



The University of
Nottingham

**PERCEPTIONS OF FUNDING HIGHER EDUCATION: A COMPARATIVE
STUDY OF BOTSWANA, LESOTHO AND SWAZILAND**

University of Nottingham
Hallward Library

Salebona Sicelo Simelane, B. Sc. + CDE, M. Ed.

**Thesis submitted to the University of Nottingham
for the degree of Doctor of Philosophy**

December, 2006

***This thesis is dedicated to
my parents
for their love of education***

ABSTRACT

Inadequate funding of higher education in sub-Saharan Africa is a perennial problem. The inadequacy of financial resources is undermining the efforts of universities to produce educated citizens to engage in productive careers. Public universities' reliance on their governments for funding when there are many competing needs for public resources calls for attention. This thesis is an exploration of perceptions of university academics and administrators and government officials of current and future strategies for funding higher education in the small Commonwealth countries: Botswana, Lesotho and Swaziland. A combination of human capital and social capital theories was used as a guide for the development of this study. It is a qualitative study whose data were collected through semi-structured interviews and document analysis between March and June 2005. The data were analysed using a thematic comparative method.

The findings reveal that government funding, student tuition fees, residence and meal fees and bank interest are the main sources of funding for each of the universities. The governments allocate funds to the universities in simple block grants for manpower development and for providing access to higher education. This is in a range of 54 to 68% which is significantly different from trends in sub-Saharan Africa. Each institution centrally allocates funds to its faculties and departments in accordance with prepared budgets. Budget holders in the offices of Deans of Faculty and Heads of Department control the resource spending at their levels. The universities prepare annual audited financial statements as a means of being accountable to stakeholders.

The study also found that there are some innovations that are either in place or due to be implemented as future funding strategies. In each case government funding will continue, with governments planning to introduce cost-sharing with parents/students. Each university has ventured into revenue diversification or income generating activities in order to meet the shortfall in government funding. Notably, the University of Botswana and the University of Swaziland have each established a

foundation to fundraise with the private sector, international organisations and alumni. Thus, social capital is built onto the universities' fundraising activities.

There are challenges facing the three universities. University strategic plans are not being implemented in all three universities. All three universities cannot increase student fees at will. Government requires all parastatal organisations to declare unused funds at the end of the year in Botswana. This has implications on funding for the following year. The establishment of a second university in Botswana poses some funding uncertainties at the University of Botswana. Similarly, future funding may be negatively affected at the University of Swaziland and the National University of Lesotho because the former sometimes approaches the Chancellor for extra funding, a thing that could sour relations between the Government of Swaziland and the University. The National University of Lesotho's delay in producing and submitting audited financial statements to Government is cause for concern in Lesotho.

.....

ACKNOWLEDGEMENTS

"And from everyone who has been given much shall much be required; and to whom they entrusted much, of him they will ask all the more." (Luke 12: 48)

The completion of this PhD study programme would not have been possible without the support and encouragement of many people and organisations. I would like to acknowledge them in the next few lines.

I would like to thank my supervisor, Professor W. John Morgan for his patience, support, guidance and reassurance and belief in my abilities. I would also like to thank Dr. Simon McGrath and Professor David Jobbins for their critical constructive comments on the draft manuscripts of this thesis.

I am grateful to the University of Nottingham for offering me a tuition scholarship without which I would not have come to Nottingham in the first place. I am also grateful to the University of Swaziland, my employer, for granting me the much needed study leave for the duration of this study. I am thankful to my colleagues who suffered a little while I was away.

The friendly efforts and support of the government and university officials of Botswana, Lesotho and Swaziland who set aside time from their busy schedules to take part in this study are appreciated. It would have been very difficult for me to initiate this completed study without their contribution.

Thank you to my family and friends at Manzini Fellowship Church and Thomas Helwys Baptist Church for prayers and practical support rendered during my family's stay in the United Kingdom. My thanks also go to those friends and their families who were always near enough to help in numerous ways. I would like to name them as follows: James and Jeanne Willis, Eric Kluijfhout, Job Shongwe, Jacob Khumalo, Bheki Macwele, Godfrey Khumalo, Julie and Matthew Wilcockson and Francis Owusu-Mensah.

I am also grateful to my sisters and relatives who put up with my absence from home for a long time and shouldered some of my responsibilities.

Finally I thank my lovely wife, Fikile, for offering her prayers, love, support, encouragement and sacrifice throughout this study. She is a true “yokefellow”. A lot of appreciation goes to our sons, Ndabenhle, Sukoluhle, Sizolwabazalwane and Siphosethu, for accepting my role as a part-time parent because of this educational course. My achievement is your achievement too.

TO GOD BE THE GLORY FOREVERMORE!

.....

