Loans Board indicated that a single parented applicant whose household income is equal or less than or equal to Ksh. 400,000 would get a loan between Ksh. 60,000 and Ksh. 55,000. It is doubtful whether a jobless mother who depends on small scale farming would exceed Ksh. 400,000 in a year. One would ask:- what were the bases for the Loans Board to award this poor applicant a loan of Ksh. 40,000?

Apparently, another applicant from the same university whose father is a banker and mother is a primary teacher was able to get a loan of Ksh. 40,000 while the same parents were responsible for financing secondary education of their child. And they paid school fees of

Ksh. 60,000 per year. Another example is taken from CUEA where a single parented applicant (the father is deceased), taken care of by a mother who is non-educated (depends on small scale farming) was denied access to loans. His background shows that he accessed secondary education through community assistance. It is not known how and why this poor applicant missed the loan if means testing is effective enough. The last example is from KU. The applicant's father became blind after 1998 bomb blast in Kenya, and the mother is just a housewife. The applicant accessed secondary education after being assisted by his brother. This is a clear demonstration of inability to pay for his education yet he could not get loan. However, the student applicant decided to work on construction site per day (about Ksh. 250)[370] meanwhile he waits for means testing results after making second time application.

Second, there is a huge difference between public university and private university in terms of access to loans by applicants. Applicants with admission in public universities have greater access to loans than their counterpart applicants with admission in private universities. Pillay (2009:25) observed such a trend as he argues student loan program is inequitably distributed with 80% of loans being accessed by public university students to the detriment of private university students. The present study found that sixty percent (60%) of applicants from KU accessed loans while only twenty percent (20%) applicants from Daystar and forty percent (40%) applicants from CUEA accessed loans. Notwithstanding, some of applicants from CUEA and KU have similar family social status. Another point of departure is the amount of loan each of these applicants got. The maximum loan amount that applicants from KU got was Ksh. 65,000 while applicants from CUEA got up to Ksh. 40,000. With gloss, Pillay adds there is considerable discrepancy in institutional funding in both absolute and real terms.

One would interpret thus access to university education by students from low income families is limited to public universities for which both the haves and the have-nots do compete for admission. Only those with the best performance are able to get admission into public universities. Third, the study found out that the Loans Board has not been able to ascertain family household income of applicants hence it wrongly determines the loan amount to be awarded to each eligible applicant. The base of this problem is unreliable supply of information by applicants and inability of the Loans Board to verify supplied information. For

[370] If he works four (4) days in a week, he is able to earn Ksh. 1,000.

example, ascertaining household income through salary slips, bank statements, business licenses, etc has been problematic. While some businesses may be conducted without business licenses (e.g. small scale businesses like house renting which is very common in Nairobi, Jua Kali, etc) it is not in the interest of applicants to provide information on this useful source of income. Again, the base that fees paid at secondary education are a proxy to family income was abused.

However, the Loans Board uses the guidelines from the Ministry of Education on secondary school fees amounts which is contrary to what actually the parents/students paid for secondary education. The guidelines put secondary school fees into three categories such as national schools (which charge Ksh. 22,000); provincial schools (which charge Ksh. 18,000); and day schools (which charge nothing). To the contrary, the same schools go on to charge higher amounts than what the government specifies. For example, a survey by the Standard reveals that national and top provincial schools charge fees as high as Ksh. 73,600 for two terms. Specifically, Moi Girls High School – Eldoret (a national school) charged Ksh. 44,650 from form three in one term (Ayodo and Too, 2010)[371]. This disparity was also discovered after the researcher asked sampled students from KU, CUEA and Daystar to express the total amount of fees paid at secondary school per year; while mentioning the name of the school. It became evident that more than seventy percent (70%) of all sampled students paid more than what is spelt out in the guidelines. That means there is underestimation or overestimation of the actual amount of fees paid by students at secondary school (and the estimated household income). In effect, the whole process is compromised and students from low income families are denied access to loans and higher education (suggestively, they are those who studied day or district/harambee schools)[372].

[371] Ayodo and Too reported on OUT OF AFRICA NEWS. OUT OF AFRICA is a registered charity 1082316 founded in the United Kingdom aiming at advancing education to orphans and disadvantaged children and youth in Kenya. This information was accessed from http://www.outofafrika.org/1/ on 12 August 2013. Ayodo and Too (2010) wrote Cost of Education in Kenya Rising beyond Reach on June 13, 2010; accessed from http://outofafrika.org.uk/news/?p=347 on 12 August 2013.

[372] The study by Maundu (Boit and Kipkoech, 2012) observed that students attended provincial and district/harambee schools have higher proportion of fathers in unskilled occupation (60%) than their counterpart students who attended national schools (40%). Whereas, about 50% of students who attended national schools had their fathers represented in managerial and professional positions or were employed in skilled occupations against those in provincial schools (33%) and district/harambee schools (28%). That means only a few students from low income families would be able to access national schools.

Lastly, the study found that financing of higher education in Kenya (just like any other African countries) is not solely the responsibility of parents (and/or guardians). For example, one student at KU accessed secondary education because the brother paid for the education. Other two students at CUEA also accessed secondary education after the community and guardian paying their school fees. Arguably, financing of higher education in Kenya involves the whole community (family members) and it becomes impossible to ascertain income of all family members. Consequently, if a student comes from a family where parents have low or middle income and other members of the family have high wealth then the student would have more sources of income unlike the students whose family members are surrounded by poverty. The study argues, students from low income families are limited to access higher education and thus remain poor (lives in viscous circle of poverty). Just as the Bible says in Matthew 25:29 “for whoever has will be given more, and they will have an abundance. Whoever does not have, even what they have will be taken from them” (New International Version, 2011). The interview with potential loan beneficiaries between 5th and 6th April 2012in Kenya revealed that a good number of secondary school leavers (performed at average) from poor families in the village migrate to Nairobi to become housemaids.

6.2.3 Students’ Access to Higher Education

Access to higher education is heavily dependent on the provision and financing of the education. Previous discussions have evidenced a considerable expansion of the provision of higher education in Kenya. Three main reasons are pertinent to the expansion. They include:- (a) the increase in service providers; from one (1) public university in 1970 to about sixty-seven (67) currently. (b) Introduction of dual track tuition policy in 1998 which resulted into two systems of enrolling students into public universities. These are module I programme (government sponsored students) and module II programme (self-sponsored students). (c) the introduction of double-intake in 2011. KU became the first university to enroll two batches of freshman students in 2011. Consequently, total university enrolment was 180,978 students in 2010/2011 academic year (Economic Survey, 2011). This particular section is set to evaluate the expansion of higher education provision (leading to higher enrollments) and it’s financing (i.e. private financing). The purpose is to find out whether there has been democracy in terms of accessing the education. In order to accomplish this objective, enrollment to university education is compared with availability of loan facility. Therefore, a selection of nine (9) academic years was deemed desirable for purposes of comparison. The following table 11 shows how access to university education as represented by massive expansion of education providers could not be replicated in the financing of education hence limiting access to higher education by students from low income families.

Table 11: University Enrollment Against Loan Availability

	Enrolments					
	Public Universities			Private Universities		
	1987/1988	1996/1997	2008/2009	1987/1988	1996/1997	2008/2009
	15,051	36,188	89,404	N/A	5,210	22,198
Loans	Loans were available to all students	Loans are not available to all students; and have to be means tested; self sponsored students are not eligible for loans	Loans are means tested; self sponsored students were eligible for loans	Students were not allowed to apply for loans	Students were not allowed to apply for loans	Students were allowed to apply for means tested loans

Source: Adapted from Statistical Abstract 1995, 2005 and 2009; interview with Senior Deputy Director of Education, the Ministry of Higher education, Dr. Nyang'ate Areba on 4 April 2012 at 09:15am

The interpretation of the above table follows that;- (a) there has been a constant increase of student enrollment in both private and public universities. Yet, more students have been enrolled into public universities under module II or self-sponsored students. For example, Ngare and Muindi in Odhiambo (2011) show this trend clearly. They demonstrate that by 2008, UoN had 32,010 self-sponsored students out of a total 44,914 students; KU had 11,568 self-sponsored out of a total 20,426 students; MU had 50% of 16,000 students as self-sponsored; JKUAT had 4,590 self-sponsored students against 3,372 regular students; Egerton University had 4,000 self-sponsored students out of a total of 12,000; and Maseno University had 60% of all students as self-sponsored. It is imperative to demonstrate that the number of students to be admitted under regular programme (government sponsored students) each year was limited to – 'manageable figures' – about 10,000 students (Abagi, 1998; Wesonga, *et al*. 2007; Ngolovoi, 2008; Otieno, 2009)[373]. Wangenge-Ouma (2011) says in 2001/2002 academic year only 11,147 students were admitted into public universities under government sponsorship; in 2002/2003 only 10,966 students were admitted; and in 2003/2004 only 10,947

[373] Otieno (2009) says universities were restricted (by a condition part of the education sector adjustment credit conditionalities attached by the World Bank to the UIP grant) to enrolling a maximum of 10,000 new students per year. The condition has been followed until recently after the reforms.

were admitted. Keriga and Bujra (2009: 34) say enrolment in regular programmes in most public universities has been affected by the introduction of cost sharing.

Due to higher fees for studying module II and inadequate loan facility, students from low income families could only have access to government sponsored students. Therefore, students from low income families have limited access to the increased higher education provision. (b) The availability of loans has not been constant with the increased service provision (due to budget constraint). This has led the Loans Board to restrict loans to certain individuals (students). For example, from 1995 loans were/are available to students in public universities after means testing. Notwithstanding, self-sponsored and private university students were not eligible for loans until 2008. It is argued students from low income families are denied access to higher education. Even after loans were made available to self-sponsored and private university students, this study observeds that students from low income families have continued to be denied access to higher education. Given the high fees charged by private universities and public universities (to self-sponsored students); students from low income families cannot afford the cost of university education even with the loan facility. The following table 12 is a demonstration of tuition fee against maximum loans and bursary available.

Table 12: Tuition Fee Against Loans Bursary in Kenyan Universities

Degree Programme	Public Universities		Private Universities	Maximum Loan	Maximum Bursary
	Government sponsored	Self-sponsored			
Arts and Humanities	16,000-40,000	90,000-150,000	180,000-220,000	65,000	8,000
Law	16,000-40,000	120,000-150,000	200,000-230,000	65,000	8,000
Sciences	16,000-40,000	130,000-250,000	230,000-300,000	65,000	8,000
Medicine	16,000-40,000	250,000-380,000	230,000-1,940,100*	65,000	8,000

*this amount is computed from USD 22,300 charged by Aga Khan University for a degree in Bachelor of Medicine (MBBS); Source: Field Data 2012/2013:- interview with Admissions Officers and Deans of Students; questionnaires administered to students at KU, CUEA, and Daystar; Africa Nazerene University Fee Structure 2011/2012; University of Nairobi Fee Structure 2011/2012; The Aga Khan University Fee Structure 2013/2014.

The above table shows clearly that there is a very big difference between tuition fee charged to self-sponsored students in public universities together with private university students and those from government sponsored; thus, students from low income families cannot be adequately facilitated by available loan facility and bursary if they enroll in private universities and self-sponsored programmes. Keriga and Bujra (2009: 9) say even with the introduction of HELB to aid individuals from lower economic background, current trends indicate otherwise; loans originally allocated to the ‘needy’ students are now accessible to ‘everybody’ irrespective of their social status. This move is seen to deprive deserving students from lower economic backgrounds. Arguably, students from low income families with no other sources of finance cannot access increased higher education provision through parallel programmes (module II) and private universities. In fact, it is a revelation of accretion inequity among Kenyans (the haves and the have-nots). This argument gains support from a number of commentators.

For example, a recent study on dual track admission system by Otieno (2009:56-57) reveals that about seventy eight percent (78.3%) of university students come from high income/high middle income and middle income families; while only around twenty two percent (21.7%) come from low income families. Moreover, the richest accounts for up to three quarters (3/4) of all university students in the country. To signify the point, Otieno goes further to say due to regional disparities, some districts with its population (about two-thirds) living below poverty line (such district as Suba); it is not surprising to find no student in lucrative programs in universities. In fact, for the last ten years, there is no student from the district who had directly enrolled in the subsidized public university school of medicine. To him therefore, the mode of financing education in Kenya is retrogressive and exacerbates inequality.

In addition, Pillay (2009:25) argues the proportion of students in higher education is highly skewed in favor of the rich. More than two-thirds (2/3) of students in university education come from the richest and second richest quintiles; while the two poorest quintiles represent only 7.5% of enrolment in higher education. In similar utterances, Ngolovoi (2008:145) who conducted interview with students living in Nairobi city said it was evident that a large number of students in the regular programme were also from middle- and high-income families; albeit, many participants articulated that they felt that many Kenyan higher education was mostly for the middle- and upper-income families. And, students who access higher education under module II programmes immediately after their high school are from high-income families. She goes further to provide a testimony of one student by the name Dora. Dora says;

> "I believe these days the majority of students who are in universities are from wealthy families. My father is a doctor and my mother is a university professor and that is why they have been able to finance my studies as a student in the module II programme. All my friends in my class have parents with high income and that is why I believe that the module II programme is for the wealthy people."

This revelation is quite relevant. All tables 10b&c, 11, and 12 show the reality. Most students who access Daystar and CUEA (private universities) are from wealthy families. For example, Mr. Richard, the administrative assistant in the Dean of students' office says the Loans Board extends only upkeep to private university students. Such that only a quarter (1/4) of e.g. Law degree programme which cost Ksh. 240,000 as tuition is given by the Loans Board and three quarters must come from personal sources. The tuition fee charged by private universities is beyond doubt that students from low income families cannot afford (Field data, 2012: interview with Mr. Richard on 27 March 2012 at 02:13pm).

The situation is not different from public universities which enroll self-sponsored students. The study by Odebero, *et al*. (2007:217) at UoN, Egerton, Baraton, and CUEA revealed that students from low income families are limited to enroll themselves in particular programmes (due to high tuition fee) as follow:- (i) education and Arts programmes attracted students from low income families; (ii) medicine attracted 75% of students from high socio-economic status, and 25% of students from middle socio-economic status; and no student from low income families; (iii) commerce related programmes attracted 80% of students from middle socio-economic status; and (iv) technology related programmes attracted 66.7% middle socio-economic status while 33.3% high socio-economic status. Generally, they say access to competitive programmes like medicine, commerce and business management, engineering, technology related courses was a function of one's socio-economic status. With the presence of ineffective means testing both students from low income and high income have access to loans. Again, students from low income families are highly affected. The few students from low income families who have access to university (through private universities and self-sponsored programmes) live miserable and study with anxiety. The interviews conducted between the researcher and Deans of Students at KU, Daystar, and CUEA raised issues of concern. For example, the Deputy Dean of Students (Registrar) at KU, Dr. Fredrick Mugendi Njoka (interviewed on 4 April 2012 at 3:30pm) pointed out three main issues. While, the administrative assistant in the Deans of Students office at CUEA, Mr. Richard (interviewed on 27 March 2012 at 02:13pm), pointed out one additional issue particular to students from private universities. A discussion of these issues follows below.

First, loan facility is insufficient. The maximum loan available to needy students is Ksh. 65,000 only with an addition of bursary Ksh. 8,000. If a student from low income family enrolls in private universities or self-sponsored programmes, s/he has to find out the remainder (which ranges from Kh. 17,000 to Ksh. 377,000 and Ksh. 1,867,100 for courses like medicine) from other sources. The remainder is only tuition fee but there are also costs for meals, accommodation, communication, insurance, transport, and other personal needs. For example, cost of university education at Daystar is as follow:- (a) tuition fee ranges between 180,800 (Athi River Campus) and 205,120 (Nairobi Campus) per year (in 2012/2013 academic year)[374]; (b) all students must have comprehensive medical cover, and thus each student has to pay Ksh. 15,070; (c) transport cost to and from Nairobi/Athi River Campus is Ksh. 20,000; while transport to and from Athi River town/Athi River Campus is Ksh. 12,000.

Therefore, total cost for transport is Ksh. 32,000; (d) cost of accommodation at Athi River Campus ranges from Ksh. 15,855 to Ksh. 29,988; moreover, boarding students receive meal cards after paying the required amount at the beginning of the semester. Day scholars can buy meal cards for lunch or dinner; and (e) there is one-off fees payable in first semester only which totals between Ksh. 101,500 to Ksh. 120,510 (Field Data, 2012: interview with Admissions Office, Dr. Julius Otieno Gogo on 28 March 2012 at 02:30pm). Generally, according to Daystar University Catalogue 2011-2015, a student has to pay Ksh. 257,058 per year and Ksh. 111,600 for the first semester only (for boarding students at Athi River Campus). Another example is from CUEA. Tuition fee is between Ksh. 180,000 and Ksh. 230,000; accommodation ranges from Ksh. 35,000 to Ksh. 45,000 at New Gloria Hotels, and Ksh. 45,000 at DIADEM PLACE; and meals at Campus is about Ksh. 200 on average in a day (Field data, 2012: interview with Mr. Richard on 27 March 2012 at 02:13pm). Things are not even better with KU. The question is how and where will a student from low income

[374] Daystar fee structure 2012/2013 shows that the undergraduate student assumes sixteen (16) credit hours in a semester. One credit hour costs Ksh. 5,650 at Athi River Campus while Ksh. 6,410 at Nairobi Campus.

family be able to raise such a huge remainder? The answer leads to second and third issues raised by Dr. Fredrick Mugendi Njoka. Students engage themselves into activities that will earn some money. These activities may be formal or informal/ legal or illegal. They include employment, stealing, prostitution, and the like.

