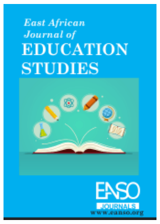

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Original Article

Financing Higher Education: Who Pays, Who Benefits, and Who Should Pay for University Education in Uganda

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ABSTRACT

This paper analyses the existing modes of financing a university education in Uganda. Different parties, including the state, the student (household), donors, and the institution itself, are financing university education in Uganda. However, students are the primary source of funds for university education. Over the years, the fees charged to university students have been increasing to the extent that they are now becoming unaffordable to many students considering the current average annual household income. While the government is involved in funding university education, the level of involvement is unsatisfactory besides being discriminative. The existing government sponsorship scheme indirectly favours students from affluent families and denies access to poor students. The existing loan scheme focuses only on STEM courses and ignores students whose potentials are in the arts sector. However, in doing all this, the state uses taxpayers' money. Indirectly, poor households finance the education of students from affluent families while students from low-income families must struggle on their own. Therefore, it is submitted in this paper that the existing funding mechanism for university education in Uganda should be revisited and made fair, sustainable, and inclusive. The paper reviews literature relevant to the topic by adopting a general literature review methodology. It highlights the involvement of different partners that finance university education in Uganda and the benefits of university education. The paper submits that a better funding model for university education should involve the student, the university, and the state should take the leading role.

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INTRODUCTION

The term higher education (HE) is mainly used interchangeably with Tertiary education (TE) (Gift et al., 2018). Though differences in the definition exist between different nations, many countries define this term almost similarly. In Australia, for example, HE or TE is defined as 'all forms of post-secondary education: universities, colleges of advanced education, and Technical and Further Education' (Lynn, 1991, p. 461). Similarly, in the UK, the level of education follows secondary school. It is offered by universities, institutions conducted by a HE corporation, or institutions eligible to receive support from funds administered by the HE Funding Council for England (European Union, 2014). In Uganda, HE is defined in a related manner as the form of education provided or pursued at the post-secondary level, sometimes referred to as tertiary education, which leads to the attainment of a certificate, diploma, or degree (Achanga & Bisaso, 2018). Therefore, HE in Uganda occurs in universities and other tertiary institutions such as colleges of commerce, national teacher training colleges, health and medical colleges, and technical colleges.

Higher education in Uganda goes back to the establishment of Makerere Technical College by the colonialists in 1922 (Muhangi, 2020). Later, the technical college was upgraded, forming Makerere University as a constituent college of the University of East Africa, after that, Uganda's first national university (Musisi, 2003). Students received free education, accommodation, meals, and pocket money (Mayanja, 2001). Policies that prioritized investment in HE contributed to this situation. In the 1980s and 1990s, donor-influenced policies discouraged government expenditure on HE while prioritizing investment in primary and secondary. During this time, privatization policies were taking a route in the country. These facilitated the establishment of Uganda's first private university (Islamic University in Uganda) in 1988 (Mamdani, 2007).

Due to the privatization policies, more private institutions have been established to supplement those established by the government. Therefore, the HE system in Uganda consists of public and private universities and other tertiary institutions (Lejeune, 1999). According to the status report authored by Uganda's National Council for Higher Education (2018), there are 237 higher education institutions (HEIs), including 53 universities and 186 tertiary institutions. The differentiated ownership of HEIs influences their funding sources and how affordable they are for students. However, all HEIs experience challenges that stem from underfunding, irrespective of the type of ownership. In response, universities have been forced to increase the 'cost price' of their education services to levels that may not be affordable to many students in Uganda or their financiers (Kasozi, 2006).

This paper aims to examine how HE is affordable to Ugandans with a focus on universities. The paper poses three questions; *who pays, who benefits, and who should pay for university education in Uganda?* The author adopts a general literature review following the three questions to obtain a better understanding of university financing in Uganda. The paper reviews pertinent literature on the economics of HE with a bias on the financing of university education to obtain a more robust interpretation of the affordability of university

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education in Uganda. We argue that the existing HE funding mechanisms should be revised to make university education affordable for all intending students. Making HE education unaffordable limits efforts towards achieving sustainable development besides being against human rights.