TABLE OF CONTENTS

	Page
ABSTRACT	iii
ACKNOWLEDGEMENTS	v
TABLE OF CONTENTS	iii
ABBREVIATIONS	xiii
LIST OF FIGURES	xiv
LIST OF TABLES	xv
 INTRODUCTORY CHAPTER	 1
RESEARCH PROBLEM	1
Positioning Myself as a Researcher	3
Historical Overview of the Three Universities	4
Financing Higher Education in Developing Countries	5
Funding at UB, NUL and UNISWA	8
Government Funding	8
Decision-Making on Financial Matters	9
Advantages and Disadvantages of the Current Practices	9
The Research Problem Statement and Questions	11
Inadequacy of Financial Resources	11
Research Questions	13
Significance of the Study	14
Scope of the Study	15
Outline of the Thesis	15
Conclusion	16
 CHAPTER ONE	 17
SOCIAL AND ECONOMIC CONTEXT OF THE STUDY	17
Socio-Economic Context of Botswana, Lesotho and Swaziland	17
Educational System in Botswana, Lesotho and Swaziland	19
Establishment of the Universities of Botswana, Lesotho and Swaziland	21
Historical Background	21
Geographical Location and Size of these Universities	23
The Mission and Organisational Structures of the Three Universities	24
Mission Statements	25
Decision-Making Structures	27
University Council	28
Senate	31
Sources of Funding for the Universities	33

Funding	33
Problems with Funding.....	35
Impact of South African Higher Education on the Three Universities.....	37
Conclusion.....	38
 CHAPTER TWO.....	 39
A THEORETICAL AND ANALYTICAL FRAMEWORK	39
Theoretical Framework.....	39
Human Capital Theory	40
Social Capital Theory	43
Social Capital and Education.....	48
Relationship between Human Capital and Social Capital	50
Applicability of the Theories and Higher Education in Sub-Saharan Africa	51
Economic Growth	53
Inventions and Modern Technology.....	56
Pure and Applied Research.....	56
Poverty Reduction and Health	57
Social Cohesion	59
Networking	60
Nation Building	61
Instrument of Change	63
Political Stability	64
Education, Training and Choices of Leaders.....	65
Equality of Opportunities	66
Conclusion	67
 CHAPTER THREE.....	 68
LITERATURE REVIEW: METHODS OF FINANCING HIGHER	
EDUCATION.....	68
Methods of Funding in Higher Education	69
Government Funding	69
Input-Based and Negotiated Funding	72
Research Grants	75
Cost Recovery.....	76
Student Tuition Fees.....	76
Student loans.....	81
Graduate tax	84
Revenue Diversification	85
Income-Generating Research.....	86
Continuing Professional Development (CPD).....	88
Short Courses.....	90
Philanthropy/Endowments.....	91
Donor/Aid Agency Funds.....	93
Leasing Facilities	95

Outsourcing of Services.....	96
Financial Management.....	97
Internal Allocation of Funds.....	98
Spending Control Measures.....	101
Financial Accountability.....	102
Conceptual Framework.....	104
Conclusion	105
 CHAPTER FOUR	107
RESEARCH METHODOLOGY AND METHODS.....	107
Philosophical Framework and Research Methodology	107
Positivist Paradigm	108
Phenomenological Paradigm	110
Criticisms of Positivism and of Phenomenology.....	112
Comparison of Qualitative and Quantitative Research Approaches ..	113
Selection of the Qualitative Research Approach	115
Research Methods.....	118
Face-to-Face Interviews.....	119
Sampling for the interviews.....	120
Organisation and interview process.....	122
Opportunistic interviews.....	123
Problems with interviews	124
Documents and Records	125
Data Analysis.....	128
Converting Transcripts and Documents into Data.....	128
Presentation of Findings	131
Comparative Research Method.....	131
Analytic Procedures	134
Trustworthiness of the Study.....	134
Credibility	135
Transferability.....	135
Confirmability.....	136
Ethical Considerations.....	137
Access and Informed Consent	137
Privacy and Anonymity	138
Harm	139
Areas of Difficulty During the Study	140
Conclusion	141
 CHAPTER FIVE	142
RESEARCH FINDINGS	142
Sources of Funding for the Three Universities.....	142
University of Botswana	142
National University of Lesotho	144

University of Swaziland	146
Management of Financial Resources.....	149
University of Botswana	149
Budgeting and internal allocation of funds.....	149
Spending control measures	151
Accountability to funders	152
National University of Lesotho	153
Budgeting and internal allocation of funds.....	153
Spending control measures	154
Accountability to funders	155
University of Swaziland	157
Budgeting and internal allocation of funds.....	157
Spending control measures	158
Accountability to funders	159
Challenges Facing the Universities	161
University of Botswana	161
Accountability.....	161
Competition with service providers.....	162
HIV/AIDS pandemic	162
Second university.....	163
Declaration of unused funds	164
Establishment of the Tertiary Education Council.....	166
Student fees.....	166
Donor/aid agency fatigue.....	167
National University of Lesotho	167
HIV/AIDS pandemic	168
Student fees.....	168
Competition with outside service providers	169
University of Swaziland	170
Emerging issues	170
Lack of appreciation for higher education.....	170
Tension from unclear policies on financial decisions.....	171
Working with partners	171
Lack of marketing the university.....	172
Student fees.....	173
Future Funding Strategies for the Universities	173
University of Botswana	174
Government funding.....	174
Cost-sharing	174
Students' loans recovery.....	175
Increase in student fees.....	176
Staff consultancy services.....	177
Establishment of a UB Foundation.....	177
Renting out physical facilities	178
Staff development programmes	179
Establishment of a limited company	179
National University of Lesotho	180

Government funding.....	180
Student loan recovery	181
Capital for university's projects	181
Consultancies and funded research.....	182
Increase in student numbers	184
Development of new programmes.....	184
Cost-saving measures	185
Donor/aid agency funding	185
Alumni donations.....	186
Other income generating activities	187
University of Swaziland	188
Government funding.....	189
Student loans/scholarships.....	190
Cost-sharing.....	191
Consultancy and Training Centre	191
UNISWA Foundation	193
Professional development courses.....	193
Commercialisation of the university farm	194
Donor/aid agency funds.....	194
Establishing a university press	195
Leasing out facilities.....	195
Conclusion	195