Second, this is concerned with change of bahaviour. Dr. Njoka, the Deputy Dean of Students at KU (interview on 4 April 2012 at 03:30pm), says a good number of students at KU engage themselves into bad conducts such as stealing, drug addict, and prostitution. He said there are several claims of students' misconducts currently in his office. His arguments were consistent with various interesting reports about university students in Kenya. 0n Tuesday 14 May 2013 KTN prime reported a rise on prostitution under the headline, "*who is to blame for increased prostitution in universities*?" this came after eleven young women were charged on the same day (Tuesday) with prostitution in Mombasa Court. A sociologist at UoN, Dr. Pius Mutie while responding to the news reporter said it is contributed by three main things. He mentioned massive enrolment, economic hardship, and moral decay[375]. All the three are interrelated because one factor causes the other. He said massive enrolment has led to economic hardship on the part of students. Many universities enroll more than they can accommodate forcing students to look for alternatives to make ends meet[376]. Again, Dr. Mutie said students survive on meager loans that cannot meet all education and personal needs. On another occasion, Africa News Post on Friday 19 July 2013 reported one student at University of Eldoret studying Bachelor of Science in Computer Science by the name Walter Otieno being desperate to find money for his studies. He is twenty (20) years old and desperate to sell his kidney for Ksh. 50,000 so as to get money to replace his stolen laptop[377]. This leads to two interpretations.

One, loan facility cannot meet the main costs of education if a student is really from a low income family. Two, students are capable of undertaking legal or illegal means to get funds to support their studies. The second interpretation is confirmed by the armed robbery testimony

[375] Speaking of moral decay, Mr. Mungai on 16 July 2011 through Open Source Opinion highlighted that immoral acts are heightened these days because age students are seeking for the shortcut ways to accumulate wealthy fast without the hustles of employment. He says students come face to face with wealthy and are under pressure to keep up with mates hence the easier way in shortcuts where the students are indeed gangsters, carjackers, sex-traders, and murderers, accessed from http://www.opensourceopinion.com/is-our-kenyan-society-heading-to-the-dogsoris-it-in-the-brink-of-ruin-bymungai/ on 19 August 2013.

[376] One among the alternatives is prostitution

[377] https://www.africanewspost.com/2013/07/student-to-sell-kidneys-for .html accessed on 18 August 2013.

of students at UoN. On 19 May 2013 KTN through investigative journalism, “Jaramandia la Uhalifu” episode 5 reported some students at UoN who engaged into armed robbery while they were still on campus. Bernard Ouma Omondi was a student at UoN in 1998 undertaking engineering. When he was in third year, he was approached by his fellow student (armed robber) who explained to him what they do and convinced him to join their group. He was asked to participate in armed robbery by just keeping all arms they use in robbery for a fee. And the fee was between Ksh. 10,000 to Ksh. 20,000 a day after every robbery. Since Mr. Omondi lived abject life at campus after making small money from selling used shoes at kikomba market, he was convinced to join this highly paying business (with lesser input).

Therefore, Mr. Omondi decided to keep all arms in his room in hostel. One day things went wrong and they were all caught by police and charged in Court. One armed robber, Mr. Gordon Onyango was sentenced to death; Mr. Omondi was sentenced six (6) years in jail; and other fellows were sentenced to life imprisonment. After serving 6 years in jail, Mr. Omondi was given another chance to complete his education. He rejoined UoN in 2008 for the condition that he will not be given accommodation at university hostels. He is now facing the same challenges; paying tuition fee and money for a living. He personally asks the general public to help him pay tuition fee. Another instance was reported by News24Kenya on 8 March 2013 that a student of UoN was among the two people shot dead by police after they defied order to stop in a botched transformer vandalisation at Marmanet in Nyamburu district on Thursday[378].

Third, students divert attention from studies to other activities. For example, these activities are like employment, business, prostitution, stealing, etc. At most times those without alternatives eat inadequately and lose concentration in class. Dr. Njoka, Deputy Dean of Students at KU (interviewed on 4 April 2012 at 03:30pm) confirmed to attending several cases of students who skip meals due to financial difficulties. At certain times he lends them some money. He demonstrated two critical cases that needed urgent financial assistance where he decided to lend them ten thousands Kenyan shillings (Ksh. 10,000) from his own pocket so that when they get money they will have to pay him back with no interest. Interestingly, one student was able to return the money but the other one could not. He further

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[378] http://m.news24.com/kenya/MyNews24/University-student-shot-stealing-transformer-20130308 on 19 August 2013.

said the problem is ineffective means testing where students from families with the ability to pay for their education get loans and sometimes higher than what is allocated to a student from low income family. He evinced some orphan students who are suffering at campus. For example, the student has no home, and relatives refuse to help. As a result, he survives by one meal or nothing in a day. The question is how possible a student who takes one meal a day be able to concentrate in class? The researcher identified one orphan student at CUEA (also from low income family) who could not get loan. The student said apart from having one meal a day he has to miss classes, sometimes a week so that he can be able to raise money for living. He works as a security guard. Another example is from KU; this is a first year student who has applied for loan (2012) before the results of means testing are out he has to find money through engaging into construction works on daily basis. And thus, he misses classes when he is at construction site. Both cases admitted to losing concentration during classes. It is hereby argued, the quality of university students is depleting and one of the factors is inadequate loans available to students from low income families.

Fourth, this concern is particularly for students who study in private universities. Mr. Richard, Administrative Officer in the Dean of Students' Office (interviewed on 27 March 2012 at 02:13pm) said the Loans Board delays to disburse loans to students who study in private universities. It causes much suffering to students from low income families. Similarly, all interviewed students from private universities (CUEA and Daystar) expressed the same concern. Loans to students in private universities are normally delayed. When it comes to making follow-up, the Deans of Students office say it is the Loans Board while the Loans Board says it is the Deans of Students' Office which delays to confirm names of students who are admitted into that university. The researcher went ahead to interview the Dean of Students (Represented by Mr. Richard) and the Assistant Lending Manager, Mr. Ndegwa to get the truth of the matter. Mr. Richard maintained that the office of Dean of Students at CUEA confirms the names of students in time. He further said the problem is on the part of the Loans Board which delays disbursement of loans. It emanates from three factors. These are;- (a) Loans Board is overloaded by many applicants from all accredited institutions; (b) students fail to give complete information through online application; and (c) students should get admission before applying for loans. The reasons are interesting but they fail to answer the prime question why should delays be peculiar to private university students.

The Loans Board, on the other hand, said the university administration delays to confirm the names of students who are admitted into those universities. In addition, confirmation delays are caused by a small number of students from private universities who normally seek loans. He said, for instance, there were only fifteen (15) students from Africa Nazarene University who have applied for loans[379]. Until the time the researcher was having such a conversation with Mr. Ndegwa, the names of the fifteen students were yet to be confirmed by the university administration (Field Data, 2012: interview with Mr. Ndegwa, Assistant Lending Manager, the Loans Board, on 3 april 2012 at 08:45am). This leads to two interpretations. One, the university administration assumes students who apply for admission at private universities are from families with the ability to pay. And students from low income families cannot afford tuition and fees charged by private universities. Therefore students from low income families who enrol themselves into private universities are probably a mistake. Two, there is inequity between a student from low income family who study in public university and the one who study in private university. While loans are rarely delayed to students in public universities, it is a common practice to students in private universities. Notwithstanding, all private universities depend heavily on tuition and fees (Keriga and Bujra, 2009; Abagi, *et al*. 2005; Varghese, 2004); students must pay dues at the beginning of every semester. Failure to do so has greater consequences to student's studies. Mr. Richard said there is a good number of students at CUEA who take academic leave and/or drop out of university as a result. This is to deny access to university by students from low income families.

6.3 The Loans Scheme Undermines Access to Higher Education

Historically, the loans scheme in Kenya has undergone some changes. The first loans scheme after independence was administered by the Loan Disbursement and Recovery Unit in the Ministry of Education in the 1973/1974 financial year (Otieno, 2004:76). However, there were no policy and law in place to guide the Unit's operation. Some objectives were set to undertake smooth disbursement of loans to students. Otieno (2004:76-77) articulates these objectives as;- (a) to ensure that the beneficiaries of higher education and training meet part of their education; (b) to promote equality of opportunity to qualified students irrespective of their background circumstances; (c) to provide a continuous source of finance, through a fund that becomes self-perpetuating; (d) to reduce drop-out rates by giving students an added incentive through economic commitments to complete their studies; (e) to encourage students

[379] Student enrolment in 2007/2008 academic year was 1,469 while in 2008/2009 academic year was 1,543 (Statistical Abstract, 2009:208).

to make right choices for their career based on labour market opportunities; (f) to complement the government's financial commitment to university education and thereby increase the number of students; and (g) to contribute to national development by encouraging investment in education to meet human resource requirements. Examining these objectives accordingly one would note three main targets. One, it was targeted to promote equality in accessing university education. All students from both public and private universities were treated alike, i.e. loans were available to all students admitted into university education. Nevertheless, it is not unfolded anywhere whether loans given to students in private universities met the cost of education.

Two, the loans scheme aimed at increasing the number of students accessing university education. It was believed that giving loans to students instead of grants is more likely to increase opportunities for students to access university education because part of the burden of financing higher education would have been shifted to students and their families allowing the government to use fewer resources to a large number of students. Three, the purpose was to create a revolving fund. The loans disbursed to students once fully recovered would be revolving to other students. In other words, a revolving fund would relieve the government from spending great share of revenues in higher education. Unfortunately, there were no strategies put in place to make sure all targets are fully met. As a result, the loans scheme was more or less a grant system. Otieno (2004) says the program was criticized for its poor administration, high costs, and low recovery rates. In 1995, a more effective loans scheme was established through the policy and law. The Loans Board became an autonomous institution for disbursing and recovering student loans.

Some changes on loans disbursement were made to include;- (a) loans were no longer available to every student but must be means tested; (b) students from private universities were not eligible for loans until 1999; and (c) loans were extended to parallel students in public universities as well as private universities in 2008 (CAPITAL NEWS, 21 July 2008; interview with Assistant Lending Manager, Mr. Ndegwa and Ms. Robi on 3 april 2012 at 08:45am and 11:00am respectively). Interestingly, loans disbursed to students in private universities and Module II in public universities is insufficient as discussed elsewhere in this study. Means testing formula is also ineffective; students from both wealthy families and low income families access students' loans. In the study by Odebero, *et al* (2007) among university students (from UoN, Egerton, Baraton, and CUEA) it was apparent means testing could not effectively screen students according to their socio-economic status as a result the Loans Board allocated fund to low income, middle income, and high income social status. It is submitted, students from low income families are constrained to access higher education through loans scheme. The following part is intended to discuss some conditions associated with loans disbursement, and inadequate funds from revolving fund and the exchequer as necessary impediments to poor students' access to university education.

6.3.1 Security for Loan and Requirement of Guarantor

Section 14 of the Loans Act provides conditions for grant of loans. The Loans Board is given powers to impose conditions, demand security and request for a guarantor. Specifically, section 14(1)(b)(ii) refers to requirement of security to be demanded by the Loans Board. The procedure is that the Loans Board first determines eligibility of applicant(s) then notifies the successful applicant in writing, and requires him/her within a specified period not exceeding six (6) months to comply with any conditions and provide any security which the Loans Board may have imposed or demanded. Failure to comply with the requirements within the specified period, the application shall be deemed to have lapsed. The application of this condition has two major problems. First, security for loans includes immovable properties such as land. It is very clear in chapter five how problematic the demand for security is, especially in African economies where majority residents live in un-surveyed lands (without title deeds). Kenya is not exceptional. In fact, things are worse in Kenya because of land ownership and use issues dating back to colonial times. For example, the Mazrui family possesses a title issued more than one hundred (100) years ago for a land of about 3,000 acres at Takaungu, Kilifi County (The Standard Newspaper, 16 August 2013).

Sometimes families live on a specific land within their lifetime (as inherited from fathers and fore-fathers) yet the land is owned by another person. For example, President Uhuru Kenyatta admitted during the presidential election debates (particularly, the second debate on 26 February 2013) that his family owns (with titles) at least 30,000 acres of land in Taita Taveta County (The Standard Newspaper, 16 August 2013). And many poor Kenyans live on that vast land. Again, many poor Kenyans live as squatters. It has led to everlasting conflicts (Wakhungu, *et al*. 2008). For example, it is believed that up to seventy five percent (75%) of Kilifi county residents are living as squatters on their own land (The Standard Newspaper, 16

August 2013). This is to say land issues in Kenya are magnificent and thus demand for security (land) is very problematic. Notwithstanding, it restrains the poor to access higher education. In similar utterances, Boit and Kipkoech (2012) say the requirement of security to secure loans limit access of poor students to loans (bank loans or any other). Moreover, Ziderman and Albrecht (1995) argue that "…investment in education security to a large extent is the student himself/herself". Thus, the requirement of security presents obstacles to some individuals like the poor. To the contrary, Johnstone and Marcucci (2010:8) argue students are inherently high-risk borrowers, generally with no credit histories, little or no collateral, and at an exceptionally mobile and frequently unstable phase of their lives. For all these reasons student loans which are indispensable in any policy of shifting higher education costs to students, are financially complex and technically difficult.

Second, the application of that condition to some and not others is bigotry. The law says Loans Board may impose such a condition when deems fit. Consequently, the Loans Board has not demanded any security through the application form (which applies to all applicants) as it is normally the case for other documents. This verifies the fact that some applicants may not be affected by the condition. It is within this premise the study argues, the application of this condition is biased and affects students from low income families. Again, section 14(2) requires the Loans Board to demand security for loan after eligibility question of applicant being resolved. This means the applicant has been confirmed by the Loans Board as needy (from low income family) and deserves loans and bursary. The question is why the Loans Board should demand security from low income families (some live as squatters)? Where would this poor applicant get security from? In presence of ineffective means testing where both the poor and the rich may be determined by the Loans Board as eligible students, students from wealthy families will be able to meet that requirement and access loans while their counterpart students from poor families remain in the cold.

The second condition is the requirement of a guarantor. Section 14(4) states that, "where in granting a higher education loan to any student, the Loans Board considers it prudent to request for a guarantor to guarantee any loan granted to a student, in case of any default by the loanee in repayment of the loan any guarantor who has guaranteed any such loan, shall automatically and fully be liable to pay to the Loans Board all or any loan together with interest accrued and outstanding owed to the Loans Board by the loanee, as shall be notified to the guarantor by the Loans Board." In practice, the Loans Board demands an applicant to have two guarantors. Some questions are pertinent. One, what should be the qualification of a guarantor? Suggestively, s/he must be a person who is able to repay the loan in case of default. Two, are these persons called guarantors aware of their obligations and legal repercussion? The answer to this question is somehow tricky. Apart from the declaration signed by the guarantor to acknowledge that s/he is bound to the Loans Board in the sum of amount equivalent to what the Loans Board shall grant to, as loan under the agreement and agree to have an obligation of repaying the same as from the prescribed time; it is doubtful whether the guarantor knows legal implications.

The study found out that over ninety percent (90%) of interviewed students do not know the condition for grant of loans by the Loans Board. Most of them have not seen and/or read the Loans Act. It is an indication that guarantors might not be aware of the legal implications. Three, where shall a student from low income families get a guarantor who have the ability to repay loan in case of default? The practice shows normally students present their relatives as guarantors. It is worth arguing a student from poor family (lives in a vicious circle of poverty) will definitely present guarantors who have little or no ability to repay the loan in case of default. This leads to two interpretations;- (a) the guarantor is likely to face charges of an offense and liable to criminal prosecution or civil proceedings or both in accordance with the provisions of the Loans Act; (b) the requirement of a guarantor on the one hand has not helped the Loans Board to recover loans and on the other hand restrict students from low income families to access loans. Since the establishment of the Loans Board, there is no single case filed against guarantors yet there are a good number of loan defaulters (Field data: interview with Loans Recovery Assistant of the Loans Board, Mr. Ken Lengoiboi on 3 April 2012 at 12:30pm).

6.3.2 Quota Allocation

One of the functions of the Loans Board under section 6(h) is to determine the maximum number of eligible persons or students to be granted loans in any one particular year. Due to dearth of funds, the Loans Board has hardly been able to meet the target. For example, in 2011 the Loans Board had a budget deficit of Ksh. 1.5 billion (USD 17,143,548)[380]. The deficit came as a result of double intake policy introduced by the government[381]. The purpose

[380] Conversion is USD 1 to Ksh. 88 as at 26 August 2013 from http://coinmill.com/KES_USD.html#USD=1
[381] KU was the first university to enroll two batches of freshmen students, in a double intake. The first batch started in May 2011 and the second in September 2011. However, KU has a bed capacity of 9,600 but a student

was/is to admit two groups of freshmen seeking to eliminate backlog, allowing students to join regular programmes immediately after their secondary education which under normal circumstances these students were to wait for a year or two before they join universities (Business Daily Newspaper, 3 October 2011). As a result, 32,671 students were enrolled in public universities in 2011 which is far more than 20,000 students admitted in the previous year. According to Mr. Benjamin Cheboi, the then Loans Board Chief Executive; the Loans Board was not in a position to acquire money from the Treasury in order to subdue the deficit of Ksh. 1.5 billion since it was not in the budget, again, the Loans Board had empty coffers. Three adverse consequences were predicted by Mr. Cheboi.

These include;- (a) there would be delays in terms of loans disbursement which affect students registration and commencement of studies. Students are allowed to register and commence studies once they have paid tuition fee. (b) the worst option was to reduce the amount of money (loan) to new and continuing students. Lastly, (c) Mr. Cheboi said the shortfall could force the Loans Board to roll back its recent expansion into financing students in private universities. To demonstrate the impact, Mr. Charles Ringera the Loans Board Chief Executive said the new loans to students who were admitted at UoN will only be disbursed after the Treasury realeses 2013 budget money. That means students have to wait for one month until the transaction is completed (Business Daily Newspaper, 9 June 2013). This delay announcement came after the UoN has revised its university opening date from September to May 2013. So, it came to the attention of the Loans Board by surprise.