METHODOLOGY

We used a general literature review methodology in this paper. Initially, the paper's aim 'to examine the affordability of university education in Uganda' was formulated. The conception of objectives followed this. The researcher intended to analyse the entities that pay for university education and who should pay for university education in Uganda. Following these objectives, the researcher identified eligible literature sources pertinent to the funding and affordability of university education in Uganda through an internet search. The contents of each of the pieces of literature obtained were assessed for validity and reliability. Only those studies that provided information regarding recent developments in financing university education in Uganda were considered. Their contents were synthesized and then presented in this paper.

RESULTS AND DISCUSSIONS

Students' Expenses Associated with University Education

To tell whether university education is affordable or not, we need first to examine the expenses associated with acquiring any qualification from a university. Thus, this section examines the total expense incurred by anyone accessing university education in Uganda. The expenses are met by the student directly or indirectly by the one funding the education. Mande and Nakayita (2015) clarify that expenses associated with a university education can be categorized as tuition fees, functional fees, and living expenses.

Tuition refers to the amount of money a student must pay to receive education from an educational institution, and in this case, a university. In Uganda, tuition is just part of the many other expenses a student has to undergo during university education. Tuition fees differ between institutions and depend on the program of choice; the qualification sought, and the university's location. For example, for-profit universities charge higher tuition fees compared to religious-based institutions. At the same time, undergraduate programs are offered at lower tuition compared to postgraduate programs in the same university (Cheslock & Hughes, 2011; Lenth, 1993).

Additionally, science-based programs such as medicine and surgery, pharmacy, or engineering are offered at higher tuition fee than most arts-based courses. Similarly, a university in an upcountry location offers education services more cheaply than urban-based ones. According to Mande and Nakayita (2015), tuition fees are the most crucial determinant of a student's institutional choice. This indirectly points to the influence of tuition on affordability. The table below shows some courses offered by some universities in Uganda and the approximate tuition fees.

Table 1: Examples of courses offered by Ugandan universities and approximate tuition fees

Discipline	Tuition in UGX	Tuition in USD
Business	2,097,900	567
Management	2,578,000	697
Information Technology	2,405,000	650
Education and Teaching	2,208,900	597
Computer science	2,342,100	633
Law and jurisprudence	2,290,300	619
Technology	2,316,000	626

Adapted from Free Apply, 2022

Considering that tuition fees constitute a fraction of the many expenses that a university student must meet, many students and their households or any other funders find it challenging to finance university education.

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Besides tuition fees, students pay functional fees, which are the charges associated with a specified activity or service. In most of Uganda's universities, functional fees include registration, examination, library, development, technology fees, National Council for Higher Education charge, graduation fees, and contribution towards the research fund. While such charges constitute a 'small' amount when considered on a case-by-case basis, they constitute a more significant portion of the education expense when their total amount is considered. Their existence influences the affordability of university education. For example, for the academic year 2020/2021, the applicable fees for first-year students for the first semester at Uganda Christian University were 983,000 UGX (about 266$) (Uganda Christian University, 2020). This may make the university unaffordable when such an amount is added to a high charge for tuition.

The category for living expenses includes those expenses that are not directly linked to the acquisition of education but must be met by the student to enable him to attend university education. They are, in most cases, not directly linked to the institution but have more to do with the daily life of the student. Such expenses include accommodation, general upkeep, travel, medical, communication, and meals. Such expenses usually depend on the general cost of living in the university's area. Therefore, while assessing the level of affordability, students, parents, and other stakeholders assess the living costs that a student has to incur while attending university education. Such expenses also influence the affordability of university education. While the cost of living in Uganda is not very high, the combined effect from high tuition, functional fees and living fees results in a very high amount that exceeds the household income of most families in the country (Itaaga et al., 2013).