CHAPTER SIX.....197

ANALYSIS AND DISCUSSION OF THE FINDINGS197

Human Capital and Social Capital Theories in the Study Findings	197
Sources of Funding	198
Management of Financial Resources.....	202
Budgeting.....	202
Internal Allocation of Resources	205
Spending Control Measures.....	206
Accountability.....	207
Challenges Facing the Universities	208
Accountability.....	208
Competition with other Service Providers.....	210
HIV/AIDS Pandemic	211
University Strategic Plans.....	212
Declaration of Unused Funds	214
Tension Between the University and Government	215
Future Funding Strategies for the Universities.....	217
Government Funding	217
Cost Sharing.....	217
Student Loans/Grants/Scholarships	218
Increasing student numbers	219
Increasing Student Fees	221

Consultancies	222
Philanthropies	224
Alumni	225
Donor/Aid Agency Funds.....	226
Income-Generating Activities.....	227
Study Findings in Relation to International Policy.....	230
Study Findings in Relation to Development in Africa	232
Conclusion	233
 CHAPTER SEVEN	 235
CONCLUSIONS	235
A Summary of the Thesis	235
A Summary of findings	238
Sources of Funding.....	238
Management of Financial Resources.....	239
Challenges Facing the Universities	240
Future Funding Strategies.....	242
Final Remarks	243
Further Research Topics	244
Personal Reflections	246
 REFERENCES	 248
APPENDICES.....	267
A. UNIVERSITY BURSARS/DIRECTORS OF FINANCIAL SERVICES	267
B. UNIVERSITY REGISTRARS/DIRECTOR OF LEGAL SERVICES	268
C. UNIVERSITY VICE CHANCELLORS	270
D. UNIVERSITY ACADEMICS: DEANS.....	271
E. GOVERNMENT OFFICIALS: PERMANENT SECRETARIES	272
F. DOCUMENTS COLLECTED.....	273
G. CURRENCIES.....	274
H. SUMMARY OF FINDINGS.....	275

ABBREVIATIONS

ACU	Association of Commonwealth Universities
AAU	Association of African Universities
AIDS	Acquired Immunodeficiency Syndrome
CDEST	Commonwealth Department of Education Science and Training
CTC	Consultancy Training Centre
HAIs	Historically Advantaged Institutions
HDIs	Historically Disadvantaged Institutions
HIV	Human Immunodeficiency Virus
HEFCE	Higher Education Funding Council of England
NUL	National University of Lesotho
PEU	Public Enterprises Unit
PPP	Public Private Partnership
OECD	Organisation for Economic Co-operation and Development Programme
SADC	Southern Africa Development Commission
UB	University of Botswana
UBBS	University of Bechuanaland, Basutoland and Swaziland
UBLS	University of Botswana, Lesotho and Swaziland
UDP	University Development Program
UIS	UNESCO Institute for Statistics
UNESCO	United Nations Education Scientific Cultural Organisation
UNISA	University of South Africa
UNISWA	University of Swaziland

LIST OF FIGURES

	Page
Figure 1.1 A Map of Southern Africa	18
Figure 1.2 A Typical University Administrative Structure	29
Figure 1.3 A Typical University Organisational Structure	31
Figure 1.4 A University Structure Showing the Senate and its Sub-committees	32
Figure 3.1 A Conceptual Framework	104
Figure 4.2 A Framework for Comparative Education Analyses	133

LIST OF TABLES

	Page
Table 1.1 Statistical Information on Botswana, Lesotho and Swaziland	19
Table 4.1 Comparisons between Qualitative and Quantitative Research Approaches	114
Table 5.1 Sources of Funding for UB	143
Table 5.2 Sources of Funding for NUL	146
Table 5.3 Sources of Funding for UNISWA	148
Table 6.1 Government Subvention Figures for UB, NUL and UNISWA	201
Table 6.2 Trends in the Student Enrolment at UB, NUL and UNISWA	221

INTRODUCTORY CHAPTER

RESEARCH PROBLEM

Education is a factor in the economic and social development of a nation. While addressing the issue of lifelong learning, the largest international organisation that is influential in formulating world-wide education policies, especially for developing countries: the World Bank (2003, pp. 1-3), acknowledges that developed and developing countries are investing in education because it is a pillar of the economy:

a knowledge-based economy relies primarily on the use of ideas rather than physical abilities and on the application of technology rather than the transformation of raw materials or the exploitation of cheap labour...preparing workers to compete in the knowledge economy requires a new model of education and training...learning throughout the life cycle, from early childhood to retirement...if developing countries do not promote lifelong learning opportunities, the skills and technology gap between them and the industrial countries will continue to grow.

This knowledge-based economy notion is marked by tensions because of the changing emphasis of the World Bank on what constitutes development. It would appear the tenure of each World Bank's president marks a shift in the focus of this cooperation agency. For instance, in the 1980s the Bank promoted development through science and technology followed by basic education in the 1990s. It then shifted its emphasis to knowledge-based economy from the late 1990s to the early part of this decade (King, 2002). King argues that currently there is potential for tension surrounding the bank's knowledge-based economy policy because of the fact that there will be producers of knowledge, presumably the industrialised countries, and knowledge consumers who would consist mainly of developing countries. The latter's contribution to knowledge development and sharing would be kept at a minimal.

The knowledge-based economy is supported in part by higher education through research and the provision of education and training to students. The World Bank (2002b, p. 1) acknowledges the role of higher education in the development of knowledge when it says:

Education in general-and tertiary education in particular-are fundamental to the construction of a knowledge economy and society in all nations.