The study has observed two main problems hampering a smooth operation of section 6(h) of the Loans Act. One, it is budget constraint. The Loans Board has not been able to establish a sustainable revolving fund. And thus, it depends much on the exchequer (next sections will discuss this problem into detail). Two, the changing policy decisions by the government has an impact to the operation of the Loans Board. For example, the introduction of double intake policy without increasing the money for financing students has affected very much students from low income families. The effects are expected to increase in future. Again, it is not known under what premises the government through the outgoing Permanent Secretary, Mr. Crispus Kiamba (Ministry of Education) has doubled the minimum loan to Ksh. 60,000

population of at least 21,000 (The University World News, 2 October 2011). The implication is that quality of education is going to be compromised since resource facilities like residential, lecturer rooms, lecturers, libraries do not match with the growing numbers of students.

annually beginning the next financial year (the presentation was done by Mr. Kiamba on Wednesday, 5 June 2013)[382]. Two likely scenarios are going to happen if the decision to double the loan amount is assented. (i) the number of students to be granted loans may be lowered in order to sustain minimum loan of Ksh. 60,000 (USD 686). Currently, the minimum loan is Ksh. 35,000 (USD 400) yet the Loans Board is unable to maintain the quota allocation[383]. (ii) the government will have to allocate more funds to higher education than other social sectors. In general, the application of quota allocation by the Loans Board limits access to university education by students from low income families.

6.3.3 Full Time Programmes (Regular) and Part Time Programmes (Parallel)

The distinction between regular programmes and parallel programmes for purposes of loans allocation came after public universities in Kenya introduced privatization of the education through dual track tuition policy in 1998. This follows a successful implementation of the same in Uganda through Makerere University in 1992. Johnstone and Marcucci (2010:106) explain that dual track tuition fee policy essentially limits admission to free (very low tuition fee) openings to only the number of students that the state (government) can afford to support, while allowing a second track of matriculates, generally scoring below an admissions cutoff score, admission if they pay a tuition fee (and sometimes a very high one). Dual track tuition policy creates two major problems. First, it is discriminatory and furthers division among students and the society at large. It generates a society of two classes, i.e. the haves and the have-nots. Munene (2009:69) contends that dual track programmes have become conduit through which social class reproduction has manifested itself in public universities in both Kenya and Uganda. Second, higher education is treated as public good and private good at the same settings. Public universities get subsidies from the government (taxpayers' money) to provide public education to the citizens who deserve by merit, yet, some citizens get for free (or at low costs) and others at very high price (private good). This kind of treatment not only

[382] Business Daily Newspaper, 9 June 2013; similarly, Agustine Oduor of the Standard Newspaper (4 June 2013) reported that the Loans Board Chief Executive, Mr. Charles Ringera said the increase in minimum loan amount from Ksh. 35,000 to Ksh. 60,000 will only be possible if the government plugs the over Ksh. 10 billion gap. In addition, Mr. Ringera said if all students who scored the required university requirement are all factored in, some Ksh. 13.34 billion must be set aside in the next financial year. However, there is Ksh. 1 billion deficit from last years due to the implementation of double intake making it a total of Ksh. 14.34 billion. The Loans Board projects to collect Ksh. 3.45 billion in the next financial year.
[383] Conversion is USD 1 to Ksh. 88 as at 27 August 2013 from http://coinmill.com/KES_USD.html#USD=1

undermines democracy in accessing higher education but also inflict burden to taxpayers and citizen in general.

The rationale to the introduction of parallel programmes in Kenyan public universities had clear economic motives. It was introduced to generate additional revenue to address declining financial support from the government while at the same time increasing capacity (Ngolovoi, 2008; Wangeneg-Ouma, 2008; Otieno, 2010; Odhiambo, 2011). It is worthy argued if the purpose is to generate financial resources (through marketisation of higher education at very high prices) then increasing capacity (through enrolment) is meant to be for those who have the ability to purchase higher education. Definitely, students from low income families are limited to access the expanded access through parallel programmes. Parallel programmes have been criticized ‘as catering exclusively for the rich’ (Keriga and Bujra, 2009: 8). This is substantiated in a number of ways. First, from 1998 to 2008 (10 years) students loans in Kenya were not made available to any student enrolled under parallel programmes (Field data, 2012: interview with Senior Deputy Director of Education, the Ministry of Higher Education, Dr. Nyang’ate Areba on 4 april 2012 at 09:15am). Interestingly, students who were seen through merit not fit for competitive programmes like medicine and law are qualified (by their ability to pay) to enroll into parallel programmes of the same fields. Supportively, Otieno (2010:33) explicates these programmes are open to those who are not absorbed by public universities in the regular programmes controlled by JAB. This is to jeopardize the quality of education and democracy.

At one time, Zalanga (2009:69) argues that access and equity of educational opportunity have been compromised by dual track admissions and loan scheme arrangements; whereas, Ooro (2009:8) says parallel programmes charging high fees commensurate to fees paid in private universities lead to commercialization of the education that compromises on quality. Second, even after availability of loans to students enrolling in parallel programmes, the amount of loan is not sufficient to allow student from low income families study parallel programmes (see table 12 above). Precisely, Otieno (2010:33) demonstrates that while a bachelor degree in Computer Science in regular programmes costs a total of Ksh. 120,000 (tuition and accommodation) per year, *tuition alone* in the parallel programmes costs upwards of Ksh. 240,000 per year. However, the maximum loan available is currently Ksh. 65,000 and a bursary or Ksh. 8,000. Lastly, the expansion of enrolment in Kenyan universities is nurtured by the increase of parallel programmes. Otieno says over 40% of university enrolment in Kenya is constituted by private universities and parallel programmes. While Kiamba (2004) says more than 50% of enrolments are in private entry schemes. This study was able to make a comparison of admissions by JAB in twelve years and found out that admissions by JAB (where students from low income families can enroll due to very low costs of education) are highly limited to about 10,000 students before the introduction of double intake in 2011. The following table 13 is demonstrates;

Table 13: Admissions into Public Universities (JAB) Trends

Year	No. of Qualified (C+ and above)	Joint Admission Board	Discrepancy
2000/2001	30,666	8,899	21,767
2001/2002	40,071	11,147	28,924
2002/2003	42,158	11,046	31,112
2003/2004	42,721	10,791	31,930
2004/2005	58,218	10,200	48,018
2005/2006	49,870	10,268	39,602
2006/2007	58,239	10,218	48,021
2007/2008	68,040	12,261	55,779
2008/2009	62,853	16,134	46,719
2009/2010	72,590	20,073	52,517
2010/2011	81,000	24,216	56,784
2011/2012	97,134	32,648	64,486

Source: Field Data, 2012: interviews with the Registrar (Academic) Dr. Stephen Nyaga at KU on 4 April 2012 at 12:30pm and Senior Deputy Director of Education, The Ministry of Higher Education, Dr. Nyang'ate Areba on 4 April 2012 at 09:15am

From table 13 above, admission by JAB (regular programmes) is between 18% in 2004/2005 and 34% in 2011/2012 academic years. However, public universities enroll the great share of university students. For example, public universities enrolments were 50,704 students in 2000/2001 and 97,107 students in 2007/2008 academic years against private universities 7,693 students and 21,132 students in respective years. Notwithstanding, it is estimated that only 20% of the qualified students eventually get admitted into local universities every year (Wabwoba and Mwakondo, 2011:334). Therefore, parallel programmes limit access to university education by students from low income families despite the existence of students loans scheme in Kenya. Keriga and Bujra (2009: 8) explain, accessing education under parallel programmes or private universities is high and mainly attract individuals from middle and upper classes.

6.3.4 Loan Repayments and Recovery

The idea of cost sharing was to diversify financing responsibility from solely government to students and/or families and private sector. Loans scheme came to assist students from low income families share the cost. Student loans schem can successfully shift a portion of costs to students, if these loans are properly designed to to collect all or most of the costs of capital plus all or most of the costs of collection, i.e. designed at an appropriate and minimally subsidized rate of interest and they must also be cost-effective recovered, or collected (Johnstone and Marcucci, 2010: 8). Therefore, one most important aspect of an effective loans scheme is loan repayments and recoveries. The idea of a revolving fund comes in only if loan repayment and recovery is carefully managed. However, government sponsored students' loans are highly subsidized. Johnstone and Marcucci go further to state that politics frequently intrudes into the design of student loans schemes, resulting in excessive interest subsidization, so that the loans, even if collected cannot recover more than a fraction of initial cost of the capital. This high subsidization makes the idea of a revolving fund a nightmare. However, subsidies are one form of government support in financing higher education. Similarly, Shen and Ziderman (2008) conclude that continued gap between disbursement and recovery is a consequence of government financial support. In other words, government support in financing higher education is inevitable and necessary.

Normally loans disbursement and recovery are guided by policy and law. This is because government financial support is democratically planned through policy and law. The policy and law impose specific conditions (where government support is manifested) to guide the whole process. The conditions imposed by policy and law in Kenya are the following;- (a) repayment should start after one year of completion of student's studies, or within such a period as the Loans Board decides to recall its loan whichever is the earlier (as stipulated in section 10(1) of the Loans Act); but there is no time frame to completing repayment; (b) currently, interest rate of 4% is charged annually; (c) repayment is in nominal terms. This means the loan is repaid when it matures, i.e. after completion of student's studies. During the time of study (which can take four to six years) no interest is charged; and (d) the Loans Board provides currently amnesty to repaying the loan. This amnesty is accompanied by forgiveness in terms of penalties and interest. All these conditions have ever impact on loan repayment.

For example, the study conducted by Shen and Ziderman (2008) found out that repayment ratio in Kenyan loans scheme was as low as 27.93% due to high subsidization (leading to hidden grant) of 72.07%. Interestingly, the earlier research conducted by Ziderman and Albrecht (1995) showed repayment ratio was 30%. It is one indication that things are not improving. In addition, there are inefficiencies in running the loans scheme. For example, high administrative costs, default in repayment (evasion), and payment in arrears have contributed badly to loan recoveries. It therefore, means whatever is disbursed as loans to students do not come back in full as recoveries. Shen and Ziderman (2008) say the recovery ratio is always lower than repayment ratio. Taking an earlier example of Kenya, they say the Kenyan loans scheme showed repayment ratio of 27.93% and recovery ratio 5.59% (after incorporating default). Perhaps, if administrative costs were incorporated the percentage could have gone down drastically. This is a challenge to most loan schemes in the world. In Africa, and Kenya in particular, the challenge is quite great to the point of limiting access to university education by students from low income families. The following part is going to demonstrate how the loans scheme has not been able to recover loans sufficiently (leading to a revolving fund).

A revolving fund is a self-replenishing pool of money, utilizing interest and principal payments on old loans to issue new ones. That means disbursed loans should come back as recoveries in full so as to create a self-replenishing pool of money. Therefore, loan repayment and recovery determines sustainability of a revolving fund. Arguably, very low repayment and recovery disrupts the accessibility of revolving fund. This is where the exchequer comes in to inject some money. The determination of a sustainable revolving fund requires useful strategies to ensure higher repayments and recoveries. It would be a good idea if this study explains strategies used by the Kenya loans scheme. Importantly, two aspects of the strategies are going to be examined. Such aspects include;- (i) legality and (ii) practicability. And strategies are;- (a) to make the loanee aware of his/her responsibility; (b) to create sanctions to any loanee who fails to repay the loan within the time frame; (c) the Loans Board works in liaison with Kenya Revenue Authority to get information about loanees; (d) to charge interest on loans; (e) to make the employer aware of his/her obligations; (f) to create sanctions to any employer who fails to notify the Loans Board about the loanee s/he employs; (g) fixed monthly loan deductions; (h) wave loans; and (i) blacklisting defaulting loanees (Field data, 2012/2013: interviews with the Loans Board, Loans Recovery Assistant, Mr. Ken Lengoiboi on 3 April 2012 at 12:30pm and CEO Mr. Charles Ringera on 15 October 2013 at 09:00am). A holistic approach is used to discuss these strategies.

Based on the Law, Section 15 of the Loans Act provides for obligations of loanee and sanctions upon failure to comply with such obligations. Subsection (1) requires a loanee to repaying the loan within one year of completion of studies or any time that the Loans Board deems fit. In that respect, the loanee must (a) inform the Loans Board of his/her contact address; (b) begin repaying the loan together with any interest accrued thereon; and (c) authorize his/her employer to deduct the loan repayment and to remit it to the Loans Board in such manner as the Loans Board may direct. The immediate suggestion of this section is the application of income contingent loan repayment (ICLR). Specifically, section 19 of the Loans Act requires the Loans Board to deduct not more than a quarter of the monthly basic salary. In practice, the Loans Board demands loanees to start repaying their loans immediately after completing their studies on monthly basis. And the interest rate being 2% for those who graduated between 1974/1975 and 1994/1995 academic years while 4% for those graduated between 1995/1996 academic year and to-date (Field data, 2012: interview with Mr. Ken, Loans Recovery Assistant on 3 April 2012 at 12:30pm). The application of this strategy has ever had multiple problems but only a few are going to be highlighted. One, majority loanees have not been able to discharge their obligations fully. For example, there is inadequate information on their whereabouts, perhaps most of them have not been able to secure formal employment or they just neglect[384]; Two, since the law is silent on how the unemployed and employees at the informal sector are going to service their loans, the Loans Board has imposed a penalty of Ksh. 5,000 to any loanee who has not started repaying his/her loan within the specified time[385] (Field data, 2012: interview with Loans Recovery Assistant, Mr. Ken on 3 April 2012 at 12:30pm). As a result, the amount of loan to be repaid by the loanee augments beyond imagination. The following is a presentation of two testimonies from loan beneficiaries;-

[384] For example, the Economic Survey (2011:68) shows informal sector has grown over the formal sector. Employment in the informal sector stood at 80.6% of total employment in 2011. Informal sector which is also referred to as the "Jua Kali" covers all small-scale activities that are normally semi-organized, unregulated and uses low and simple technologies while employing few persons. Unemployment rate on the other hand increased from 12.70% in 2006 to 40% in 2011 (Trade Economics, 2013); source: http://www.tradingeconomics.com/kenya/unemployment-rate on 29 August 2013.

[385] Section 15(2) of the Loans Act allows the Loans Board to take any action including paying a fine of not less than five thousand shillings (Ksh. 5,000) in respect of each loan deduction that remains unpaid in accordance with the provisions of subsection (1), and that fine shall be payable to the Loans Board.

Loan Beneficiary 1

> "*My principal loan was Ksh. 131,477 in 1998. I stayed for some years tarmacking and started repaying in 2008 after getting a temporary job with local community based organization. The job lasted for one year after which the Loans Board started charging me five thousand every month for defaulting. An e-mail to them did not solve anything. In January 2012 I resumed repayment of Ksh. 3,584 through my current employer after securing another small contract of three years. However, in March 2013 I requested my loan statement from the Loans Board and realized that between July 2012 and March 2013 my employer had not submitted any money despite deducting it from my salary. Moreover, to make matters worse, the Loans Board had charged me Ksh. 5,000 for defaulting during this period despite paying almost half of the principal loan, my debt by March 2013 stood at Ksh. 363,000 despite struggling that much to repay.*" (Career Point Kenya, 24 July 2013)[386]

Loan Beneficiary 2

> "*my entire HELB loan was Ksh. 125,000. I never completed my degree and have never been in formal employment in Kenya. I last received a loan disbursement in 2003. In early 2011, I registered on their site and saw that my dues were just slightly less than Ksh. 200,000. I sent them two e-mails inquiring how I would start repaying but got no reply. A few months later, they started sending e-mails and dues had blossomed to close to Ksh. 500,000. I am already outside the country and there is no way they are going to trace me. I do not need to apply for any loan in Kenya.*" (The Standard News Paper, Friday, 19 July 2013)[387]

From the two testimonies some conclusions may be drawn. These include;- (i) the liberal notion that university degree yields high returns to individuals is nullified; (ii) unemployment is a problem not only in Kenya but also throughout the world. It disrupts smooth collection of loan repayments; (iii) penalty or fine of Ksh. 5,000 monthly to unemployed is undemocratic and it intends to limit the poor to apply for loans; and (iv) there is a serious question about responsibility of employers. Generally, both factors mentioned above have contributed very

[386] Career Point Kenya is a leading Kenyan job site where you can get the latest jobs in Kenya. The site is updated on an hourly basis. Recently, the site posted an article on HELB loan defaulter, both employed and unemployed being blacklisted by the Loans Board from the Credit Reference Bureau, which generated a lot of comments from readers. One of readers, a beneficiary of HELB loan wrote on his personal struggle to repay the loan as shown above; accessed from http://www.careerpointkenya.com/2013/07/24/exposed-helb-accused-of-operating-like-a-kenyan-bank-inflating-loans/ on 29 August 2013.

[387] One of comments from readers of the Standard Newspaper online edition over a recent post titled "68,000 graduates blacklisted as HELB cracks whip on defaulters" Friday, 19 July 2013; accessed from http://www.standardmedia.co.ke/?articleID=2000088757&story_title=68-000-graduates-blacklisted-as-helb-cracks-whip-on-defaulters on 29 August 2013.

much to a rising numbers of loan defaulters. In order to deal with the situation, the Loans Board has devised to other strategies.