Cost of Provision of Higher Education

The cost of HE education in a country is one factor that determines the means adopted for funding (Wabwire, 2011). Whether public or private, universities bear costs associated with their service provision; they must meet transactional costs to acquire resources essential for the educational services. However, as pointed out by Layzell and Caruthers (2001), there is no uniform cost structure for universities since there are differences in university philosophies (mission and vision) (Muwagga, 2016). Additionally, Białek-Jaworska (2015) explains that the nature of academic programs provided by universities determines the cost. The author explains that high education costs are associated with implementing specialized courses in small groups and the use of expensive specialized equipment and materials for laboratory classes. This points to universities that offer science, technology, medicine, pharmacy, and other science-related courses usually experiencing high costs. Other than the preceding, Holly (2021) explains that the university's location also determines the cost price. An urban university has higher costs than a rural-based one (Nakazzi, 2018). Thus, there is no uniform unit cost for all universities in Uganda (and indeed in any other country) since different universities have different philosophies and offer different academic programs, which leads to different cost structures.

The above notwithstanding, there are standard costs that a university has to incur. Such costs are directly linked to the education service provision. They include salaries and wages, fringe benefits, purchases of goods and services, acquisition and maintenance of facilities and equipment, and other non-wage costs (Government of Uganda, 2018). Besides the costs associated with service provision, universities also experience opportunity costs, which are functions or activities that could have been implemented if the resources were not deployed elsewhere (Wabwire, 2011). These costs influence the choice of funding model adopted by a university.

In the Ugandan context, and to a greater extent, universities undergo the costs mentioned above as they strive to meet the National Council for Higher Education requirements, whose mandate is to regulate higher education provision in the country. Universities must meet capacity indicators based on different dimensions, including staff-student ratios, classroom space per student, library space per student, computer laboratory, computer student ratio, and student book ratio (Wabwire, 2011). This suggests that universities are compelled to meet certain costs in their service provision.

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However, the costs above reflect the tuition and other fees a student has to pay since they are usually transferred to the student as a final consumer. An increase in the costs experienced by the university increases students' expenses in terms of tuition and functional fees. This implies whether university education becomes affordable or not. Admittedly, universities should recover the costs and this justifies charging fees from students. Therefore, it is essential that all stakeholders are brought on board to develop a fair, inclusive and sustainable funding method for university education. Neither the student nor the university should be strained by the adopted funding mode.

Financing University Education in Uganda

Different sources of funds for university education exist, and they depend on university ownership and the economic circumstances of the institution ((Eduafol & Jochebed, 2020; Altbach et al., 2009). However, irrespective of the issues mentioned above, HE (including university education) worldwide is funded by governmental and individual sources. The amount derived from the different sources differs depending on the country's economic capacity or the institution's region. Significantly also, university financing is influenced by the philosophy towards university education espoused by the country. Considering the previous views, financing university education in Uganda mainly depends on whether the institution is public or privately owned (Lowry, 2001). We discuss the financing options available to public and private universities in Uganda. These are essential determinants of how university education in Uganda is affordable.

Financing Public University Education Institutions in Uganda

There are nine public universities in Uganda (National Council for Higher Education, 2019). These universities are partly funded but wholly owned by the government (Government of Uganda, 2018). The government, the private sector, primarily through the payment of tuition, external funding, and internally generated funds are the main sources of funds for these universities. Of these funding sources, private financing (parents and individuals) is the most significant source Government of Uganda, 2018).

Public universities in Uganda currently admit fee-paying private students and those admitted through government sponsorship scheme. From its inception during the early 1920s, university education in Uganda was funded by the government. However, the situation changed over time. The 1980 and 1990 donor-influenced policies discouraged the government expenditure on HE and instead prioritized investment in primary and secondary education (Wabwire, 2012). This led to the HE sector being highly underfunded, and consequently, university service provision was crippled. Therefore, cost-sharing was introduced in 1992 to alleviate the challenges associated with university funding in Uganda (Marcucci et al., 2008).

Cost-sharing refers to shifting HE costs from entirely being borne by the government (taxpayers) to being shared between the government, parents, and students (Johnstone, 2004a). With the cost-sharing policy adopted in Uganda, Makerere University began to admit fee-paying students and government-sponsored students. This is termed the *dual-track* tuition-fee policy. In Uganda, the dual-track policy was adopted starting with Makerere University in 1992 and then adopted in all the public universities in the country (Marcucci et al., 2008).