Technology development is also promoted and undertaken in higher education institutions through research. However, the continued provision of education, training and research in higher education is negatively affected by either a decline in or inadequate financial resources which are a common feature nowadays, especially in developing countries. The inadequacy of financial resources is undermining the efforts of universities to produce educated citizens to engage in productive careers (Wield, 1997; Tilak, 2002; Wasser and Picken, 1998; Ziderman and Albrecht, 1995; Banya and Elu, 2001). The decline in the states' participation in social provisioning and financial resources for higher education in sub-Saharan Africa heightened between the 1980s and 1990s because of a decline in international trade and many wars that the continent witnessed (Sawyer, 2004). Furthermore, there was a systematic withdrawal of aid by international aid agencies to higher education in favour of basic education after the 1990 Jomtien conference on education in most countries. Government financial resources in many countries were subsequently directed to basic education at the expense of higher education in compliance with donor agencies' policies (Brock-Utne, 2003). Brock-Utne argues that:

The increase in resource allocation toward basic education is often clearly indicated by the donor agencies as being undertaken at the expense of higher education. (p. 12)

Economists of education are conducting research to contribute new knowledge about the nature of these challenges and how solutions can be found in financing higher education. The suggested solutions resulting from these studies are sometimes difficult to implement in the face of other emerging challenges, among others, poverty, HIV/AIDS, and crime which feature prominently in policy discussions in developing countries. The state of the economy in these countries is poor, further making it even more difficult to find long-term solutions to funding higher education (Brock-Utne, 2003). Despite these difficulties, solutions are possible. In the 1980s the Makerere University in Uganda faced near collapse, attributed to lack of funding from government due to servicing a high foreign debt and the deteriorating terms of trade in international markets. This has however been reversed through various techniques that were adopted by the university authorities (World Bank, 2000).

This empirical study is concerned with funding higher education in the small Commonwealth countries, Botswana, Lesotho and Swaziland which, up to now, do not feature prominently in the higher education financing discourse yet they play an important role in development in the Southern Africa region. Their characteristics of being small countries in terms of population, their economies and their proximity to South Africa make them an interesting study.

This chapter introduces the researcher and presents a historical overview of the universities in the three countries, Botswana, Lesotho and Swaziland. A discussion of financing higher education in developing countries is then presented. This is followed by a brief overview of funding at the Universities of Botswana, Lesotho and Swaziland. Thereafter, a statement of the research problem, the significance of the study and its scope are presented. The chapter concludes with an outline of the remainder of the thesis.

Positioning Myself as a Researcher

I have worked for the University of Swaziland as a Senior Assistant Registrar for twenty years. Prior to embarking on this study my duties were mainly on the academic matters covering student admissions, registration, record-keeping and general administration including personnel matters. I served on the Swaziland Government Scholarship Selection Board between 1986 and 1991 as a representative of the University of Swaziland. The Board was tasked by the government to select qualifying students for sponsorship to tertiary institutions in Swaziland and the Southern Africa region. During the period between 1993 and 1995 I worked in the Academic Planning Office of the university where I had the responsibility for coordinating academic planning matters including liaison with aid agencies on university-based projects. I would liaise with Faculty Deans and the Bursar's Office on the costing of new academic programmes that were to be mounted and the general plans of the university. It was at this time that I gained some insight into the financial needs of the university.

I was motivated to undertake this study by a reported decline in financial resources from Government and donor/aid agencies to the University of Swaziland (University of Swaziland, 2000). The University of Swaziland commissioned several small teams to consult with higher education institutions in the Southern Africa region between 1998 and 2003, in some of which

I took part. The purpose was to seek ways to address the challenges in certain administrative areas at the institution. At this time I was the Senior Assistant Registrar responsible for the Campus that houses the Faculty of Agriculture and Home Economics.

There are further external factors which also contributed to the development of this study. For example, the International Monetary Fund (2003) expressed concern to the Government of Swaziland about the level of financing the public wage bill (including the University of Swaziland) at a time when the deficit in the government's annual budget was increasing. Whilst browsing through the websites of universities in the South Africa Development Commission (SADC), I realised that concerns about funding higher education, which will be discussed in chapter one, were also raised in both government and university documents in Botswana and Lesotho. The history of the University of Swaziland (UNISWA) which links it with its sister universities, the University of Botswana (UB) and the National University of Lesotho (NUL) and the similarly reported inadequate financial resources at UB and NUL motivated me to conduct a comparative study of the three countries on the financing of their universities.

Historical Overview of the Three Universities

Bechuanaland, Basutoland and Swaziland were British Protectorates in Southern Africa before regaining independence in the late 1960s. A single university, the University of Bechuanaland, Basutoland and Swaziland (UBBS) was founded in 1964 to serve these countries. The main campus was in Roma, Basutoland while the other two countries had satellite campuses. The university was renamed the University of Botswana, Lesotho and Swaziland after independence from Britain. Lesotho founded the National University of Lesotho in 1975 while Botswana and Swaziland were jointly served by the then University of Botswana and Swaziland. It was in 1982 that the separate University of Botswana and the University of Swaziland were founded by mutual agreement between Botswana and Swaziland (National University of Lesotho, 2002b; University of Botswana, 2004a; University of Swaziland, 2004a).