First strategy is to working in liaison with employers and other institutions such as Kenya Revenue Authority (KRA); National Social Security Fund (NSSF); Capital Markets Authority (CMA); and National Health Insurance Fund (NHIF). The purpose is to gather information about loan defaulters. Section 16A of the Loans Act states that, "subject to section 125(3) of the Income Tax Act (Cap.470), the KRA shall, at the request of the Loans Board furnish it with the name and address of a borrower or the employer of a borrower, if such information is known to the authority." Recently, the Chief Executive Officer of the Loans Board, Charles Ringera, said the Loans Board has signed a pact with NSSF, CMA, NHIF, and KRA to track and make defaulters repay their loans (The Standard Newspaper, 6 June 2013; interview with CEO, Mr. Ringera on 15 October 2013 on 09:00am). Nonetheless, KRA had a formal agreement with the Loans Board since 1995. But there was no good cooperation between the two in connection with the information about loans defaulters. KRA was reluctant to cooperate regardless of the law. Ms. Robi Bocha, officer of the Loans Board said KRA has for so long not been willing to work closely with the Loans Board (Field data, 2012: interview with Ms. Robi on 3 April 2012 at 11:00am).

Pertinent question is whether or not this strategy is going to work in favour of the Loans Board. Again, if the main cause of defaulting is unemployment and/or lack of finance (i.e. unsustainable income sources to repaying the loan) how much would these institutions help the Loans Board solve the problem? In fact, over 80% of loan beneficiaries who commented on the the issue of loan defaulters being blacklisted by the Loand Board indicated unemployment and/or inadequate income sources is/are the main problems facing defaulters to delay repayments. For precision, the third testimony from Mr. Kimani (a loan beneficiary) is as follow;-

Loan Beneficiary 3

> "*Kimani graduated in 2005 with Agribusiness degree. For the first one year he stayed with his uncle in Nairobi looking for a job to no avail. In 2007 he got some clerk job position in industrial area but PEV (Post-Election Violence) turned things upside down. In 2008 things got worse as he was employed for 6 months contract to earn ksh. 7,200 per month as a salesman in an Electronics Company. Since 2009 Kimani has been working as a cyber assistant in Umoja with earnings according to what comes in …about Ksh. 7,000 per month or slightly more. For heaven's sake, this story line sounds common. How can such a person decide to repay a loan to help another poor man when he himself is more than a poor? HELB should do their homework. Surely, should he pay while he is dying of hunger?*" (The Standard Newspaper, 19 July 2013)

Working with employers is again very challenging. Section 16 of the Loans Act requires every employer to inform the Loans Board in writing upon employment of any loanee within a period of three months of such employment and deduct from the wages or remuneration of the loanee, the amount of any loan as instructed by the Loans Board. Its applicability has encountered setbacks. One, some employers have neglected their responsibility as specified by law. As a result, there are no deductions from loanee submitted to the Loans Board. Two, some employers informs the Loans Board and start monthly deductions, yet only some of all deductions are submitted or nothing is submitted at all or submit over the requirement. Consequently, the repayment burden is exteremely magnified. And overdue payments are difficult to claim. The first and second loan beneficiaries' testimonies are also applicable; some others follow below;-

Loan Beneficiary 4

> "*I cleared my loan, and my status on their site indicates as such. But, they still continue deductions. HELB should also be taken to task and equally refund Ksh. 10,000 monthly for every illegal deduction*" (The Standard Newspaper, 19 July 2013)

Loan Beneficiary 5

> "*my employer deducted monthly amounts until all the loan was paid. I recently went for clearance certificate only to be told that there was a balance of Ksh. 2,000 which has now increased to Ksh. 300,000. My question is who sent the amount that I was supposed to pay to my employer? Where is this Ksh. 2,000 coming from and how it became Ksh. 300,000?*" (Career Point Kenya, 24 July 2013)

Loan Beneficiary 6

> "*HELB are not only charging us Ksh. 5,000 per month, but also unscrupulously taking the advantage. Me I have been charged Ksh. 20,000 in one month. I tried to follow them in vain. Their e-mails are monthly bills and the amounts continue adding to my total. From my Ksh. 180,000 (principal loan), two years down the line even after paying them over a year, my amount is nearing Ksh. 300,000. I would advise those capable to avoid the loan. The government should do something. We should resolve to voice our concerns loudly*." (Career Point Kenya, 24 July 2013)

From the above evidences, two things are highly suggestive. One, there is very poor communication between and among stakeholders (loan beneficiary, employer, and Loans Board). The only communication existing, for instance, between the Loans Board and the loan beneficiary is e-mail. It is a one-way communication of its own kind. Every month the Loans Board sends bills to loan beneficiary. This fact was confirmed by interviews with the Loans Board (Assistant Lending Manager, Mr. Ndegwa on 3 April 2012 at 08:45am) and students from KU, CUEA and Daystar (from 9^{th}- 11^{th} of April 2012). Mr. Ndegwa said the Loans Board communicate with students and loans beneficiaries through e-mail on administrative matters such as confirmation of loan amount and monthly bills (for repayments); something which all sampled students confirmed to receive e-mails from the Loans Board. Any feedback from loan beneficiary is never responded by the Loans Board. It is not known whether this is by design or default. One would ask, why the Loans Board does not respond to genuine issues like over-payments, mysterious balances, and contrasted statements from the same institution? While physical contact with Loans Board officers is made cumbersome.

Notwithstanding the loan repayment student guide (2010/2011) states in pellucid but collated terms that, "if you overpay your loan or pay back more than you actually owed, you will receive a refund. *We will not make refunds unless you ask us to do so*." Yet, when loan beneficiaries ask the Loans Board to refund it remains tacit. During an interview with the researcher, one thing was made very clear by Mr. Ken Lengoiboni from the repayment and recovery section that the Loans Board has come up with a strategy that will force loan beneficiaries to repay and those who default will repay throughout their lives. From such utterance, it can be argued that the poor communication initiated by the Loans Board is aimed to fulfilling the introduced strategy and collect more than what they are required to. Again, the Loans Board CEO, Mr. Ringera was quoted in asking high-net individuals and beneficiaries who have *overpaid their loans to donate the surplus* to the kitty – Afya Elimu Fund (The Standard Newspaper, Wednesday 21 August 2013). It sounds odd; when loan beneficiaries claim their overpayments through normal and formal channels (i.e. E-mail) the Loans Board acts implicit only to appear before media asking for donations (from the same overpaments).

Two, there might be miscalculation of outstanding loans together with accrued interest and fines. According to the loan repayment student guide (2010/2011) loan beneficiaries who had their degrees prior to 2002/2003 shall be charged *interest after completion of their course* until the loan has been repaid in full; whereas, those who had their degrees from 2003/2004 shall be charged *interest from when they receive their first payment* until the loan has been paid in full. In addition annual administrative (ledger) fee shall be charged to all loan beneficiaries until the loan has been paid in full. In that case, ledger fee is charged in the month of July. On the other hand, penalty of Ksh. 5,000 is charged to all matured loans for loans which are not yet serviced. One point of interest is that it is not known whether starting and pausing repayment (due to changes in employment status or income level) would also attract the penalty. But, the practice shows penalty is something automatic and continuous regardless of everything. The Loans Board levy Ksh. 5,000 penalty for each month that a loanee fails to service his/her dues starting from the maturity of the loan. Accounts that are not active, regardless of previous partial payments, also attract similar penalty (Business Daily, 8 May 2013). For example, loan beneficiary 6 claims that in a month penalty charge was Ksh. 20,000 instead of Ksh. 5,000; again, beneficiary 5 claims to clear the debt only to be surprised by existence of a balance of Ksh. 2,000 (which skyrocketed into something bigger i.e. Ksh. 300,000). The two examples indicate mischievous acts by the Loans Board, probably intended to enhance a revolving fund. This is injustice and cannot be condoned by the youth and the public in general.

The second strategy is blacklisting loan defaulters. Its application came after the imposition of penalty of Ksh. 5,000 (about two years ago) to fail. The Loans Board was convinced if penalty is imposed, loan beneficiaries will have no other option than to repay their loans before the amount is heightened. To a surprise there is no significant impact on loan repayment as a result of the penalty. From 6 May to 6 July 2013, the Loans Board waved the penalty so that beneficiaries can service their loans in lump sum. Immediately after waving the penalty (i.e. in middle July 2013), the Loans Board blacklisted 68,000 loan defaulters and submitted their names to the Credit Reference Bureau (CRB)[388] (Field data, 2012: interview with CEO, Mr. Ringera on 15 October 2013 at 09:00am). The implication is that the blacklisted loan defaulters cannot access credit facility from financial institutions. However, the expectation of the Loans Board is that loan beneficiaries will come to repay their loans after being blacklisted; because they will have no access to credit facility for those who wish to. For example, loan beneficiary 7 explains personal experience as follow;-

Loan Beneficiary 7

> "*I am one of the loan defaulters not because of my wish but because I am yet to find a job. Early 2013 I approached a bank for a loan to start a small business. I processed everything only to be told I cannot get loan because HELB had blacklisted me. My intention was to employ myself so that I can pay both loans margue that help loan I paid college fees of which the returns are employment. I am looking forward for the day that I will be sentenced to life imprisonment by HELB and state because there will be no bills to pay. Youth fund are there to help us start ventures yet you cannot access because you have been blacklisted. This is a contemporary paradox befalling the youths*" (Career Point Kenya, 24 July 2013)

The interpretation of the above testimony is two-folds. One, to blacklist loan defaulters (some are victims of unemployment) and forward their names to CRB is to block the only available opportunity for the unemployed (and loan defaulter) to engage into income generating activities like small business through credit facility (from bank, microfinance institution, etc). The question is, how and where would unemployed loan defaulter be able to repay if there are no alternatives to earning some income? The answer may lead us to the second point. Two, youth capitulate to penalties and/or court decisions. However, they do not afraid of any legal implication. This is not a welcoming situation among the youth (who are the workforce of the nation). Most of them are stranded. For example, *Loan Beneficiary 8* says, "let the Loans Board jail us for defaulting, we have no jobs and no money to spend. Jail is better, no bills to pay." While *Loan Beneficiary 9* says, "the only thing left is to continue getting the fines and interests because there is no job" (Career Point Kenya, 24 July 2013). And Loan Beneficiary 10 says, "I think HELB is becoming overzealous. How do you blacklist unemployed graduates? How the hell on earth do you expect them to pay back the loan without gainful engagement?" (The Standard Newspaper, Friday 19 July 2013).

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[388] This follows after the Loans Board engaged the services of Credit Reference Bureau Africa and Metropol East Africa Limited to speed up recovery on 6th and 8th April 2009 respectively.

This leads to '*Debt Sentence*' as it was used by Pawlick (2012) once he was explaining similar issues of loans scheme (i.e. loans repayment and unemployment) in Canada in his book titled, "*Debt Sentence: How Canada's Student Loan System is Failing Young People and the Country*". And he says, "the greatest responsibility for evils of the present system rests with those governments, both federal and provincial, which have the power to protect the interests of the Canada's youth, but don't".

The third strategy is introduction of penalty amnesty. Between 6 May and 6 June 2013, the Loans Board imposed penalty amnesty so that loan beneficiaries would take the advantage to clear their outstanding loans in lump sum. However, the penalty amnesty period was extended to 7 July 2013 making a total of two months. It is important to acknowledge the fact that penalty amnesty increased loan recovery. The total recovery for the two months stood at 670 million (The Standard Newspaper, 19 July 2013) which is 7% of the total outstanding loans i.e. 8.3 billion (Business Daily, 8 May 2013). Total loan defaulters were 76,128 and after the penalty amnesty the number dropped down to 68,647 (Business Daily, 8 May 2013; The Standard Newspaper, 19 July 2013). Interestingly, the Loans Board through their website and other media advised those who were not able to pay the lump sum to access penalty amnesty loans from financial institutions which have entered into partnership with the Loans Board (to provide low interest loans to such beneficiaries[389]). These institutions include, KCB, Jamii Bora Bank, Faulu Kenya, Barclays, Equity Bank, National Bank, Standard Chartered Bank, Family Bank, Co-operative Bank, REMU, and Ecobank. Moreover, the notice in very small fonts says terms and conditions of each financial institution will apply (HELB News and Advertisement, 2013)[390].

Looking at the two general conditions of most financial institutions, i.e. interest rates and requirement of collateral, the whole idea sounds like a wicked humour. If the so called loan defaulter has not been able to repay outstanding loans from the Loans Board which charges annual interest rate of 4% would the same person be able to repay a loan from any financial institution whose annual interest rate stands above 10%? It is illogical to advise such person to take a bitter path while both of you know the truth. Loan Repayment Student Guide

[389] For example, normal interest rate charged by Faulu Kenya is 12% but loan beneficiaries will get 6% instead, said the Manager Faulu Kenya, Mr. Henry Ongulo; while National Bank of Kenya charges interest rate of 19% normally and loan beneficiaries will get 14% (Business Daily Newspaper, 6 June 2013).

[390] HELB News & Advertisement (2013) Penalty Amnesty Extended to 7th July 2013, Notice to all Loanees, accessed from www.helb.co.ke/helb-amnesty.html on 25 June 2013.

(2010/2011) spells out that, “although student loans are contracts which can be enforced by the civil courts, they are not profit making loans. The government subsidises the actual cost of interest on the loans, so you do not have to pay the same rate of interest that you would be charged if you were to take out a commercial loan (for example from a bank)”. Surely, the Loans Board has turned into a chameleon vacillating situations not in the interest of the majority poor. Arguably, the penalty amnesty was/is meant for loan beneficiaries who are capable of paying their dues (i.e. income earners). Demonstratably, loan beneficiaries who are unemployed (with unsustainable sources of income) and perhaps form majority loan defaulters are marginalized through penalty amnesty.

The fourth strategy is to broaden the payment channels/options. The Loans Board has incorporated other channels that can be used by loanee to repay their outstanding loans. For example, since 2010 outstanding loans can be paid directly to the Loans Board by the loanee or check-off (employer). Check-off payments can be completed through crossed cheque, bankers draft, direct transfer, standing order, EFT or cash deposit to the Loans Board collection bank account in the following banks;- (a) Citibank, Nairobi branch; (b) Co-operative Bank, University-way branch; (c) Barclays Bank, Barclay’s Plaza branch; (d) KCB, University-way branch; (e) Standard Chartered Bank, Koinange street; (f) Equity Bank; and (g) National Bank of Kenya, Harambee Avenue. Other channels include, payment by mobile phone money transfer (M-Pesa or Airtel Money); Automated Teller Machines (Pesapoint or Equity bank); and Credit or Debit Cards (Visa branded credit cards or debit cards). All loanees who are in the informal sector may be comfortable to use M-Pesa, ATM, Credit card, etc to complete their transactions. In other words, a loanee is allowed to make payments in smaller or larger amounts depending on his/her capability. During an interview with the researcher, Mr. Ken Lengoiboni, Loans Recovery Assistant it was made clear, the purpose to broadening payment options was to allow every loanee to repay his/her loan smoothly and in one’s individual ability to pay. It means both employed and unemployed loan beneficiaries must pay their dues. Persistent question has been whether or not unemployed loan beneficiaries (with uncertain income sources) would be able to repay their loans consistently until they pay in full or more challenging is how would the loan beneficiary whose income is less to satisfy his/her own needs be able to get surplus to repay outstanding loan.

The last strategy is to undertaking legal action against loan defaulters as well as irresponsible employers. As it was explained elsewhere in this study, guarantors due to a number of limitations have not been of use in the whole process of recovering loans by the Loans Board. Apparently, most of strategies employed have proven failure. Mr. Victor Lomaria, the head of operation section at the Loans Board said, “the Loans Board decided to seek prosecution powers as a last resort after thousands of defaulters failed to respond to punitive measures such as monthly penalty of Ksh. 5,000” (Business Daily, 17 February 2013). Therefore, the Loans Board has resolved to take legal actions against loan defaulters and irresponsible employers. Again, this move has faced challenges even before things have progressed to a promising action. Loan defaulters may be prosecuted for being guilty of an offence under section 15(2) of the Loans Act. Whereas, section 17(2) of the same Act imposes penalty to any employer who fails to deduct or after any loan repayment from a loanee s/he does not pay such deductions to the Loans Board within the prescribed period. This penalty is a sum equal to five percent (5%) of total amount of the repayment for each month remains unpaid.

Recently, the Loans Board has issued legal threats to employers under the notice to all employers issued on 25 June 2013 (on the Loans Board Website) which says, “the Loans Board wishes to advise employers that failure to comply with section 17(1) of the Loans Act attracts a penalty of Ksh. 3,000 for each month per university graduate payable by the employer as per section 17(2) of the same Act.” Prior to this notice, the Loans Board on 17 February 2013 formed a team of prosecution appointed by Director of Prosecutions, Keriako Tobiko. Members of the team are; Esther Michieka, Joseph Ndegwa, Geoffrey Monari, Michael Lelampaa, Peter Ngega, Naftali Michira, Antony Ogola, Rachael Kipkech, Paul Olang, Robi Bocha, Claude Mukindi, Alice Ayonga, and Bernadette Masinde (Business Daily, 17 February 2013). On 24 March 2013, Business Daily reported that the Loans Board will begin the process of prosecuting university graduates and their employers in a bid to recover billions of shillings owed the government in unpaid student loans. The process was said to start by sending demand letters to firms and graduates to start settling the defaulted loans and penalties before 15 April 2013, with employers being fined. Consistently, the Loans Board CEO, Mr. Ringera said“if they fail to pay up, we will file cases in court to recover the loans. We have already hired prosecutors who have identified defaulters and top companies that are in breach” (Field data, 2013: interview with CEO Mr. Ringera on 15 October 2013 at 09:00am).