Under the dual-track policy, public universities in Uganda admit government-sponsored students following highly restricted merit-based criteria. In addition, these institutions admit those students whose examination scores fall below the cut-off points for the highly competitive free government places but are deemed able to do university-level work and able to pay. Such students are admitted as privately sponsored students (Johnstone, 2004b). Therefore, while all university students in public universities used to be government sponsored, we now also have 'private students' in public universities because of this policy. The private students use personal sources of funds funded e.g. their families, personal savings, or any other private sources. However, while the dual-track policy reduces the cost burden for the state, government sponsorship slots are highly qualified and merit-based. The process of selecting students for such slots is selective and essentially isolates some

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students (Namrefe, 2013). At the same time, the tuition fees for privately sponsored students may not be affordable to some students hence presenting affordability challenges.

Still, under cost-sharing, a HE students' loan scheme was introduced in Uganda in 2014 (Tusiime, 2019). The loan scheme is another form of cost-sharing between the government and the students. With this scheme, the government, through the Higher Education Students Financing Board, covers tuition fees, functional fees, research fees, and Aids and appliances for Persons with Disabilities (PWDs). However, the loan scheme is accessible to students admitted for science, technology, engineering and math (STEM) courses except for PWDs. Only PWDs can access the loan scheme whether admitted to STEM or non-STEM courses (Nakkazi, 2022). Focusing mainly on STEM courses makes the loan scheme discriminatory against students for art courses and limits equity. This implies that a student intending to pursue a course that does not fall in the STEM domain has to pay for it. This still presents challenges with the affordability of university education in Uganda.

Regarding funding from the government, the government uses its mandate enshrined in Uganda's Universities and Other Tertiary Institutions Act of 2001 (amended in 2003 and as amended in 2006) par 62 (2). Based on this act, the Uganda government pays for:

- Staff salaries, allowances, and other emoluments,
- Pensions, gratuities, and other emoluments to staff who have retired,
- Costs on maintenance of infrastructure and other assets of the university, including the repair and procurement of equipment and other non-fixed property of the university, and
- Reserve funds for the future or contingent liabilities regarding retiring benefits, insurance or replacement of buildings or equipment, or other matters the university council may deem fit (Republic of Uganda, 2001.

As already mentioned, other than private and government financing, public universities are funded through external funding. External funding may take the form of voluntary contributions from the District Council within which the Public University is situated, or grants, contributions, loans, and donations accepted to the University Council (Wabwire, 2011). Of these, the most common are donations from development partners. Donors are known to have always been involved in providing university scholarships and supporting research and knowledge generation activities that supplement local finance sources for universities (Barka, 2013).

According to Omona (2012), external assistance to HE in sub-Saharan Africa through donations remains minimal. According to the World Bank (2010) report, external donors allocated only about US$600 million annually to HE in Sub-Saharan Africa for the period between 2002 and 2006. Considering HE development need in this region, this was a low amount yet it was shared between HE and other levels of education. The donation can be in direct assistance but may also be indirect. Direct aid supports universities and research centres to implement their research and teaching programs (World Bank, 2010). It is usually in the form of equipment (IT, books), the building of infrastructure, or financing of technical assistance to develop programs and curricula.

The challenge with this mode of funding is that, at times, the funding never gets to the intended institution. However, especially when indirect aid is under consideration, the aid remains in the donor country. For example, less than 30% of the total donor amount between 2002 and 2006 directly benefited African universities, and over 70% of the donation was spent at the donors' universities to meet the cost of educating African students (Omona, 2012). However, a review of the available literature indicates that donor funding is one of the least popular funding mechanisms for university funding in Uganda. Additionally, university funding from local external sources such as the district and in-country donors remains underexploited (Tibarimbasa, 2010).