The purpose of establishing these universities was to develop human resources to run the public sector and to supply schools with adequately trained teachers at that time (Government

of Botswana, 2002; Government of Lesotho, 2003; Imbokodvo Manifesto (cited by Magagula, 1990)). These universities have a tradition of being supported financially by their national governments. However, emerging challenges such as the HIV/AIDS pandemic, poverty, illiteracy and unemployment place a burden on the national resources such that the universities, among other parastatal organisations which receive most of their funding from government, are now facing financial hardship (Weeks, 2003; University of Botswana, 1999; Booth, 2003; University of Swaziland, 2000; Ntimo-Makara, 2003; Government of Botswana, 2002). This is happening at a time when the demand for higher education is rising and the universities are responding by increasing access to higher education. Factors which have been noted elsewhere within higher education systems of developing countries such as increasing enrolment figures without a corresponding increase in the financial allocation to universities, donor fatigue, low tuition fees charged per student and a low rate of attracting privately funded research, to name a few (Zideman and Albrecht, 1995; Birdsall, 2003; Wiold, 1997; Banya and Elu, 2001), also affect the universities of Botswana, Lesotho and Swaziland. Therefore, these universities have to look for alternative sources of funding.

Financing Higher Education in Developing Countries

Financing education is an old phenomenon in Africa which has attracted attention from philanthropists and, of late, national governments. For example, in 1921 a philanthropist's fund known as the Phelps-Stokes Fund sponsored a commission from the Southern States to conduct a study of West Africa and South Africa with a view to developing the education system along the lines of the Southern States of America's industrial education that was available to Negroes (King, 1971). The minutes of the Committee of Reference and Counsel that set up the Phelps-Stokes Commission (cited by King, 1971) state the task of the commission as to "study and report upon the industrial education adapted to the needs of the African" (p. 56). A second Phelps-Stokes Commission was set up in 1923 to extend the work of the first one in East Africa:

The aims of native educational policy are first the improvement of the life of the masses of the people. This will include the giving to them a better knowledge of the nature and cultivation of the soil, of agricultural processes and of raising of stock, the spreading among them of a better understanding of the laws of health ... (Educational Policy in Africa, cited in King, 1971: pp. 99-100)

A private philanthropic organisation with similar motives to those of the Phelps-Stokes Commission, the Rockefeller Foundation, conceived and set in motion the idea of a "University Development Program" (UDP) in fifteen universities selected from developing countries during the twenty-year period, 1961 to 1981. Many of these universities were in Africa. The motive behind the UDP was capacity building:

The paramount feature of the UDP/EFD program was professional staff development. The objective was to assist the universities towards a state of self-reliance by providing funds which enabled them to increase the number of local scholars on their permanent staff and upgrade the professional qualifications of those already on the staff. (Coleman and Court, 1993: p. 249)

The staff development was conducted through participating good universities that had expertise in selected disciplines such as agriculture and health, to name a few. A coincidental extension of the belief about education suitable for developing countries starting from the Phelps-Stokes Commissions may be noted as Coleman and Court (1993, p. 341) state that:

The Foundation concentrated not only upon selected universities but also upon particular disciplines and units within those universities, most notably agriculture, health and the social sciences. This kind of concentration...helped to reduce the risk of creating exaggerated expectations and resulting resentment of non-fulfilment in areas where only modest resources could be placed.

Saint (1992) says that starting from the early 1960s, governments of developing countries took a keen interest in making an investment in education because they believed that education would contribute to the economic and social development of their nations. This point will be discussed further in chapter two. According to Wield (1997), the problem of declining or inadequate financial resources from national governments to higher education institutions in Africa, in particular, has been in the limelight for some time now. He says:

...as the 1980s progressed, the gradual decline in national public finance for education, already apparent in the late 1970s, accelerated, resulting in a funding crisis that has affected installations, libraries, textbook provision... (Wield, 1997: p. 41)

The governments of many African countries assumed near complete responsibility for the provision of education at independence (Akinkugbe, 2000). Public universities throughout the world have been receiving a large portion of their funding from national governments to carry out their service delivery for decades. Some of the national governments are now struggling to balance their national budgets from year to year because of their declining financial resources. All state-funded projects, including higher education, sometimes have to be executed with less funding in monetary terms than in the past.

Studies that were conducted by the World Bank, United Nations and other donor organisations found that there were higher rates of return to investments in primary education compared with higher education in developing countries. However, in sub-Saharan Africa the enrolments rates in primary school were low. Therefore, the World Bank's policy was that emphasis should be made by governments in developing countries, in particular, to divert most of their financial resources to primary education for the sake of access, efficiency and equity (Psacharopoulos & Woodhall, 1985; Zideman and Albrecht, 1995; World Bank, 1986). The result of this donor/aid agency's policy is that governments of developing countries have now turned their emphasis away from funding higher education to primary and secondary education. Thus higher education in many developing countries is currently in a crisis situation.

Although this is not the subject for this chapter, it is worth pointing out that King (1991), among others, questions this ideological shift which is championed by the World Bank and associate aid agencies. He observes that their influential policies are based on research that is conducted by researchers in industrialised countries without taking into consideration the views of local experts. He argues that:

...agency analysis over the last 20 years has increasingly dominated the discourse and debate on education in the poorer countries. In other words, the analytical work of the agencies, and particularly of the largest donor, the World Bank, has been disproportionately influential in comparison with the financial contribution to total educational expenditures. (p. ix)

Thus, the poor financing of higher education in developing countries can be attributed to the shift in policies of international donor/aid agencies prescribed for the developing world and the poor state of the latter's economy.