According to Mr. Geoffrey Monari, the Loans Board Recovery and Repayment Manager, "every employer will receive a 14-day notice asking them to prepare for the Loans Board visit. We shall then give a 21-day notice to comply with a billing schedule to facilitate payment of loans, failure of which we shall move to court to compel them to make payments" (The Standard Newspaper, 6 June 2013).This is where the cold battle started. While loan defaulters are not afraid of prosecution, the employers through Federation of Kenya Employers have gone further to challenge the Loans Board. The chairman of the Federation, Mr. Erastus Mwongera said the Loans Board should withdraw the issued threats since employers had limited jurisdiction with regard to their employee's information. On a serious note, he said "*we are going to have talks with the Loans Board in order to work out a way making loanees pay promptly without involving the employer*". On a quick rejoinder, Mr. Otieno, Agira the Loans Board Manager Corporate Communications said, "we only sent out notifications to remind a few companies that are to submit the funds owed to us to do so" (Business Daily, 22 April 2013). Earlier, 17 February 2013 Business Daily quoted the Federation of Kenya Executive Director, Ms. Jacqueline Mugo (who also sits in the Loans Board, board meetings) saying employers are supportive of loan repayments though she had reservations over labour movement as a unique challenge to the effort. To all indications, employers desire to extricate themselves from collecting student loans is a last nail in the coffin to the effort of the Loans Board recover thousands of billions.

6.3.5 Loan Default

Loan default is not a unique phenomenon in Kenya student loans scheme. All around the world student loans schemes face the same challenge. The only difference is the magnitude and strategies used to overcome loan default. For example, in a comparative study on student loans repayment and recovery conducted by Shen and Ziderman (2008) found out that recovery ratio after incorporating default is 56.61% in Norway; 10.56% in Russia; 56.31% in China; 60.17 in India; 59.39% and 78.20% in Japan; 73.68% in Vietnam; 35.24 in Ethiopia; 10.96 in Ghana; 5.59% in Kenya; 56.07% in Mauritius; 35.83% in South Africa; 73.78% in Canada; 75.63%, 78.66%, and 69.73% in USA; 34.23% in Jamaica; and 46.14 in Mexico. From a quick examination of those figures one may note that with the exception of Mauritius (56.07%) recovery ratio is below 50% in African student loans schemes. The extreme case being the Kenya student loans scheme (5.59%). The most explanatory factor to low or high recovery ratio is the strategies employed. Most of the strategies that seem to be useful in Europe, Asia, and America do not work effectively in the African context. Students are very mobile (tracking them becomes difficult), unemployment is higher compared to the West (attracts defaults), more people work in the informal sector (making it difficult to evaluate their income levels), and poverty is so pervasive. As a result, loan default is another blow up to the effectiveness of loans scheme in Kenya and Africa at large.

The Loans Board in Kenya was established in 1995. Since then it has disbursed loans worth 40.2 billion to about 375,784 university students (up to May 2013). Apart from loans disbursement the Loans Board has a duty to collect repayment from disbursed loans. This task is challenging due to above reasons. From total number of beneficiaries whose loans have matured only 68,522 beneficiaries have cleared their debts (amount to Ksh. 6 billion) and 76,128 have defaulted (amount to Ksh. 8.3 billion); the remaining 97,565 beneficiaries are currently servicing their loans (amount to Ksh. 13.6 billion). Loans to about 133,569 beneficiaries are yet to mature (amount to Ksh. 12.1 billion)[391] (Field data, 2013: interview with Loans Recovery Assistant, Mr. Ken on 15 October 2013 at 11:00am). Deducing from the figures, about 31.4% is loan default against loans repaid in full 28.3%. It is not quite certain whether those who are serving loans will actually continue until the money is repaid in full or may turn into defaulters some time to come. From the experience of loan beneficiaries in this study, servicing loans is not continuous due to a number of reasons. One most common is unemployment and fluctuations of income levels. Generally, low loan repayment and recovery has ever had impact on the establishment of a revolving fund. Always, total disbursement has exceeded recoveries making a revolving fund reachless. The following table 14 is a demonstration of the trend.

Table 14: Loans Disbursment and Loans Recovery in Comparison

Financial Year	Loan Disbursements	Number of beneficiaries	Increase in %	Loan Recoveries	Increase in %
2006/07	1,710,555,000	40,065	Less than 6.4	1,100,000,000	Less than 18
2007/08	1,821,550,000	42,566	6.4	1,300,000,000	18
2008/09	2,573,515,000	68,498	41	1,600,000,000	23
2009/10	2,973,320,000	69,383	15.6	1,900,000,000	18.8
2010/11	3,304,210,000	77,141	11	2,300,000,000	21
2011/12	4,171,800,000	99,870	26.4	2,500,000,000	8.7
2012/13	5,000,000,000	106,000	19.9	3,300,000,000	32
2013/14	5,500,000,000*	120,000*	10*	N/A	

[391] All figures in May 2013.

*provisional
Source: Field Data 2012/2013; Interviews with Assistant Lending Manager, Mr. Ndegwa on 3 April 2012 at 08:45am and 15 October 2013 at 12:30pm

The above table shows always disbursements have exceeded recoveries. The interpretation is that the scheme is not a self replenishing and the government has to inject some money all years. Interestingly, hidden grants and administrative costs have not been incorporated in the above recoveries. If the two were to be incorporated definitely recovery ratio would go down drastically. That means the contribution of government is over and above if grant system were to be in use. The high loan default, hidden grants, and administrative costs have paralyzed loans scheme in Kenya. Students from low income families are limited to access higher education as a result.

6.4 Conclusion

Financing of higher education in Kenya through private financing has limited access to university education by students from low income families. The established loans scheme before and after 1995 through the policy and law faces challenges and works imperfectly. The means testing instrument is surrounded by complexities, difficulties and costs. The measurement of parents' income is unreliable not only in Kenya but also in developing countries. It is due to the fact that financial responsibilities are diverse to include extended family members and the community. Again, the use of secondary school fee as proximity of current ability to pay for education costs is also difficult to disguise clear picture of ability to pay. Loan repayments and recovery are very low to make a sustainable revolving fund. High rate of interest on subsidization by government presents considerable hidden grants. In fact, hidden grants lower repayment ratio as well as recovery ratio. The high rate of unemployment and negligence are prime reasons to loan default. Suffice it to say, the strategies employed by the Loans Board to recover loans are working inefficiently in Kenyan environment. As a result, the government has to inject some money every year to make the scheme work.

Chapter Seven

Private Financing of Higher Education in Tanzania and Kenya: Comparative Conclusions

7.1 Research Summary

The role of higher education and particularly university education is indispensable. All societies in the world affirm to the role of higher education. Governments have played major role to realizing the incisive role of higher education. Higher education provides high quality skilled labour; social services like health, counseling, etc; civic competence for a healthy democracy; professional advisory services and consultancies; knowledge economy; and scientific innovation and technology. All these products and much more have a direct link to development and democracy. It is out of this linkage, provision and financing of higher education has drawn attention of policy makers, political and economic analysts, students, and the general public. Contending issues have always been on how provision and financing of higher education should be handled, i.e. who should provide higher education? Who should pay (or who is supposed to pay) for the cost of higher education? The answers to these questions have developed endless debates from economists, policy makers, lawyers, human rights observers, citizens, etc. Such debates are founded on three theoretical frameworks. These include public good theory, neo-liberal political economy, and human rights framework.

Interesting part of these theories is that they all accord to the role of higher education but less agreeing on who benefits most from higher education (and thus pay for the cost of education). While public good theorists argue that the substantial benefits of higher education are distributed in the society, neo-liberal political economy theorists argue that individual student and his/her family benefits the most through employment (i.e. highly paid jobs). On the other side, human rights theorists are tacit on who benefits most from higher education, but they urge that higher education is a human right and no citizen should be denied the right to access education. This argument finds support of public good theorists who say higher education is a public good. Its provision and financing should be the responsibility of the public (through government). Their argument is based on the functions of government i.e. to promote general welfare including provision of public goods. Two main approaches (mechanisms) to financing higher education developed from theoretical debates. They include public (government) funding/financing and private funding/financing. Governments through policy making were to choose a mechanism which seem to achieving the realized role of higher education.

Before 1980s, most governments including Tanzania and Kenya financed higher education. Students had a free of charge access to higher education as a result. Following economic crisis in 1970s and growing demand for higher education (due to rapid population growth), the ability by governments to fully fund education costs for all university students declined. As a result governments reviewed policies on financing and provision of higher education in 1980s. Specifically, Tanzania and Kenya governments introduced cost sharing in the light of neo-liberal framework in 1990s. It marked commercialization and privatization of higher education. This is the essence of private financing of higher education. Students become customers, commodities, and managers[392]. Indeed, access to higher education increased through multiple providers and wide choices (under market bases). However, not all Tanzanians and Kenyans would be able to purchase university education. That means, only those with high purchasing power can access commercialized higher education. Zalanga (2009:41) argues that "such increase in access and efficient would not, on its own create equality of opportunity. It will increase inequality as education becomes commoditized, therefore even when access and opportunities increase, this is only real for those who can afford to pay for it".

One thing which seems to challenge performance of neo-liberal framework in Tanzania and Kenya is that, just like many developing countries, these countries have large numbers of poor people who live in informal settings with low technological development and low purchasing power. For example, many people (about 75%) live in rural areas and depend on subsistence farming. This is why Zalanga (2010:43) challenges the decision of African countries to

[392] Nordensuärd (2011:159) in his work, "*the Consumer Metaphor versus the Citizen Metaphor different sets of role for students*" says the student as a customer consumes (through purchasing power) educational services for his/her own pleasure or interest; as a manager s/he invests into his/her own human capital through education as his/her body and mind will be like a company supplying services to the market (such services like skills); as a commodity, the Social Investment State (government) ensures that education is wisely invested into human capital and the educational output produce real economic growth. Here, students play major role in economic growth rather than role as citizen. The impact of which, Hussey and Smith (2010:47) in their chapter, "Students as Customers" of the book, "*The Trouble with Higher Education: A Critical Examination of Our Universities*" say it is great. They state that the effect of students acting as customers may have even more far-reaching consequences, whether or not universities have the resources to meet their demands. As the world has recently learned, a market is a capricious beast which will follow short term demands and fads, and go its own way irrespective of longer term consequences. As Steven Lukes (2006) has argued, it can emphasize old inequalities and differences and create yet more.

reform higher education in neo-liberal framework. He specifically say, "if Reich and other scholars are correct in their analysis of the global economy, then it is an extravagant challenge for current African governments to shape higher education in such a way to promote greater access, equity, and equal opportunity. Unfortunately, policies that promote greater access, equity and equal opportunity may be counterproductive to the logic of neo-liberal capitalism as Terreblanche (2005: 417-474) has demonstrated for South Africa." This is a clear scenario that commercialization and privatization of higher education definitely limit the poor to access higher education (in absence of viable mechanisms to assist the poor). In Europe and US, for instance, the poor and/or needy students are practically assisted (financially) in various ways (such as effective loans scheme coupled with grants/scholarships, and work-study program). This has to a greater extent mitigated the problem of inequality brought by commercialization of higher education.

The experience in Africa is unique. It becomes obvious for governments to continue funding higher education in haphazard way. And, inequality is increasing at a higher speed. Students' loans schemes were introduced to assist those who are not able to share the cost of higher education with the government. The antithesis to the logic of cost sharing and students' loans scheme is two-folds;- that if more than 75% of the population is poor, would it be possible for government to share the cost of higher education with students (and their families); or more intriguing, how would governments manage to assist large numbers of poor (given that financial ability of the government has declined)? Is this not another form of grant system in its own way; which might be even more expensive than the previous system of public funding (hence limiting access to higher education by the majority poor)? In order to tackle all these questions the study was set to understand the extent of the impact of private financing of higher education in relation to the current emphasis of democratic principles of human rights in Tanzania and Kenya. The study employed multidisciplinary approach to include law, economics, political science, human rights, sociology, educational psychology, and history. For example, to examining efficiency of students' loans scheme the study employed the legal and institutional framework (laws, policies, regulations, institutions).

The study employed parallel comparative method to understand the impact of private financing of higher education in Tanzania and Kenya. The reasons for the choice of Tanzania and Kenya are stated in section 3.5.1. A set of criteria was used to include:- political ideology, ethnicity and the legal framework governing higher education. Moreover, Kenya started implementing private financing of higher education earlier than Tanzania due to their differences in ideology. After independence, Tanzania adopted “Socialism - Ujamaa” and Kenya adopted “facile capitalism –African socialism”. However, since 1980s both Tanzania and Kenya adopted liberalism.

Accordingly, two main research questions and five sub-questions were formulated to guide the study;- (a) *to what extent private financing deny access to education by the poor?* (i) how does higher education benefit the society? (ii) what role does the government play in financing higher education? (iii) how does government guarantee access to higher education? (b) *how does private financing undermine fundamental right to education?* (i) how does the legal and institutional framework play part in facilitating access to higher education? (ii) what ways describe democracy in accessing higher education? From the main questions; two parameters were depicted as stated in section 3.5.2. These were;- (i) private financing of education – which presents a shift of portion of cost of education from the government to the individuals and their families. At this point, family social status influences access to higher education. This study categorized family social status into two groups which were high wealth family status and low wealth family status. The assumption was that students from high wealth families are able to bear the cost of education and those from low wealth families would depend on government students’ loans so as to access commercialized higher education. (ii) access to higher education – which is determined by two main factors. These were availability of higher education institutions and financial capability of individuals. Neo-liberal theorists argue that multiple providers of higher education are necessary to increasing student enrolments and equality of opportunity in accessing higher education.

Various techniques were used to collect data from students (Universities in Tanzania and Kenya); university management (Universities in Tanzania and Kenya); the Loans Board (Tanzania and Kenya); Commission for Universities (Tanzania and Kenya); Ministry responsible for higher education (Tanzania and Kenya); political analysts (representatives from universities in Tanzania and Kenya); and potential loan beneficiaries (from Tanzania and Kenya). A review of documents (such as policy documents, legal documents, government reports, university reports, UNDP reports, World Bank Reports, UNESCO reports, journal articles, books, magazines, newspapers, etc) was used because the nature of study is broad and has been handled differently in different parts of the world; questionnaires were used for the purpose of identifying the actual status of each family where students come from; and interviews were also used because they provided information about complex issues (such as loan repayment, loan recovery, means testing, etc). Generally, the study employed 98 respondents; whereas, 60 questionnaires were administered to students through quota sampling, and 38 interviews including those with the Loans Board, Ministry of Education, experts, university management, commission for universities, and potential beneficiaries were successfully administered. The general finding is that the extent of the impact of private financing to the poor in accessing higher education depends heavily on the role of government in financing the education. That means, the more the government plays the role in financing higher education the less is the impact of private financing (to limiting access to university by the poor). Precisely, the impact of private financing is very strong in Kenya than in Tanzania. The following part explains five key findings.

7.2 Specific Key Findings

First, based on the first parameter (where government is the major player in the financing of higher education - through student loans and subsidies to public universities) the study found that the role of government in financing higher education in Kenya has reduced drastically. For example, student loans allocations from the exchequer currently stand at 50% and government subsidies to public universities got reduced since 1990s. As a result, public universities were forced to engage into income generating activities, hence establishment of self-sponsored students in 1998 as one attempt. The interpretation of this has been to limit government sponsored enrolments at about 10,000 students per intake (as noted in section 6.2.3) and increasing slots for self-sponsored students. In general, the two have impacted negatively to the affordability and availability of the education. For example, tuition fee which is charged to self-sponsored students is very high and affects students from low income families who depend almost entirely on government student loans (and/or government sponsored admissions).

With the support of data presented in section 6.3.3; the study found that parallel programmes are exclusively for students from rich families. Thus, students from low income families are restricted by default to access parallel programmes even after 2008 where student loans were made available to parallel students. This argument is based on the fact that student loan amounts are very insufficient to meeting the high fees charged to parallel programmes. For example, the maximum amount of loans disbursed to students in 2011/2012 academic year was Ksh. 65,000 while tuition fee for parallel programmes ranges from Ksh. 90,000 to over 1 million (as noted in table 12). This is an indication that students from poor families with an annual income of less or equal to Ksh. 850,000 (according to means testing of the Loans Board) can definitely not be able to enroll into parallel programmes. In contrast, student loans allocations from Tanzania government subvention stand at about 75% (as explained in section 5.2.1) while government subsidies to public universities have minimally been reduced. Unlike Kenya, dual track tuition policy is not very strong in Tanzania making public universities to admit only a few numbers of self-sponsored students. This explains why limited access to higher education by the poor is higher in Kenya than in Tanzania.

Second, access to higher education has been widened through public and private provision. The establishment of private universities coupled with expansion of public universities in Tanzania and Kenya signifies this fact. For example, in 1970 there was only one university in Tanzania and Kenya (before commercialization); and up to 1985 both Tanzania and Kenya had three (3) public universities. Currently, there are over fifty (50) public and private universities and university colleges (and university centres). Consequently, student enrolments have increased from 14 students in 1961 to 3,467 students in 1985/1986 and to 135,367 students in 2010/2011 (Tanzania); and 571 students in 1963 to 15,051 students in 1987 and to 231,871 students in 2011/2012 (Kenya). However, the study found out that students from low income families in Tanzania and Kenya are restrained from accessing higher education. Again, the extent of this limitation is higher in Kenya than in Tanzania. There are two major reasons associated with this limitation.

One, it concerns with policy formulation and implementation. Financing higher education policy (in the name of cost sharing) was not properly formulated to suit Tanzanian and Kenyan context. Notwithstanding, the enactment of a law to enforce such a policy took a long time to come. For example, cost sharing was introduced formally in 1991-1993 in Tanzania and Kenya (even though Kenya had student loans scheme established since 1975) but the Higher Education Students Loans Act came into force in 1995 and 2004 in Kenya and Tanzania respectively. During the absence of a law, loans scheme was functioning like a grant system because there was no mechanism to recover the dished loans. Without an effective loan recovery mechanism loans scheme was paralyzed. The study observed that lack of proper financing policy has led to serious problems in the implementation. For example, there had been inequality in accessing education (primary, secondary, and higher education) in Kenya since colonial times. One of the reasons for inequality is ethnicity. This is a unique situation in which policy makers could have incorporated appropriate strategies (different from strategies used by the West or areas where ethnicity is not very strong). Interestingly, both Tanzania and Kenya are poor and developing countries where majority people depend on subsistence farming. These conditions were not observed properly while formulating cost sharing policy in higher education.