The last funding mechanism available to universities in Uganda is internally generated funds (Government of Uganda, 2018). Universities worldwide adopted strategies to internally generate

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revenue to become financially stable amidst dwindling incomes from other alternative sources (Gebreyes, 2015). Internally generated funds are the revenues obtained from activities of the university on its own (Onuoha, 2013). According to Mensah (2019), the organization such as a university receives internally generated revenues by engaging in business activities, usually from the sale of services and goods in cash or cash equivalents. In this view, universities become innovative and entrepreneurial (Williams, 2009). In Uganda's Makerere University, the 1987 Visitation Committee recommended that the university engages in commercial farming, a bookshop, a printery, and guest house ventures to generate extra revenues (Mamdani, 2007). In agreement, Ouma (2007) gives other examples through which universities can internally generate revenues as follows;

- Provision of educational services and short-term courses targeting students seeking degree programs and non-degree pre-and post-baccalaureate certification.

- Research and consultancy services, both basic and applied. Applied and problem-solving research, according to scholars, yields more revenue than basic research.

- Hiring out of university facilities, sale of goods and products of universities through retailing activities. These include patenting and licensing, creating incubators, science parks, and investing in equity shares.

- Introduction of user fees (commonly termed as functional fees), for example, library fees, parking fees, and registration fees.

In addition to the above, Mensah (2019) identifies another source of internally generated funds, the endowment fund. Baum et al. (2018) explain that endowment funds are donations and unspent income from previous surpluses of institutions invested in different financial assets for returns, in most cases, with rules from donors on how much of the fund can be spent year. While endowment funds are familiar with universities in developed economies, they can be developed by universities to attain financial health. The challenge with this source of funds is that they are only affordable to a few universities. Additionally, engagement in income-generating activities may divert the university from its prime functions of teaching, research, and community engagement. However, with university education becoming less affordable, universities should consider fully exploiting this avenue.

Financing Private University Education Institutions in Uganda

As explained earlier, the ownership and philosophy possessed by an institution influence the type of financing it manifests. According to Mande (2018), a private university in Uganda is categorized either as a community university, a religious founded university, or an investor in education founded university. The foundation bodies usually meet the start-up costs for the private university, and the onus is upon the university once it has been fully established to sustain itself financially. Irrespective of the type of ownership, the primary funding source to private universities is fees payable by the student in terms of tuition and functional charges (Mande & Nakayita, 2015). Muwagga (2016) explains that private universities, especially those started by investors, are interpreted as businesses (which they are). They, therefore, do not usually attract external funds in the form of donations or otherwise (Tibarimbasa, 2010).

The reliance on students' payments financially challenges such institutions since other external factors come into play with such a mode of funding. Delayed tuition payments by students, reduced enrollment, and the recent COVID-19 pandemic that forced universities to close all affect the financial resources for the universities. Tibarimbasa (2010) explains that the founders of private universities in Uganda usually acquire loans to facilitate the start of the universities, and such would need to be paid by the university. However, since the primary source of funds for such universities are the students themselves, challenges are always within the vicinity. For this reason, private universities are constantly forced to charge higher tuition fees to be in a position to meet the high costs associated with the provision of university education (Wabwire, 2011).

While the primary source of funds for private institutions is the students, other sources of funds

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exist, and these mainly depend on the university's philosophy. According to Tibarimbasa (2010), some private universities receive donations though these are not common among all universities. However, the Islamic world has been reported to donate to the Islamic University in Uganda (IUIU). Tibarimbasa further explained that universities now consider participating in trade, liaising with international universities or the government for assistance as possible strategies to obtain additional funding. Therefore, the government is essentially not part of the financing strategy for private universities in Uganda. However, with the current HE funding models presenting challenges, the government should workout mechanisms of partnering with private universities to make university education more affordable.

This far, the paper has discussed 'who pays' for university education in Uganda. It has been indicated that students (or the household) are the most prominent payers for university education, with the government coming in as a secondary player. Other sources (donors and internally generated funds) have not played a significant role. Notably, the biggest challenge with this funding mechanism is reinforcing inequalities. For example, primarily students from wealthy families who study in well-performing urban-based schools qualify for government sponsorship at the university, leaving out students from low-income families, yet they are the ones that desire to be uplifted.