The guiding principle in the funding of education by government in most countries is the belief in the education of individuals and the development of their skills so that they can be productive in the economy. Education also benefits both the individual and society through higher salaries, better living standards, healthier lifestyles, nation building, social mobility, tolerance to different ethnic groups, better governance and social cohesion, among others (World Bank, 2002b; Johnstone, 2006; Sanyal and Martin, 2006a). These attributes are the pillars of human capital and social capital which are the theories on which this research study is based. These theories will be presented in detail in chapter two.

Funding at UB, NUL and UNISWA

Government Funding

The governments of Botswana, Lesotho and Swaziland provide financial support to their universities in the form of subvention. This is reflected in the budget speeches of the Ministers of Finance, the universities' audited statements, the Vice Chancellors' speeches and the countries' National Development Plans (Akinkugbe, 2000; Booth, 2003; Ntimo-Makara, 2003; Weeks, 2003). The governments' efforts are aimed at promoting the development of human skills and capacities for economic and social development. The government subsidies make up more than fifty percent of the university's revenue in each case. The remainder is made up of what may be termed the universities' own sources.

The three universities chosen for this study are autonomous institutions in terms of administration and internal allocation of their financial resources (National University of Lesotho, 2002b; University of Botswana, 2004a; University of Swaziland, 2004a). They are each governed by the University Council, the supreme administrative body of the university that is constituted according to the University Act. The University Act provides for the University Council to prepare the university's annual budget and submit it to the Minister of Education to request funds from government for the following financial year. The

governments make provision for funds (subsidies) for use by their universities in their annual budgets. They have had to trim their financial allocations to the universities in recent years because of insufficient resources.

Decision-Making on Financial Matters

The University Council has responsibility for all the financial matters (University of Botswana, 2004a; National University of Lesotho, 2002b; University of Swaziland, 2004a). The Finance Committee or Finance and Audit Committee, a sub-committee of the University Council, has the responsibility for scrutinising financial requests from various units of the university. It further makes recommendations to the University Council on the university budget and other financial matters. All concerned parties make requests for funds and any other budgetary requirements to the University Council via the Finance Committee or Finance and Audit Committee.

The statutes of the three universities provide for the central deposit and disbursement of all university property, especially that of a financial nature. The Bursar in the case of NUL and UNISWA or the Director of Financial Services at UB is responsible for finances (National University of Lesotho, 2002b; University of Botswana, 2004a; University of Swaziland, 2004b). This means that funds from the government, donor/aid agencies, students and the general public intended for the university are deposited with the central finance office. Policy matters regarding acquisition and disbursement of university funds are also centrally administered.

Advantages and Disadvantages of the Current Practices

One of the advantages when decisions are taken centrally on funding matters for an institution is that an overall picture of needs is drawn up centrally for the funding body to make an informed decision. Delays in making submissions to funding bodies can be avoided. Similarly, auditing is carried out centrally. All documents are accessed faster than would be the case if they were located in the departments. The central allocation of funds is an equitable method because all departments are represented in a committee structure. New and struggling departments' financial needs are considered jointly with those of well established

departments. The central management process also permits cost-saving controls which can theoretically lead to surpluses.

Another advantage is in the representation of government ministries on Council. It allows a smooth transaction of business during meetings without having to stop for consultations with ministries on issues on national education policy, planning and finance. The government ministry officials are able to deliberate first-hand on the situation at the university during meetings of Council and the Finance Committee.

There are some disadvantages in the centralised system of decision-making too. The process of budgeting is slowed down due to a number of consultations that have to take place at Faculty and Departmental levels. Any projects that could be attempted by a unit of the university in a form of consultancy or funded research are considered and approved by a central committee. In the institution's exercise of caution when making decisions in order to avoid mistakes delays are encountered (Weeks, 2003; Ingalls, 1995). Opportunities to embark on financially viable projects may be lost while consultations take place. Another disadvantage in a centralised system of financial administration is in putting all financial resources in a common pool. If there are some inactive departments in conducting research and exploring links with international partners, the funds raised by the active departments may end up subsidising inactive departments. For example, the University of Botswana has stated that unproductive departments may have to be closed down (University of Botswana, 1999) as a way of discouraging inactivity.

Another disadvantage is that government ministries could access information on funds available at the university and decide to cut back on allocations. This process could erode the autonomy of the university and create tensions between the university and the ministries. This point will be discussed further in chapter three.

The Research Problem Statement and Questions

Inadequacy of Financial Resources

The universities of Botswana, Lesotho and Swaziland are facing similar challenges with respect to funding. In some cases there are minor differences due to contextual circumstances such as level of institutional development and national development direction. These challenges link up with the question of how these universities can financially sustain their business in future.

The universities of Botswana, Lesotho and Swaziland have a good working relationship with their national governments. The governments provide most of the funding for these universities at national level. The three universities are at liberty to decide on how they spend their funds. However, limitations are observed when other social obligations besides providing for higher education have to be met by their governments. The Government of Botswana says it "can no longer sustain the increasing level of expenditure alone" (Government of Botswana, 2002: p. 23). The Ministers of Finance and Development in Lesotho and Botswana have, in principle, embraced the idea of cost-sharing in higher education.

Higher education is mainly the responsibility of government in each of the three countries as students are also awarded study loans/scholarships by the same governments to cover most of their expenses (Government of Lesotho, 2003; Weeks, 2003; Booth, 2003). All three countries have a problem of defaulters in the repayment of the loan portion of the award. Thus the governments can not yet run a revolving fund to provide for higher education student loans/scholarships.