Again, the concept of cost sharing in higher education is not only poorly understood by the public but also policy makers. The idea was coined from the West. Johnstone (2004a), a renowned professor of higher and comparative education and the Director for International Comparative Higher Education Finance and Accessibility Project at the University of Buffalo, defines cost sharing as a shift of portion of cost to parents and/or students that formally was exclusively covered by the government. Its interpretation is that both parents and students have to share the cost of higher education. This was/is the original sense of cost sharing in the West. Coming to Africa, a large population is poor so are parents; sharing the cost of higher education (capital intensive as it is) becomes a nightmare if it is not intended to restrict children of poor parents to access higher education. Johnstone (2002: 80) bravely demonstrates technical impracticality of cost sharing in less industrialized countries such as Tanzania. He says cost sharing most often does not, and probably cannot work at least not in the less industrialized countries. For it to work it should-that is, not diminishing and quite likely enhancing, equitable access to higher education requires both need-based, or means-tested grants (for poor). However, less industrialized countries lack technical means to accomplish these two features.

Commentators have explained how the cost of higher education should be shared. For example, Johnstone and Marccuci (2010) in their commendable work titled, "*Financing Higher Education Worldwide: Who Pays? Who Should Pay*", have explained how the cost of higher education should be shared among stakeholders (i.e. students, parents, and government). They say parents should share portion of education cost while their children are still studying. That means their contribution is direct and instant. It therefore requires parents with the ability to pay for such costs. On the other hand, students should share the cost of higher education with the government through student loans which are meant to be repaid after a student has completed studies. Tekleselassie and Johnstone (2004: 137) say a successful means testing to preserve and even enhance higher education accessibility in the face of increasing cost sharing requires a culture that accepts the underlying appropriateness of the expectation that parents and possibly extended families will contribute to the higher education expenses of their children, at least to the extent of the family's financial ability. However, they say one of the very great dilemmas for higher educational policy in Africa and virtually all developing countries is means testing – determining and verifying the amount that a family can reasonably be expected to contribute toward its children's higher education. The study found out that loans schemes in Tanzania and Kenya are not effective and efficient hence limit access to university by students from low income families.

As demonstrated in chapter five (private financing and access to higher education in Tanzania) and chapter six (private financing and access to higher education in Kenya) loans schemes are not working efficiently because;- (a) means testing formula has not been able to identify students from low income families. It cannot scrutinize students into realistic social economic strata; whereas, both students from high wealth families and those from low income families access loans (loans which primarily were intended to assist students from low income families). Interestingly, students from high wealth families who constantly access loans live luxurious lives in university campuses while their counterpart students from low income families live in anguish, sometimes eat once a day. (b) Institutions in charge of disbursing student loans under the Loans Act have limited capacity to ensure access to loans is exclusively for students from poor economic backgrounds. (c) it became apparent that the Loans Board (especially in Tanzania) has not been able to implement the policy as the Loans Act specifies. In most cases there has been constant distortions in defining who is the 'needy' and 'eligible' for loans. In addition, it has in several occasions misused funds allocated for student loans. As a result, many students from low income families are denied access to loans.

Two, loans scheme in Tanzania and Kenya suffer from limited funds/finances. There are a good number of reasons to limited finances;- (i) these schemes depend on government budget which at all time has not been enough due to budget constraints. The available fiscal resources do not reciprocate the increasing numbers of university enrolments. For example, in two consecutive years i.e. 2011/2012 and 2012/2013 about 1,800 and 3,900 Tanzanian students (who deserve loans after means testing) could not access loans due to financial constraints. In 2013/2014 academic year the Loans Board in Kenya delayed loans disbursement to first year students at UoN for a month due to inadequate funds. Again, the Loans Board claims to have inadequate funds to assist all deserving students. (ii) Loan repayments and loan recovery are very low to creating a sustainable revolving fund hence higher dependence on government budget (subvention).

Third, private financing of higher education has created new but distinct roles of a student in higher education and the society. Nordensvärd (2011:159) says a student can assume three different roles in marketisation of higher education. These include:- consumer, manager, and commodity. As a consumer the student consumes educational services for his/her pleasure and interest; buys educational diplomas for improving position on the labour market (boosting the CV); and buys techniques, skills and knowledge for becoming a knowledge worker and self-regulated learner. As a manager the student invests in his/her own human capital through education as his/her body and mind will be like a company supplying services to the market. As a commody the social investment state ensures that education is wisely invested into human capital and that the educational outputs produce real economic growth. A student in Kenya is a 'mere' customer who buys degrees depending on his/her purchasing power. The notion of student as a customer has been highlighted following the move by many governments to redirect the responsibility for funding higher education in universities from central governments to individual students (Maringe, 2011: 142). The expectations were that student as a customer would foster competition and thus there would be wide choice and quality products.

However, Furedi (2011: 12) argues that, "according to market theory, quality is protected automatically as consumers use the available information to select the product that is suitable for them; suppliers that do not provide goods that are suitable go out for business. In higher education the difficulty is that the product is not visible and opportunities for repeat purchases are limited." Indeed, students in Kenya have limited information about the universities and programmes (and probably job opportunities) which are suitable for them. Consequently, students from low income families are highly limited to making choices due to their cultural and socio-economic backgrounds. Similarly, Furedi (*ibid.*) says in reality the exercise of choice is constrained by access to cultural capital and socio-economic realities. For example, students from low income families (who depend entirely on students loans) are limited from accessing parallel programmes offered by public universities in Kenya.

On the other side, students from low income families in Tanzania are limited to choosing priority courses (such as education, medicine, agriculture, etc). That means their choice from other programmes like sociology, political science, law, business administration, history, etc is highly constrained (because access to student loans is never guaranteed) as noted in section 5.3.1. Students choose course programmes which are affordable (and probably take shorter time) even if the programmes are not their preferences. As a result, they do not utilize the skills and knowledge obtained from their studies. For example, many students who graduate in education in Tanzania do not take up teaching jobs (provided by the government immediately after completion of studies). Instead, they go for other jobs or further studies (in a different field). Therefore, the government invests highly (through a guaranteed access to student loans) in producing more teachers; and yet, the country suffers from inadequate teachers (as explained in section 5.2.3). Moreover, student as customer has an impact on the roles of student as a citizen. As a customer a student needs money to buy educational services. Students from low income families are therefore forced to search for money by all means. For example, the study observed that some students in Kenya engage themselves in illegal activities (such as prostitution, armed robbery, drug dealing, etc) so that they get money. All these activities contradict duties and obligations of a citizen in Kenya.

Fourth, absence of a determined unit cost of university education in Tanzania and Kenya restrains poor's access to the education. Up until data for this study were collected (in 2012) there was no concrete unit cost of university education in Tanzania and Kenya. Without ignoring the fact, attempts to establish unit cost of university education are on-going. The absence of unit cost of university education has led to controversy between and among higher education providers and/or students and their families. Such controversy has two facets. One, whether there is a mismarch between the value of university education (particular programme) and the amount of money charged to such a university programme, for instance. The origin of this feeling comes from the fact that there are two distinct prices (i.e. low and high) imposed to the same university programme (e.g. medicine) by two different providers and/or same provider (as in the case of public universities in Kenya). For example, it is worldwide known that private universities charge extremely high tuition fee while public universities charge very low tuition fee. Actually, the study found the same trend in Kenya and Tanzania as explained elsewhere in this study. Some people tend to think private universities are just doing business for the sake of it. Therefore, without a workable unit cost of university education many students from low income families are denied access to private universities due to high tuition fee (as presented in section 6.2.3). However, SAUT (private university in Tanzania) charges low tuition fee as that in public universities. As a result, relatively many students enroll themselves into this University. It is the only university with a large number of students (and colleges established throughout the country).

Two, whether or not students are adequately (sufficiently) assisted by the government (through a loans scheme). Since private universities depend heavily on tuition fee (and other charges) in managing their universities then it was noticeable that tuition fee (and other charges) increases rapidly. Such that what a student pays in his/her first year (and perhaps in one semester) is not the same as what he is going to pay at the end of the studies. This means that cost of education is not certain. Prices (tuition fee and other charges) fructuate almost the same way as other commodities keep on fructuating (in market places). For this particular reason, students from low income families are not certain of completing their studies (and in time). The study found that there are a good number of drop outs in private universities than public universities. One of the reasons was inadequate finances. Again, students from both public and private universities (who depend on student loans) live miserably because of ever increasing cost of living. While cost of living keeps on increasing, the loans amount remains constant or increases at a small amount. For example, total loans amount in Kenya was Ksh. 42,000 (USD 485) in 1995/1996 and Ksh. 65,000 (USD 750) in 2012/2013 (after 18 years). However, it is a little bit different in Tanzania. A student got loans for meals and accommodation (TZS 2,500 or USD 1.55 per day in 2005/2006 and TZS 7,500 or USD 4.64 per day in 2012/2013); books and stationary expenses (TZS 120,000 or USD 74.23 per annum in 2005/2006 and TZS 200,000 or USD 123.73 per annum in 2012/2013); Field Practicals (TZS 252,000 or 155.89 for 42 days in 2005/2006 and TZS 100,000 or 61.86 for 56 days in 2012/2013); and Research expenses (TZS 100,000 or 61.86 from 2005/2006 to-date).

Fifth, university education is a public good to some students and private good to other students in public universities in Kenya. It is the outcome of dual track tuition policy as a means to boost income revenues in public universities (after diminution of government funding). The implication of which has been to compromise the quality of education. While education qualification (merit) has been the main criterion to access public good (regular programmes), ability to pay for the cost of education (power of the purse) is the main factor to accessing private good (parallel programmes). For example, JAB admits students with excellent performance (i.e. between A+ and B-) into regular programmes and universities admit students with low performance (i.e. C+ which was considered unfit in regular programmes) in parallel programmes. Students from low income families are stricken by the introduction of dual track tuition policy.

7.3 Future Trends of Access to Higher Education

Higher education gains earnest role in the society as the world continues to globalize and technologize. Societies become more sophisticated, complex and modernized. The need for higher education products at large quantities is ultimately inevitable. Tanzania and Kenya are not far from these developments. It is so patent in the vision 2025 (Tanzania) and vision 2030 (Kenya). The Tanzania Development Vision 2025 was launched in 1999 by the then President Benjamin William Mkapa. It was prepared by the Planning Commission under chairmanship of Hon. Nassoro Wamchilowa Malocho (MP), the Minister of State and Vice Chairman of Planning Commission. The targets of the vision 2025 were;- to achieve (a) high quality livelihood; (b) peace, stability, and unity (in a democratic environment); (c) good governance; (d) a well educated and learning society; (e) a strong and competitive economy. Thus, in order to achieve all targets by 2025, the role of higher education must be realized. Deducing from all targets, target four lays the foundation. It presupposes a society with high quality human resources and civic competence. Again, to achieve that there must be equality in opportunity to accessing higher education. This touches policies and their implementation with particular focus on provision and financing of the education. The existing policy so far is that of 1999 which introduced cost sharing (private financing) and private provision of the education. Its implementation led to enactment of an Act of parliament, Higher Education Loans Act No. 9 of 2004.

Loans Board was established to disburse loans to students from low income families so as to access higher education (the purpose is to achieve a well educated and learning society). Unfortunately, after about half of the time due for implementation (from 1999 to 2013), students from low income families are so limited to access higher education in various ways as explained elsewhere in this study. To be precise, means testing does not work for the poor; loan repayments (the rate of defaulting is high so as hidden grants) are very low to the point of exerting maximum dependence on government budget, yet annual budgets do not correspond to the increased demand[393]; and insufficient loan amounts. On the other hand, provision of the privatized higher education has grown very fast. For example, enrolments skyrocketed from 9,054 students in 1999/2000 to 135,367 students in 2010/2011. Admissions alone have been very promising in the recent years. For example, in 2007/2008 academic year 24,516 students were admitted; in 2008/2009 35,133 students were admitted; in 2009/2010 40,479 students were admitted; in 2010/2011 48,690 students were admitted; and in 2011/2012 40,773 students were admitted. In fact, the country projection in the 2025 is to admit 360,000 students; Prof. Yunus D. Magaya remarked (2010)[394].

The Kenya Vision 2030 was launched in 2008 by the then President Mwai Kibaki. It was prepared by the Ministry of State for Planning, National Development & Vision 2030 under the Minister, Hon. Wycliffe Oparanya. The main objective of vision 2030 is to transform Kenya into a newly industrializing middle-income country providing high quality of life to all its citizens by 2030 in a clean and secure environment. Its implementation is incremental; after every successful five years plan. The first five years (2008-2012) of implementation Kenya managed to set the stage by inaugurating a new Constitution 2010 which made access to education (including higher education) a right to every citizen. The second five years (2012-2017) of implementation, Kenya has developed two policy documents. These include Sessional Paper No. 10 of 2012 (Kenya Vision 2030) and Sessional Paper No. 14 of 2012 (A Policy Framework for Education and Training). Kenya Vision 2030 has four main pillars.

They include;- (a) investing in the people of Kenya (though competitive and quality education, training and research; improving the overall livelihoods of Kenya; water

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[393] Massive expansion of enrolment does not mirror funding for public higher education institutions due to continued dependence on government subvention (Mgaya, 2010); for examples, 3,900 qualified students for loans in 2012/2013 academic year could not access loans because of inadequate funds, and another 1,800 students in 2011/2012 academic year missed loans due to budget constraints.

[394] Prof. Yunus D. Mgaya is a Deputy Vice Chancellor (Planning, Finance and Administration) at UDSM.

conservation; and clean, secure and sustainable environment) and moving to the future as one nation (through enhancing rule of law; electoral and political processes; democracy and public service delivery; transparency and accountability; and security, peace-building and conflict management); (b) rehabilitation and expansion of infrastructure; (c) equity and poverty reduction; and (d) improving governance. Notwithstanding, the policy identified the main challenge to attaining quality and quantity investment in people of Kenya as there has been limited access to education due to lack of facilities, fiscal resources, and low technology. For example, only 30% of those with minimum entry requirement can be admitted into both public and private universities.

On the other hand, Sessional Paper No. 14 of 2012 identifies education as the primary means of social mobility, national cohesion, and socio-economic development. In addition, the policy states clearly that Kenya's future prosperous and internationally competitive nation will depend on her university education system. The system must be focused, efficient and able to create knowledge and deliver accessible, equitable, relevant and quality training to sustain a knowledge economy that is internationally competitive. Reflecting university enrolment from 3,443 students in 1970 to 15,051 students in 1987 to 231,871 students in 2011/2012 the policy sees low transition rate from secondary level to university despite the increase. The country's goal by 2022 is to increase gross enrolment rates from 3% to 10% i.e. from 190,000 students (by the time of formulating this policy) to 600,000 students. Above all, equity in university education enrolment that reflects national diversity is primacy.

Despite of the policies and laws, university education continues to be exclusively accessible to students from high wealth families due to a good number of reasons discussed in this study. The continued increase in enrolling parallel students into public universities coupled with weak means testing restrict students from low income families to access university education. Again, loans provided by the Loans Board are inadequate to meeting the high costs of university education in private institutions. The most serious part of student loans scheme in Kenya are the recent strategies employed by the Loans Board to make loan defaulters pay their dues. For instance, a strategy of charging a monthly penalty of Ksh. 5,000 to all graduates (loan beneficiaries) whose loans have matured regardless of whether the beneficiary has employment (or source of income) or not. In most cases, these strategies daunt students from poor economic backgrounds to approach the Loans Board for loans because there is no guarantee of employment after completion of university education. It is very sad to find the very promising policy (investing in people of Kenya; maintain equity of access; etc) turns into limiting students from poor economic backgrounds to access university education and making graduate (from poor economic backgrounds) criminals because they have not been able to repay their loans (as a result of unemployment).

Generally, both Tanzania and Kenya show a continued limited access through a number of ways. They are through, for example, inadequate resources to assist students from low income families; poor strategies employed in collecting loan repayments; dysfunctional means testing; Parallel programmes; and the urge for Loans Boards to operate like commercial banks. It is a high time for both governments to review financing of higher education policy so as to achieve vision 2025 and vision 2030. All respondents expressed their concerns over the current mechanism of financing higher education (which limits the poor from accessing higher education); and commented that governments should involve themselves in the financing of higher education. Students said with government greater involvement in financing higher education, students from low income families would have access to university education. The Loans Board commented that the government should increase funds so that a good number of students from low income families would not miss loans due to budget constraints. The ministries responsible for higher education in Tanzania and Kenya admitted the fact that government has a greater role in financing higher education but because of inadequate resources it is limited. Professionals and/or experts concluded that governments should not run away from their responsibility of educating their citizens to one's ability. In conjunction with various commentators, policy documents and laws, it is aptly clear government has an important role to play in higher education financing.

7.4 Policy Implications

The role of higher education is highly appreciated all over the world. It is because the linkage between higher education and development and democracy is quite cognizant. Examples from developed countries are eye-opener to less developed countries in Africa and other parts of the world. One crucial integrant to realization of the role of higher education is financing of the education. There have been endless debates on which mechanism of financing could ensure equality, efficiency and quality. Many of propositions leave a lot to be desired. Private financing is perceived throughout the world, with a few exceptions (e.g. Cuba), to produce equality, efficiency and quality of higher education. The general assumption that individuals should pay for their costs of education because they benefit the most, and those who cannot pay for reasons of financial constraints would be assisted with scholarships/grants, and/or loans through means-testing have seriously affected Africa, including Tanzania and Kenya. Tanzania and Kenya, after adopting private financing, have been implementing '*means-testing*' regardless of the context where individual information is either unavailable or inaccurate. As a result, the more the system percolates within these societies the more access to higher education becomes unequal. And the role of government in financing higher education is abated. As a result, the role of higher education is blurred as quantity is overemphasized to the expense of equality, efficiency and quality.