Similarly, only students from wealthy families can afford to pay tuition leaving out the poor. At the same time, most students from better families study in better schools and can therefore gain competencies in the STEM courses- the only ones considered for student loans. However, the funds used by the government to fund higher education are contributed by the rich and poor alike (taxpayers).

The implication is that the poor subsidize the rich to attain university education while the poor continue to become poorer after failing to attain university education. Fees payable by students are the primary source of income for Ugandan universities, and studies show they constitute at least 60% of annual institutional budgets (Nakayizza, 2018). The Ugandan government contributes only 0.3% of gross domestic product to higher education and Kenyan and Tanzanian governments contributing 1%. Further clarifies Nakayizza.

Affordability of University Education in Uganda

A standard definition of 'affordability' concerning HE seems elusive, yet having it would contribute to an informed point of view, especially in the formulation of policies pertinent to university education. Fergus (2019) provides a working definition of affordability and submits that it can be interpreted from the perspectives of the state and the student (or household). To him, affordability from the student's perspective is the ability to pay for the desired education while still having enough resources to enjoy at least the minimum consumption of other essential goods and services. From the state's perspective, affordability is the proportion of individuals who can afford HE; weighted by completion rates. With this purview, this author suggests that affordability can be measured at three points in time: 1. Affordability at entry into the institution (i.e., the measure of whether students have adequate resources to pay educational costs) 2. Affordability during the student's lifetime (i.e., whether the student receives benefits equal to or exceeding the net expense on education) 3. Affordability during loan repayment (the ability of the student to achieve adequate post-university income to easily repay loans). This paper considers affordability at the entry point with these three options available.

According to Kasozi (2006), the cost of providing a quality university education is high and has been increasing over the years with rising costs of living in the face of inflation. The increased costs have been translated into the high fees students have to pay. On several occasions, university students in Uganda have rejected the increased tuition and functional fees and often had to strike (Kasozi, 2006). Responding through strike testified that university education was becoming less affordable.

According to Nakazzi (2018), Makerere University proposed to increase tuition by 15% for all undergraduate programs with effect from August 2018, and other public universities were expected to follow suit. Equal increments would undoubtedly be witnessed in private universities. According to this author, with such an increment, the minimum

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annual fees for undergraduate students would be UGX 5 million (US$1,340), up from UGX 2.69 million (US$720). However, according to the Uganda Bureau of Statistics (UBOS) 2016/17 report, Uganda's average monthly household income is 416,000/= (USD 111.5) (UBOS, 2018). This approximates an average annual income of 4,992,000/= (USD 1,227.9), which is less than the minimum annual fees for undergraduate education. Therefore, a university education is unaffordable for most Ugandans.

The Benefits of University Education

Different studies have indicated that the benefits of investment in university education accrue to the individual student (Martin, 2017). However, overall, the benefits, which may be economical, social, or educational, are largely non-quantifiable, implying that we risk making judgments based on incomplete information. For example, Cohen (2003) rightfully explains that an essential benefit of university education is the ability to learn how to learn. Students are not only trained to get better jobs after graduation, but they also get prepared for life; adapt to the world as situations demand. The ability of an individual to adapt to changes in life is essential to society. According to Marginson (2016), returns on investment in higher education have both public and private benefits, which makes it a 'common good.' This should not be confused with 'public good.' A 'public good' is defined as non-rivalrous (i.e., consumable without depletion) and non-excludable (no one is excluded from consuming it). According to Deneulin and Townsend (2007), a common good is intrinsically common and shared by humans and communicates with each other, such as values, civic virtues, and a sense of justice. Therefore, considering the explanation by UNESCO (2015) that knowledge creation, control, acquisition, validation, and use are universal for all people as a collective social endeavour, investment in higher education is an investment in a common good.

As a common good, university education contributes to establishing democratic societies through civic engagement with governmental and non-governmental bodies. This is because university graduates are better positioned to participate in civic life than those without higher education qualifications (Chang et al; 2021). While this benefits an individual, it also extends to the larger society. The world desires skilled, knowledgeable, public-spirited individuals who give their time and talent for everybody's good.