Failure to acquire adequate financial resources to run an institution has a negative effect on its business. The mission of each of the universities of Botswana, Lesotho and Swaziland promotes the acquisition and dissemination of knowledge through teaching and research. Community service is the third component of the mission. At present, the three universities are not engaged in any major community service. This component has not been given attention by these universities lately because of shortage of staff and funds. This area could be

explored with the assistance of donor/aid agency funds. Policies on the administration of donor/aid agency funds for this purpose would have to be developed in order to avoid tensions between donor/aid agencies and the universities (Wield, 1997).

The above-mentioned situation of inadequate funding to higher education in Botswana, Lesotho and Swaziland invites a long-term solution. Eicher and Chevaillier (1993) have cautioned that piecemeal solutions are inadequate to address the higher education financial crisis in any developing country. A combination of approaches to the challenges is advisable. They argue that:

...mixed financing is better than either pure public or pure private financing...mixed financing is advisable for both public and private institutions...a combination (of institution and) student subsidisation in many countries (is advisable)...a shift away from block grants towards loans to students seems advisable in many countries...firms, philanthropy and the least developed countries' foreign aid can be tapped...(Eicher and Chevaillier, 1993: p. 477)

These suggestions support a mixture of solutions to the problem of declining or inadequate financial resources because higher education is an expensive commodity. The suggested solutions do not usually yield more than ten percent of the required annual revenue for each institution (Ziderman and Albrecht, 1995; Johnstone, 1998). Therefore, institutions should not expect their problems to be completely solved through these alternatives.

Literature on financing higher education suggests that all stakeholders should be involved in the provision of funds to higher education (World Bank, 2000; van Harte, 2002; Johnstone, 2006; Sanyal and Martin, 2006a). The key players are the government, the universities, industry and students. The governments and the universities have to take a lead in mobilising resources from all stakeholders. Methods that have been tried with some degree of success in the OECD countries could be cautiously implemented. Some of them are cost sharing, entrepreneurial approaches or market-like approaches (OECD, 2004).

There is limited literature on how financial resources are acquired, allocated and accounted for in universities of both developed and developing countries. This may be due to confidentiality

surrounding the issue of finances and the fact that the management of funds tends to follow the policies of the main funder (Yorke, and Thomas, 2003). It is reasonable that universities develop effective and efficient financial management processes and procedures in order to satisfy the accountability requirement of the bodies that fund them. These management initiatives would also prepare the universities for adopting market-like approaches in generating income.

The above-stated observations and suggestions come as a challenge to developing countries in general because at the inception of policies on financing of higher education some of them were not taken into consideration. The negotiation process on the adoption of these policies and practices could bring about tensions among university stakeholders. Overall missions of the university may have to be altered in principle and practice.

Research Questions

The above-stated analysis of the situation at the three universities points to the need to address the problem of their inadequate financial resources. Politicians and university officials have expressed their awareness of the challenges and a need to bring about long-term solutions. The solutions should emerge from perceptions, feelings and views of the practitioners who are the policy-makers locally and externally to the universities. This topic is wide in scope; therefore, it has been narrowed down to the perceptions of the universities' administrators and academics, and government officials of their universities' current and future funding strategies with a view to expanding the financial base of these universities. Government officials, university administrators and academics were identified as custodians of information that could be useful data for this study. Furthermore, relevant university and government documents were identified as an additional source.

The research problem is summarised in the following statement:

The current and future strategies for financing higher education in the small Commonwealth states of Botswana, Lesotho and Swaziland: a comparative study of the perceptions of university academics and administrators and government officials.

Although the governments of Botswana, Lesotho and Swaziland show a continued commitment to funding higher education in their respective universities, the resources at their disposal are already insufficient to support their higher education systems. Since higher education is experiencing a decline of financial resources, views of the policy-makers on the options available to the universities of Botswana, Lesotho and Swaziland in order to broaden their financial base were sought. Although all beneficiaries to higher education could have been involved in this study, time and resources available to the researcher limited the study to policy and administrative issues at the said universities. Thus the research problem was broken down into the following thematic researchable sub-questions:

1. How do the three universities acquire their financial resources?
2. How do the universities manage their funds in terms of internal policy and practice?
3. What challenges are facing the universities with respect to funding?
4. What innovations could be implemented at each university in order to improve and broaden the current strategies for funding?

The above questions were further broken down into specific questions in order to generate more focused answers (see Appendices A to H).

Significance of the Study

There is a need for the formulation of policies or the strengthening of existing ones with respect to funding higher education in Botswana, Lesotho and Swaziland. These policies could be very useful in addressing issues of manpower planning and the general funding of higher education. This study is expected to make a contribution to the formulation of those policies at both governmental and university level.

The other expectation is that the universities in this study might be able to reflect on issues of internal financial resource management. This could result in the formulation of good financial management practices and procedures that could make the universities accountable to the satisfaction of their stakeholders. Where accountability is effectively taking place, this study

should promote those practices. A transparent process of accounting for resources might persuade aid agencies/donors to give generously to the said institutions.

The shortage of funds for the support of work in higher education is a persistent problem. This research might stimulate each of the three institutions to embark on or continue in fundraising activities or income generating activities with a view to sustaining their financial base.

Finally, this empirical study is a contribution to new knowledge about funding higher education in Botswana, Lesotho and Swaziland. Currently there are few studies that have been conducted on this topic in these three countries compared with their neighbour, South Africa and other countries in the sub-Saharan Africa region.

