22883
April 1999

Financing Higher Education in Africa: Makerere, the Quiet Revolution

David Court

EDUCATION
THE WORLD BANK

FINANCING HIGHER EDUCATION IN AFRICA:

MAKERERE, THE QUIET REVOLUTION

David Court

The World Bank
and
The Rockefeller Foundation

The preparation of this paper was supported jointly by the World Bank and the Rockefeller Foundation as a contribution to the Bank's Tertiary Education Thematic Group publication series.

EXECUTIVE SUMMARY

This article is one of a series that is examining the state of higher education in a variety of countries in Africa at the end of the twentieth century. This one tells the dramatic story how Makerere University in Uganda has addressed the pervasive problem of how to provide quality education at the tertiary level without undue financial dependence upon the state. It describes the main reform measures adopted, assesses their impact, considers some of the reasons for the success of chosen measures, identifies remaining issues for attention and looks at the question of sustainability.

In the past seven years Makerere has moved from the brink of collapse to the point where it can again aspire to become one of the preeminent intellectual and capacity building resources in Uganda and the wider region. It has more than doubled student enrollment, instigated major improvements in the physical and academic infrastructure and drastically reduced its traditional financial dependence upon the state. Restructuring at Makerere had had three central and interrelated elements: implementing alternative financing strategies, installing new management structures and introducing demand driven courses.

Makerere diversified its financial based and reduced its reliance on government by encouraging privately sponsored students, commercializing service units and institutionalizing consultancy arrangements. .In the space of five years Makerere has moved from a situation where none of students paid fees to one where over 70 percent do. The impact of these financial reforms has been dramatic. Where previously the government covered all running costs, now over 30 per cent of revenue is internally generated. A relatively constant government subvention, combined with massive enrollment expansion, has brought a dramatic decline in the per capita cost to government. One important external effect of revenue diversification at Makerere has been to facilitate the re-allocation of government funding across levels of the education sector. Public funds for primary education have more than doubled since 1995/96 while funding for higher education has decreased by 7 per cent.

The reasons for Makerere's tradition-breaking accomplishment can be found in the interplay between a supportive external environment and an innovative institutional context. Among the most important contextual factors have been macro economic reform which has led to steady economic growth and disposable income and, political stability which has strengthened the government's willingness to respect university autonomy. Inside the institution, much of the reform accomplishment can be ascribed to the energy and imagination of the university leadership, their faith in the benefits of a market orientation and professional and participatory management, and their unambiguous sense of ownership of the reform process.

Makerere represents an impressive example of institutional reform that takes advantage of different expressions of market demand. Yet despite undeniable progress towards a new kind of university restructuring remains incomplete. There are limits to the extent that a public institution can allow the market to determine its shape and issues

of equity, efficiency and sustainability remain. Also needed is attention to the regulatory framework which governs Makerere's relationship to the burgeoning network of private universities within a diversified system of higher education.

The Makerere accomplishment has lessons for other universities in Africa that face similar resource constraints. It shows that expansion and the maintenance of quality can be achieved simultaneously in a context of reduced state funding. It puts to rest the notion that the state must be the sole provider of higher education in Africa. It dramatizes the point that a supportive political and economic environment is a pre-requisite for institutional reform. It also demonstrates the variety of institutional factors that go into the creation of a management structure suited to ensuring efficiency and effectiveness in the use of resources.

FINANCING HIGHER EDUCATION IN AFRICA: MAKERERE, THE QUIET REVOLUTION

INTRODUCTION

One of the standing policy conundrums of Africa is how to provide good quality higher education to large numbers, equitably but without undue dependence on public resources. From Makerere University in Uganda comes a startlingly instructive demonstration of new possibilities for solving this conundrum.

In the past seven years, Makerere has reversed the plant decay and capacity loss of the 1970s and 1980s that had brought it to the brink of collapse. It has more than doubled student enrollment and instigated major improvements in the physical and academic infrastructure. A semester system has been introduced and new courses, degrees, departments and even faculties have been established. Moreover, all this has been achieved in a context of declining financial support from government. The chosen means have been sweeping and fundamental financial and administrative reform, intensified use of facilities, a dramatic increase in fee-paying students, and the creation of five commercial units and an associated consultancy company. In the space of five years Makerere has moved from a situation where none of its students paid fees to one where 60% do. This year the university itself generated over US$1 million, compensating for the per capita decline in its government subvention and amounting to nearly 40% percent of total revenue. These funds support faculty development, staff salary supplementation, general maintenance and library enrichment. Consultative and participatory policy-making and management, combined with new forms of administrative decentralization, have markedly boosted staff morale and the quality of teaching. Accompanying and facilitating these changes has come a new relationship with government in which the university has a significantly greater degree of control than before over internal institutional matters.

Such measures are hardly unfamiliar in other parts of the world (Johstone,1998), but, occurring together and at such pace, are truly novel in Africa. However, impressive though it is, the process of reform remains partial and incomplete. Externally, it will benefit from planned legislation that gives the university more autonomy and a Higher Education Council that should be a means for ensuring that changes at Makerere take account of developments in other government tertiary level institutions and within the embryonic network of private universities. Internally, financial and administrative rationalization will gain impetus from an anticipated research exercise concerning micro-level change and the development of a more comprehensive institutional data base. Nevertheless, the already accomplished extent of enrollment expansion, privatization, financial reform, academic development, managerial change and general revitalization make a dramatic and instructive story.