Additionally, university education contributes to the advancement of cultural awareness, whose benefits accrue mainly to society. As part of their education, they cultivate cultural awareness and a desire for cultural and artistic opportunities (Coleman, et al; 2021). With institutions coming from different regions meeting in the same institution, they are to learn from each other and appreciate the cultural diversity of humans, which contributes to the establishment of peaceful communities.

Therefore, there are several benefits of HE and particularly university education which go to both the individual and the community. However, a clear-cut characterization of individual benefits from community benefits of university education is not possible since individuals are part of the wider community. Individual benefits always translate into community benefits. This provides a basis for a discussion about who should actually invest in university education.

CONCLUSION AND RECOMMENDATION

Who Should Pay for University Education in Uganda?

According to Nakazzi (2018), fees paid in most Ugandan universities are lower than unit costs, as students pay only 40% of the annual cost of their programs. Ironically, these fees are unaffordable to most Ugandans, considering their household income and other basic needs. Therefore, it is vital to revise the available funding mechanisms to make university education affordable to Ugandans. The funding modes should allow university students and their households to pay for university education but still be able to meet other personal needs. The current funding mechanisms leave out a more significant portion of the population and put an excessive strain on individuals as they attempt to finance a university education.

The preceding has indicated that university education investment benefits go to both the individual and society. While the benefits to

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individuals have been interpreted using economic terms, some other benefits which may not even be measurable go to society. These should be considered while making decisions regarding university financing. Ideally, the modes of financing should strive to eliminate the inequalities in society. Students from poor backgrounds should be supported to attain university education without restraint. Entire government or public financing (Wabwire, 2011), as was the case in Uganda before the Structural Adjustment Policies of the 1990s, would be the best option. This funding mechanism is seen in some countries in Europe (see Altbach, de Wit, & Woldegiorgis, 2021; Vossensteyn, 1999), but considering the financial stand of Uganda, public finances are limited and such an option is unachievable. However, a fair financing mechanism for university education is desirable. Therefore, the unfair, elitist government sponsorship scheme should be scrapped, and then the existing loan scheme should be revisited and strengthened. The higher education students' loan scheme should be accessible to all students irrespective of their specialization. All students attending universities should irrespective of their backgrounds acquire loans to fund their university education. Consequently, many will be able to access university education with a minimum risk of further widening the inequalities between the rich and the poor. Therefore, the state should support the citizens to fund their education through the provision of affordable loans.

Additionally, the government should increase the grants to universities to acquire the desired infrastructure. This will reduce the strain imposed upon universities as they attempt to acquire the necessary infrastructure, significantly when student numbers are ever-increasing. At the same time, technological developments are more necessary than ever before. Government grants can enable universities to advance in such areas without increasing student fees payable. As Nakazzi (2018) explained, increasing fees is not a sustainable solution to the funding gaps in universities. A sustainable solution can be obtained if the government intervenes by increasing funding to the higher education sector using various models.

The government should devise solutions to minimize students' fees in private universities. Public-private partnerships can allow private universities to thrive without straining students. Most of the time, the government only comes in to regulate the provision of education by private universities but offers no support for their existence. However, it should be noted that private universities help the government meet its role of providing education to the citizens. Therefore, it would be commendable if the government found ways to support private universities. This would reduce the charges imposed upon students in such universities.

Lastly, universities need to reconsider how they are generating funds internally. Most universities in Uganda have not developed entrepreneurial activities and do not have endowment funds (Kiiza, 2020; Mulindwa, 2006). These are avenues that would provide alternative solutions to challenges related to funding. By improving on this avenue, universities can reduce the fees charged to students.

Therefore, from the preceding, the paper submits that funding university education in Uganda should involve the state, the university, and the student (household). However, the state should take the leading role. The state should support universities, provide suitable repayable loans, and institutions should engage in income-generating activities. The paper acknowledges the views of Harman (1972) that substituting loan system with subsidized tuition can solve inequities and inefficiencies associated with HE financing. However, the paper submits that Uganda’s current economic situation limits the benefits of such interventions hence the call for the government to become the major HE financier. The current university funding system is not only inefficient but also disservice to the less affluent Ugandans.

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