Through a comparative analysis of democratizing ways to accessing higher education (i.e. 'means-testing'), the study unveils a missing link between what is deemed good in theory about private financing and the actual practice of it in Africa. The African context does not allow (the present form of) private financing of higher education to fostering development and democracy. The study is a stepping stone to both policy makers and the general public. In the absence of proper mechanism to financing higher education the study provides a new vision to financing policies in Africa. The purpose is to avoid 'wasted investment' in higher education and reduce human sufferings (from conflicts, floods, accidents, diseases, poverty, etc). At theoretical level, the study employs a rights-based approach to higher education as a new beginning to secure the role of higher education in Africa. The theory is used to gain insight to the impact of private financing by offering a systematic explanation to both theory and practice where governments have the first responsibility to educate citizens to one's ability. Again, governments should protect and promote human rights including right to education. Rights-based approach's emphasis to responsibility and accountability by governments endures democracy and development. This is what Africa requires.

7.5 Future Researches

Higher education is indispensable in every society. In fact, every society needs high quality human resources, high technology, knowledge economy, and above all development. However, in Africa, Tanzania and Kenya the role of higher education is unfeasible because of implausible application of private financing of higher education. Application of loans scheme has become very expensive to the point of limiting access to higher education to a few. Two major problems are facing loans schemes in Africa. The first problem is inability to identify those who deserve (neediest) access to student loans. The African context makes means testing otherworldly. Second is about efficiency in running the loans scheme. It concerns minimizing administrative costs and loan default. Most of the strategies adopted to make the scheme efficient have proven failure.

The study conducted in 2008 by Shen and Ziderman involving about 44 loans schemes worldwide found out that repayment ratio and recovery ratio for selected loans schemes in Africa are very low. For example, repayment ratio for Ethiopia was 35.24, Ghana was 39.13, Kenya was 27.93, and South Africa was 50.47; on the other hand recovery ratio for Ethiopia was 24.67 (after incorporating default), Ghana was 10.96 (after incorporating default), Kenya was 5.59 (after incorporating default), and South Africa was 35.83 (after incorporating default) and 25.01 (after incorporating default and cost of administration). It is quite clear that African loan schemes have not been able to recover even 40% (if hidden grants, loan default and cost of administration are incorporated). Since, the findings of this study cannot be generalized beyond the two cases it means future researches should use as many cases as possible in order to develop a viable loans scheme policy in Africa. The present study found other interesting issues such as declining quality of higher education (due to private financing of higher education), negative change of students' behaviour under commercialized higher education, and the like. Again, future researches should focus on;- (a) the impact on quality of commercialized higher education in realization of the role of higher education; (b) the impact of private financing on student welfare (as the role of higher education is to transform students into good citizens); and (c) higher education in Africa and the state of democracy

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Appendices

9.1 Loan Statement for Mwesiga Michael Christian

Tirdo Complex, Kimweri Road, Msasani; P.O.Box 76068, Dar es Salaam, **Tanzania**
Tel: (General) +255 22 2669036/2669037; **Fax**: +255 22 2669039; **E-mail**: info@heslb.go.tz;
Website: www.heslb.go.tz

HIGHER EDUCATION LOAN STATEMENT

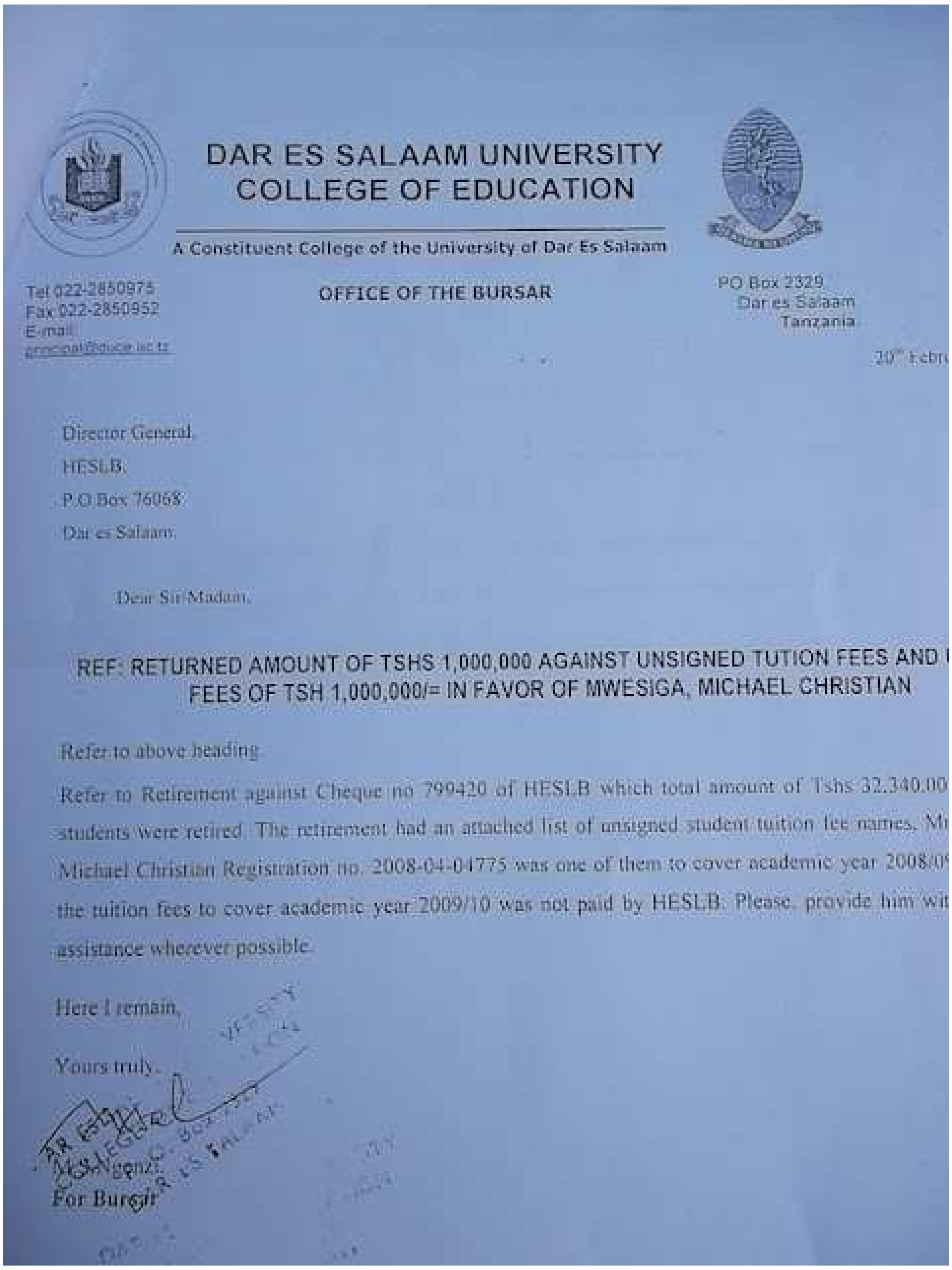
NAME : MWESIGA, CHRISTIAN CHRISTIAN
INSTITUTION : DUCE
COURSE : BAED
FORM IV INDEX No. : S0913.0031.2005

FINANCED ITEM	2008/2009	2009/2010	2010/2011	TOTAL
Meals and Accommodation	1,235,000.00	1,200,000.00	1,200,000.00	3,635,000.00
Books & Stationery	120,000.00	200,000.00	200,000.00	520,000.00
Tuition Fees	1,000,000.00	600,000.00	1,000,000.00	2,600,000.00
Field Practical	637,200.00	560,000.00		1,197,200.00
Research				-
Special Faculty Requirement		10,380.00		10,380.00
TOTAL	2,992,200.00	2,570,380.00	2,400,000.00	7,962,580.00

...st commence to repay your loan or communicate with the Board for arrangement of repayment of your loan not later than 30th December 2012
...of 5% p.a shall be charged and loaded on your loan if you fail to comply with (1) above on due date

For: EXECUTIVE DIRECTOR
HIGHER EDUCATION STUDENTS'
LOANS BOARD
DAR-ES-SALAAM

9.2 Supporting Letter for Mwesiga Michael Christian



DAR ES SALAAM UNIVERSITY
COLLEGE OF EDUCATION

A Constituent College of the University of Dar Es Salaam

Tel 022-2850975
Fax 022-2850952
E-mail
principal@duce.ac.tz

OFFICE OF THE BURSAR

PO Box 2329
Dar es Salaam
Tanzania

20th Febr

Director General,
HESLB,
P.O.Box 76068
Dar es Salaam.

Dear Sir/Madam,

REF: RETURNED AMOUNT OF TSHS 1,000,000 AGAINST UNSIGNED TUTION FEES AND FEES OF TSH 1,000,000/= IN FAVOR OF MWESIGA, MICHAEL CHRISTIAN

Refer to above heading.

Refer to Retirement against Cheque no 799420 of HESLB which total amount of Tshs 32,340,00 students were retired. The retirement had an attached list of unsigned student tuition fee names. M Michael Christian Registration no. 2008-04-04775 was one of them to cover academic year 2008/0 the tuition fees to cover academic year 2009/10 was not paid by HESLB. Please, provide him wi assistance wherever possible.

Here I remain,

Yours truly,

For Bursar

9.3 First Inquiry Letter from MoVET to the Loans Board (Mweisga Michael Christian's claim)


(14)

JAMHURI YA MUUNGANO WA TANZANIA

WIZARA YA ELIMU NA MAFUNZO YA UFUNDI

Simu ya upepo: ***"ELIMU", DSM.***
Namba ya Simu: ***Gen. 2120403***
Fax: ***255 022 2113271***
Unapojibu tafadhali taja:

S.L.P. 9121
DAR ES SALAAM

Kumb. Na. FB 66/230/283/01/

21/03/2012

Mkurugenzi Mtendaji,
Bodi ya Mikopo ya Wanafunzi wa Elimu ya Juu,
S. L. P 76068,
DAR ES SALAAM

YAH: **MALALAMIKO YA MWANAFUNZI "MWESIGA CHRISTIAN MICHAEL" ALIYEHITIMU SHAHADA YA UALIMU CHUO KIKUU KISHIRIKI CHA ELIMU DAR ES SALAAM**

Tafadhali husika na somo tajwa hapo juu.

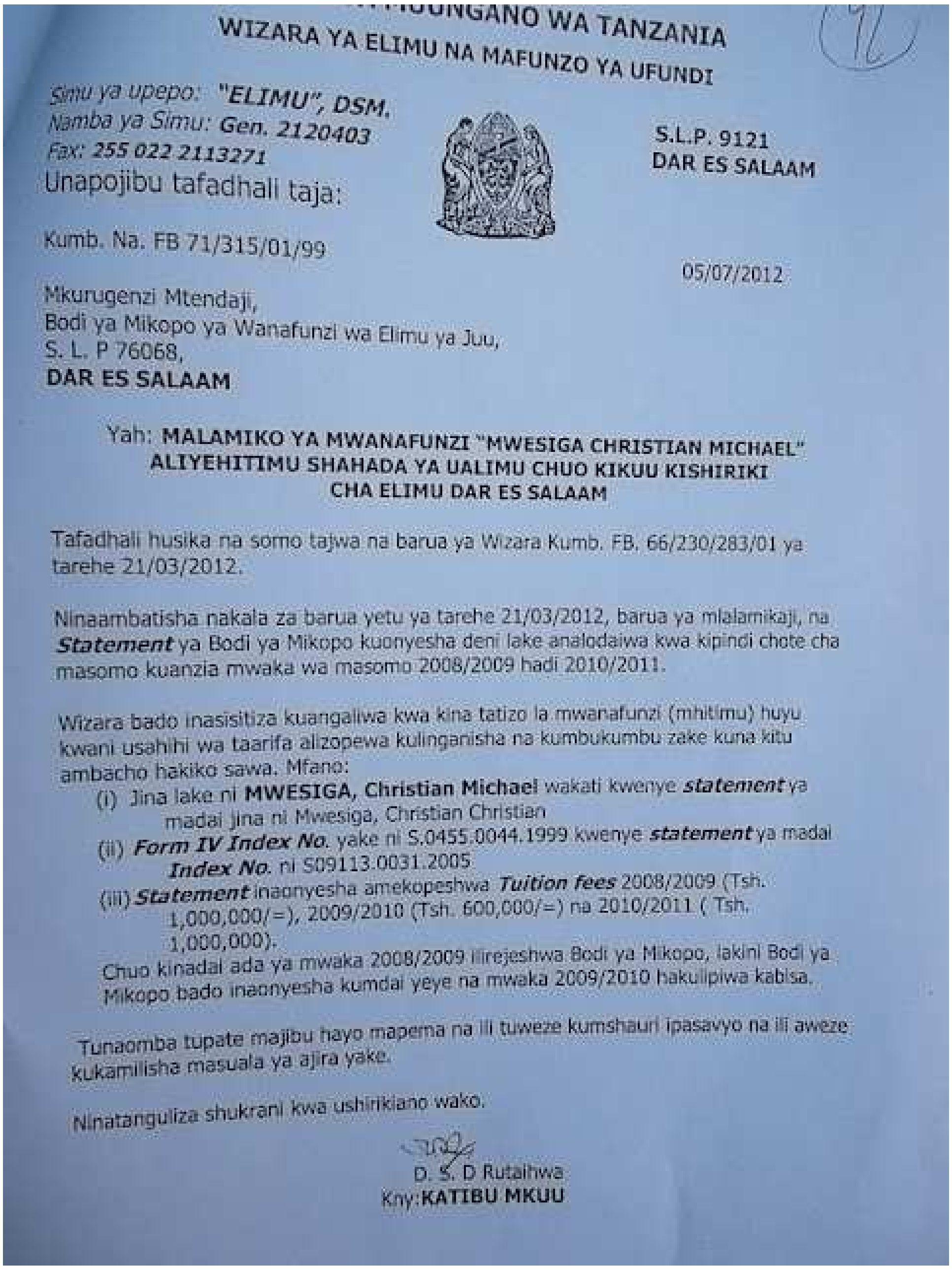
Wizara ya Elimu na Mafunzo ya Ufundi imepokea barua na Viambatisho kutoka kwa mwanafunzi aliyetajwa (**Nakala ya barua na Viambatisho vimeambatishwa**). Mwanafunzi tajwa analalamika kuwa hakulipiwa mkopo wa ada kwa kipindi cha miaka miwili ya masomo (2008/2009 na 2009/2010) na madhara ya kutolipa ada yamemfanya anyimwe vyeti vyake na hivyo kumuathiri katika ajira. (rejea maelezo ya barua yake).

Wizara inataka kujua ukweli au usahihi maelezo ya mlalamikaji (**kama alikuwa anastahili**) na Bodi italipa lini deni la ada ya mhusika ili aweze kukamilisha masuala ya ajira yake. Tunaomba majibu ili Wizara iweze kumshauri ipasavyo.

Ninatanguliza shukrani kwa ushirikiano wako.

D. S. D Rutaihwa
kny: **KATIBU MKUU**

9.4 Second Inquiry Letter from MoVET to the Loans Board (after silence of the Loans Board)



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UUNGANO WA TANZANIA
WIZARA YA ELIMU NA MAFUNZO YA UFUNDI

Simu ya upepo: **"ELIMU", DSM.**
Namba ya Simu: **Gen. 2120403**
Fax: **255 022 2113271**
Unapojibu tafadhali taja:

S.L.P. 9121
DAR ES SALAAM

Kumb. Na. FB 71/315/01/99

05/07/2012

Mkurugenzi Mtendaji,
Bodi ya Mikopo ya Wanafunzi wa Elimu ya Juu,
S. L. P 76068,
DAR ES SALAAM

Yah: **MALAMIKO YA MWANAFUNZI "MWESIGA CHRISTIAN MICHAEL" ALIYEHITIMU SHAHADA YA UALIMU CHUO KIKUU KISHIRIKI CHA ELIMU DAR ES SALAAM**

Tafadhali husika na somo tajwa na barua ya Wizara Kumb. FB. 66/230/283/01 ya tarehe 21/03/2012.

Ninaambatisha nakala za barua yetu ya tarehe 21/03/2012, barua ya mlalamikaji, na ***Statement*** ya Bodi ya Mikopo kuonyesha deni lake analodaiwa kwa kipindi chote cha masomo kuanzia mwaka wa masomo 2008/2009 hadi 2010/2011.

Wizara bado inasisitiza kuangaliwa kwa kina tatizo la mwanafunzi (mhitimu) huyu kwani usahihi wa taarifa alizopewa kulinganisha na kumbukumbu zake kuna kitu ambacho hakiko sawa. Mfano:

(i) Jina lake ni **MWESIGA, Christian Michael** wakati kwenye ***statement*** ya madai jina ni Mwesiga, Christian Christian
(ii) ***Form IV Index No.*** yake ni S.0455.0044.1999 kwenye ***statement*** ya madai ***Index No.*** ni S09113.0031.2005
(iii) ***Statement*** inaonyesha amekopeshwa ***Tuition fees*** 2008/2009 (Tsh. 1,000,000/=), 2009/2010 (Tsh. 600,000/=) na 2010/2011 (Tsh. 1,000,000).

Chuo kinadai ada ya mwaka 2008/2009 ilirejeshwa Bodi ya Mikopo, lakini Bodi ya Mikopo bado inaonyesha kumdai yeye na mwaka 2009/2010 hakulipiwa kabisa.

Tunaomba tupate majibu hayo mapema na ili tuweze kumshauri ipasavyo na ili aweze kukamilisha masuala ya ajira yake.

Ninatanguliza shukrani kwa ushirikiano wako.

D. S. D Rutaihwa
Kny:**KATIBU MKUU**

9.5 Tanzania and Kenya Interview Guide Schedule

Part I: Interview schedule to Policy making, Interpretation, and Implementation

Interview Schedule with Policy Makers and Private University Owners

1. To what extent were you involved in the formulation of Higher Education Loan Policy?

2. Were there opinions collected from people including you on how should the financing of higher education be like?

3. In your opinion, do you think the Higher Education Loans Act is sufficient in terms of assisting the poor to access higher education?

4. Do the criteria set by the Higher Education Loans Act favourable to poor students' access to loans?

5. How does the higher education policy increase the propensity to the access by the poor?

6. What do you think should be the role of government in the provision and financing of higher education?

(a) Highly involved

(b) Less involved

(c) Not involved

(d) I don't know

7. To what extent has the government of Tanzania/Kenya considered education as an investment?

(a) Greater extent

(b) Lower extent

(c) Very lower extent

(d) I don't know

8. What do you think is the ability of majority Tanzanians in the financing of higher education?

(a) Very able

(b) Able

(c) Not able

(d) I don’t know

<u>Part II: Interview Schedule with Informed Views (experts)</u>

1. To what extent were you involved in the formulation of Higher Education Loan Policy?

2. Were there opinions collected from people including you on how should the financing of higher education be like?

3. In your opinion, do you think the Higher Education Loans Act is sufficient in terms of assisting the poor to access higher education?

4. Do the criteria set by the Higher Education Loans Act favourable to poor students’ access of loans?

5. What is the difference between the developed and developing countries in terms of providing and financing public education?

6. How can you explain the difference/non-difference between the developed and developing countries in terms of providing and financing higher education?

7. What is the role of higher education in Tanzania/Kenya?

8. What do you think might be the viable strategies to increase propensity to the access by the majority poor? particularly, in democratizing access to higher education by them?

Part III: Interview Schedule with Beneficiaries/potential beneficiaries

1. Are you aware of the higher education policy?

2. How much were you involved in the formulation of higher education loan policy and Law?

3. Were there opinions collected from people including you on how should the financing of higher education be like?

4. In your opinion, do you think the Higher Education Loans Act is sufficient in terms of assisting the poor to access higher education?

5. Do the criteria set by the Higher Education Loans Act favourable for poor students to access loans?

6. What benefits do you get out of the implementation of higher education policy?

7. Does the privatization of higher education financing increases access to higher education by the majority poor?

8. To what extent is the Higher Education Loans Board beneficial to you?

Part IV: Interview Schedule with University management

1. As a stakeholder in higher education, to what extent were you involved in the formulation of Higher Education Loan Policy?

2. In your opinion, do you think the Higher Education Loans Act is sufficient in terms of assisting the poor to access higher education?

3. Do the criteria set by the Higher Education Loans Act favourable for poor students' access to loans?

4.When was your university established?

5. What is the capacity of the university in terms of enrolments per year?

(a) 500-900 students

(b) 1000-1400 students

(c) 1500-1900 students

(d) 2000-2400 students

(e) 2500-2900 students

(f) Any other (specify) --------------

6. What are the current enrolments (after the commencement of Higher Education Loans Board)?

(a) 2007/2008

(b) 2008/2009

(c) 2009/2010

(d) 2010/2011

(e) 2011/2012

7. Does the difference/non-difference between the capacity of your university to enroll and the current enrolments a result of privatizing higher education financing?

8. What are the unit costs per course in a year?

9. What has the male/female ratio been in your University/college?

(a) Before privatization of higher education financing {1980-1985 (Tanzania) and 1990s (Kenya)}

(b) After privatization of higher education financing (1985-1995)

(c) Recent developments (2010-2012)

10. To what extent does the increment in enrolments offer chances to majority poor to access higher education?

11. Are there challenges encountered by the university due to privatization of higher education financing?

(a) Yes

(b) No

12. If yes, what are they?

(a) --------------------

(b) -------------------

(c) -------------------

(d) --------------------

(e) -------------------

13. In your opinion, what measures should be taken against the challenges you mentioned above?

(a) --------------------

(b) -------------------

(c) -------------------

(d) --------------------

(e) -------------------

Part V: Interview Schedule with the Commission for Higher Education

1. As a stakeholder in higher education, to what extent were you involved in the formulation of Higher Education Loan Policy?

2. In your opinion, do you think the Higher Education Loans Act is sufficient in terms of assisting the poor to access higher education?

3. Do the criteria set by the Higher Education Loans Act favourable to poor students' access of loans?

4. How does your involvement in student admission process facilitate poor's access to higher education?

5. Do the admission criteria put by the Commission coincide with those put by the Loans Board for granting loans?

6. How does the Central Admission System through internet/mobile phones facilitate poor's access to higher education?

7. Are there challenges encountered by the university due to privatization of higher education financing?

(a) Yes

(b) No

8. If yes, what are they?

(a) --------------------

(b) -------------------

(c) -------------------

(d) --------------------

(e) -------------------

9. In your opinion, what measures should be taken against the challenges you mentioned above?

(a) --------------------

(b) -------------------

(c) -------------------

(d) --------------------

(e) -------------------

<u>Part VI: Interview schedule with Higher Education Loans Board</u>

1. What are the differences between the criteria set by the Higher Education Loans Act and those in the yearly guidelines prepared by the Loans Board?

2. How effective is Means Testing instrument in identifying the poor applicants?

3. How many students do apply for loans in one academic year? (E.g. 2011/2012)

4. How many out of the total number applied for the loans do actually get loans?

5. To what extent does the policy strategies set ensure that loans go to the needy poor Tanzanians/Kenyans?

6. How do you explain the situation where those needy Tanzanians/Kenyans get no loan?

7. What is the motive behind the Loans Board (Tanzania) to invite applications even before students' admission into universities as the Law specifies?

8. Why are there frequent outcries by students in demand of early disbursement of loans by the Loans Board?

9. What is the rationale of giving loans to students who study in private universities?

10. Does the Loans Board disburse loans to the needy (poor) Tanzanians/Kenyans satisfactory to one's education unit costs?

11. What aspects do loans cover?

12. To what extent does the loan facility democratize the opportunity to poor females?

13. What challenges does the Loans Board face in a process of discharging loans to needy students?

14. In your opinion, what measures should be taken against the challenges mentioned above?

9.6 Questionnaires for Students from Tanzanian and Kenyan Universities

Schedule A: All Respondents

1. Your Occupation ---------------

(a) Student

(b) Teacher

(c) Police officer

(d) Financial officer

(e) Any other (specify) ---------------

2. Your sex --------------

(a) Female

(b) Male

3. Your marital status ---------------

(a) Single

(b) Married

(c) Divorced

(d) Widowed

Part I:Family history

Instruction: Select one letter that you think is correct and circle it.

4. What is the education level of your father/guardian?

(a) Standard seven

(b) Form four

(c) Form six

(d) Diploma holder

(e) Degree holder

(f) Any other (specify) ---------------

5. What is the education level of your mother/guardian?

(a) None

(b) Standard seven

(c) Form four

(d) Form six

(e) Diploma holder

(f) Any other (specify) ---------------

6. Your age bracket------------

(a) 15-20

(b) 21-25

(c) 26-30

(d) 31-35

(e) Any other (specify) -----------

7. Do you have any dependants in your family? -------------------

(a) Yes

(b) No

8. If yes, are they of your parents/guardian? ---------------

(a) Yes

(b) No

9. Do you have any other extended dependants away from your family?

(a) Yes

(b) No

10. If yes, in 7 and 8 how many are they? --------------

(a) 1 – 3

(b) 4 – 6

(c) 7 – 9

(d) 10 – 11

(e) Any other (specify) ---------------

11(a) what is the percentage of formally schooled (up to form four in Kenya and form six in Tanzania) persons in your family? (write the total number of family members in brackets)

(a) None

(b) 2 out of ------- family members

(c) 3 out of -------- family members

(d) 4 out of -------- family members

(e) Other ------- out of --------- family members

11(b) How many female(s) in your family have reached form four (Kenya) and form six (Tanzania) and above --------------

(a) None

(b) One

(c) Two

(d) Three

(e) Any other (specify) -----------

12. What is the occupation of your father/ guardian? ------------------- (Select one item from the Brackets)

(a) Teaching (primary teacher, secondary teacher, lecturer, college tutor, principal, etc)

(b) Politicians (village chairperson, minister, Member of Parliament, councilor, etc)

(c) Business person (small scale, medium scale, large scale businesses)

(d) Medical officers (doctors, nurses, laboratory technician, etc)

(e) Farmers (small scale/peasants, medium scale, large scale, pastoralists, etc)

(f) Any other (specify) --------------

13. What is the occupation of your mother/guardian? -------------------- (do as 12 above)

(a) Teaching (primary teacher, secondary teacher, lecturer, college tutor, principal, etc)

(b) Politicians (village chairperson, minister, Member of Parliament, councilor, etc)

(c) Business person (small scale, medium scale, large scale businesses)

(d) Medical officers (doctors, nurses, laboratory technician, etc)

(e) Farmers (small scale/peasants, medium scale, large scale, pastoralists, etc)

(f) Any other (specify) --------------

14. What movable or immovable properties (assets) are owned by your own family? ------ (do as 13 above)

(a) Cars (Lorries mini buses etc)

(b) Houses (Permanent structures made of cement/stone material)

(c) Big Buildings (for commercial premises/ shops/plaza/supermarkets, etc)

(d) Estates/ Farms (for commerce or subsistence)

(e) Livestock (1-10, 10-20,20-30,30-40,40+ heads of cattle, goats, etc)

(f) Business (small/medium/large scale businesses)

(g) Any other (specify) -------------------

15. How many assets (in 14 above) does your family have?

(a) 1-2

(b) 3-4

(c) 5-6

(d) 7-8

(e) 9-10

(f) Any other (specify) -------------

Part II: Source of Your Education Financing

16. Who sponsored your secondary education {form I-I V (Kenya) and form I -IV/ V-VI (Tanzania)}? -----------------

(a) Government (ministry)

(b) Private company

(c) NGO

(d) Parents/ guardian

(e) Village council

(f) Any other (specify) -------------

17. What was the total cost for your secondary education in a year?

(a) Form I – IV, -------------

(b) Form V – VI, ------------

18. Who sponsors your University/College education? -----------------

(a) Government (ministry)

(b) Private company

(c) NGO

(d) Parents/ guardian

(e) Village council

(f) Any other (specify) -------------

19. What are the university/college costs per your course in a year? ---------------------

(a) First year ---------

(b) Second year ----------

(c) Third year -----------

(d) Fourth year ---------

(e) Fifth year ------------

20. Are you the beneficiary of Higher Education Loans Board in your Country?

(a) Yes

(b) No

21. If yes in 20 above; what percent do you get in a year?

(a) 20%

(b) 40%

(c) 60%

(d) 80%

(e) 100%

22. If you get less than 100% from the Loans Board where do you get the remaining percent (supplementation)? -----------------

(a) From parents/ guardians

(b) From your salary

(c) From your village council

(d) From charitable organizations

(e) Any other (specify) -------------

23. Do you consider the support you get to be enough?

(a) Yes

(b) No

24. Do you have to use your stipend (the money given to you to support your education) to support your family members?

(a) Yes

(b) No

25. What aspect(s) does the loan cover?

(a) Tuition fee

(b) Special faculty requirement

(c) Meals and accommodation

(d) Transport cost

(e) Practical training/ teaching practice

(f) Any other (specify) -------------

<u>Part III: Students' Involvement in the Formulation of Higher Education Financing Policy and Law</u>

24. To what extent were you involved in the formulation of Higher Education Loan Policy?

(a) Greater extent

(b) Lower extent

(c) Very lower extent

(d) I don’t know

25. Were there opinions collected from students on how should the financing of higher education be like?

(a) Yes

(b) No

26. In your opinion, do you think the Higher Education Loans Act is sufficient in terms of assisting the poor to access higher education?

(a) Yes

(b) No

27. If No, in 26 what are the inadequacies of Higher Education Loans Act?

(a) ---------------------

(b) ---------------------

(c) ---------------------

28. Do the criteria set by the Higher Education Loans Act favourable to poor students’ access of loans?

(a) Yes

(b) No

29. How useful are the yearly guidelines provided by the Higher Education Loans Board to you?

(a) Very useful

(b) Not useful

(c) I do not know

Part IV: Your Comment on Private Financing of Higher Education

30. Do you think that the Higher Education Loans Board increases the chances for majority poor to access higher education? --------------------

(a) Yes

(b) No

(c) I don't know

31. Has private higher education financing improved access to higher education? ----------

(a) Yes

(b) No

(c) I don't know

32. To what extent should the government be directly involved in the financing of higher education? -----------------

(a) Not involved

(b) Less involved

(c) Highly involved

(d) Very highly involved

33. To what extent should the government be directly involved in the provision of higher education? -----------------

(a) Not involved

(b) Less involved

(c) Highly involved

(d) Very highly involved

34. Is the higher education policy executed to ensure that access to higher education is fair enough to allow the poor to access that education?

(a) Not agree

(b) Agree

(c) Less agree

(d) Strongly agree

35. What challenges do you face as a student and loan beneficiary of Higher Education Loans Board?

(a) -------------------

(b) -------------------

(c) -------------------

36. In your opinion, what measures should be taken against the challenges mentioned above?

(a) -------------------

(b) -------------------

37. Would you mind if you provide your name? ----------------------

Eidesstattliche Versicherung

Ich versichere hiermit an Eides Statt, dass ich die vorliegende Arbeit ohne unzulässige Hilfe Dritter und ohne Benutzung anderer als der angegebenen Hilfsmittel angefertigt habe; die aus fremden quellen direkt übernommenen Gedanken sind als solche kenntlich gemacht.

Die Arbeit wurde im Inland noch im Ausland in gleicher oder ähnlicher Form einer anderen Prüfungsbehörde vorgelegt und ist auch noch nicht veröffentlicht.

Name: .... Vorname: ....

Unterschrift der Bewerberin: .... Ort/Datum: ....

Lebenslauf

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EDUCATION

- 2003-2006 Bachelor of Arts in Political Science and Public Administration (with Honors)
- 2006-2009 Masters of Arts in Political Science and Public Administration (with Honors)

AWARDS

- Research for Education and Democracy in Tanzania (REDET) Scholarship award towards Master of Arts in Political Science and Public Administration (M.A) degree at University of Dar es Salaam, Tanzania in 2006

- Deutscher Akademischer Austausch Dienst (DAAD) Scholarship award towards a doctoral degree (PhD) at University of Bayreuth, Germany in 2011

RESEARCH/ CONSULTANCY

- Principal Researcher - 2010, REDET Opinion Poll Survey on People's Perceptions on the October 2010 General Elections in Tanzania

- Assistant Researcher – 2008, REDET Opinion Poll Survey on the Performance of the Fourth Government, Tanzania

- Research Assistant – 2007, REDET Opinion Poll Survey on the Performance of Political Parties in Tanzania

- Research Assistant – 2004, REDET Opinion Poll Survey on the Performance of Political Parties in Tanzania

- A Review of Proposals on Civic Education for the 2010 General Elections – A Consultancy service offered to Deloitte Consulting Ltd in collaboration with UNDP as the main funding agency of the project

CONFERENCES AND WORKSHOPS ATTENDED

- 8th International Academic Conference on Economics, Higher Education and Social Sciences, Naples, Italy 16-19 September 2013

- International Fall Academy of the Right Livelihood College Campus Bonn on Economies of the Common: Reshaping Economic Education, ZEF, University of Bonn, Germany 19-23 September 2012

- Conference on the State of Politics in Tanzania: Leadership and Development (by REDET), Nkrumah Hall, University of Dar es Salaam, Tanzania 5-6 October 2009

- Conference on the State of Politics in Tanzania: The East Africa Federation (by REDET), Ubungo Plaza, Dar es Salaam, Tanzania 3-4 July 2007

- Conference on the State of Politics in Tanzania: 2005 General Elections in Tanzania (by REDET), Nkrumah Hall, University of Dar es Salaam, Tanzania 25-26 July 2006

- Modeling and Reinforcement to Combat HIV (MARCH) by TAYOA in collaboration with CDC, NSSF Waterfront, Dar es Salaam, Tanzania 18-21 July 2006

- East Africa Regional Model United Nations (EARMUN) – UNDP, theme: Millennium Development Goals, United Nations, Nairobi Kenya 1-4 August 2006

PUBLICATIONS

- Makulilo, V. (2011). *Higher Education in Tanzania: The Limits of the Loans Scheme*. Germany: LAP Lambert Academic Publishing, 85pp, 49€, ISBN 9783847329459

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- Makulilo, V. (book review) "Making Democratic Governance Work: How Regimes Shape Prosperity, Welfare and Peace, authored by Pippa Norris, 2012, Cambridge University Press, 281pp, ISBN 9781107602694 (Paperback)". *CEU Political Science Journal,* Vol. 8, Issue 3, September 2013

- Makulilo, V. (2013) Disconcerted Success of Students' Loans in Financing Higher Education in Tanzania: A Reply. 8th International Academic Conference Proceedings, IISES, Naples, Italy, September 2013, ISBN 978-80-905241-8-7

- Makulilo, Victoria (2009) Public Views on Civic Election: Is it Fair Play Now? A paper presented on 21st March 2009 in Maendeleo Dialogue: Democracy in Tanzania prepared by Tanzania Development Initiative Programe (TADIP) and Konrad-

Adenauer-Stiftung (KAS). The paper was published by TADIP march 2009, Issue No. V, ISSN 1821-7311.