Scope of the Study

This study was conducted in Botswana, Lesotho and Swaziland as a case of small Commonwealth countries defined by the size of their population and economy. It covered the universities and government ministries that were directly linked with funding the universities. Other institutions of higher education in these countries such as colleges and polytechnics were excluded from the study. Had resources permitted, the study would have been extended to cover Namibia, another small Commonwealth country along the above criteria in the region. The findings of this study should be treated as applicable to Botswana, Lesotho and Swaziland only. The unique socio political and economic features of these three countries may not allow the findings to be transferable to other settings.

Outline of the Thesis

This section is a presentation of the remainder of this thesis chapter by chapter. Chapter one introduces the context of the study. It covers the historical background of universities and their mission statements in general. The role of the university with respect to economic and social development will be discussed. The organisational structures and decision-making on finances at the universities of Botswana, Lesotho and Swaziland will be discussed.

Chapter two concerns the theoretical framework of the study which is presented as the human and social capital theories. The intention is to understand the contribution of higher education in development. The applicability of these theories will be considered in the context of the sub-Saharan Africa region. The relevant literature that was reviewed will be presented in chapter three. A discussion of the direction offered in the literature and implications for the three countries and their universities will be briefly done as appropriate.

Chapter four focuses on the research methodology and methods. This chapter will also pay attention to how the study was conducted in the field and how the data were analysed. Issues of ethics when dealing with human subjects and the study's trustworthiness will be presented. Chapter five addresses the findings of this study which will be presented thematically. A comparative approach in the discussion of the findings is the subject for chapter six. The discussion follows a thematic approach, noting similarities and differences in practice in each of the universities. This discussion also compares these findings with the literature reviewed.

Chapter seven presents the conclusions of this study, my personal reflections as a researcher and recommendations for further research. The references for documents and literature that were cited in this study come thereafter. This section is followed by appendices.

Conclusion

This introductory chapter presented an overview of financing higher education in developing countries. The researcher was introduced to help readers make a fair judgement about the research and how it was conducted. A brief background of the situation in the universities of Botswana, Lesotho and Swaziland was presented. The research problem was stated together with the significance of the study. The next chapter is on the social and economic context of the study.

CHAPTER ONE

SOCIAL AND ECONOMIC CONTEXT OF THE STUDY

This chapter presents the social and economic context of this study. It starts with a brief history of Botswana, Lesotho and Swaziland, their economic status and their educational systems. Thereafter, it expands on the background of the three universities chosen for the study which was introduced in the previous chapter: the history of the universities, their mission statements and their organisational structure. Sources of funding for the three universities and problems that are associated with failure in achieving the goals are highlighted. The relationship of these universities with South African universities is briefly discussed.

Socio-Economic Context of Botswana, Lesotho and Swaziland

Botswana, Lesotho and Swaziland are located in Southern Africa and are small states in terms of their population size. They were British protectorates up to the late 1960s when they regained their independence. They are members of the Commonwealth of Nations and the Southern Africa Development Commission (SADC). Botswana is bordered by Namibia, Zimbabwe, Zambia and South Africa. Lesotho is completely surrounded by South Africa. Swaziland lies between two countries. Mozambique forms its border along the eastern part and South Africa forms its southern, western and northern borders (see Figure 1.1). The land area of each of these countries is as follows: Botswana covers 585 370 square kilometres, Lesotho has an area of 30 355 square kilometres and Swaziland has an area of 17 363 square kilometres. Botswana has a population of about 1 600 000, while Lesotho and Swaziland have a population of about 1 900 000 and 1 200 000, respectively (World Factbook, 2005).

According to the International Monetary Authority (IMF, 2004), each of these three countries is classified as a developing country. Swaziland has a Gross Domestic Product (GDP) per capita of US\$ 100. The GDP per capita of Botswana is US\$9 200 and that of Lesotho is US\$3 200. The economy of Botswana is based on mineral exports and agriculture. The rate of unemployment in Botswana is placed at an official figure of 23.8% of the population eligible to work. Lesotho has an economy that is based on textiles manufacture, tourism and agriculture. The rate of unemployment is estimated to be at about 45% of the population

eligible to work. The economy of Swaziland is dependent on Agriculture (10%), industry (46.7%) and other services (43.4%). The unemployment rate is 34% of the population eligible to work (World Fact Book, 2005). The rate of infection with the HIV/AIDS virus in the population is about 28.9% in Lesotho, 37.3% in Botswana and 38.8% in Swaziland (see Table 1.1).

Figure 1.1: A Map of Southern Africa



Source: <http://www.fao.org/giews/english/basedocs/safrbase.htm>

Table 1.1 Statistical Information on Botswana, Lesotho and Swaziland

	Botswana	Lesotho	Swaziland
Land area (Sq km)	585, 370	30, 355	17, 363
Population	1, 640, 000	1, 867, 035	1, 174, 000
Population growth rate (%)	0	0.08	0.25
Life expectancy at birth (years)	33.87	36.68	35.65
HIV/AIDS adult prevalence rate (%)	37.3	28.9	38.8
Literacy rate (%)	79.8	84.8	81.6
Natural resources	Diamonds, copper, nickel, salt, coal	Water, agricultural and grazing land	Asbestos, coal, pulp
GDP per capita (\$)	9, 200	3, 200	5, 100
Population below poverty line (%)	47	49	40
Inflation rate (%)	7	5.3	5.4
Labour force	264, 000	838, 000	383, 200
Unemployment rate (%)	23.8	45	34
Economic aid recipient million (\$)	73 (1995)	41.5 (2000)	104 (2001)

Source: World Factbook (2005)

Educational System in Botswana, Lesotho and Swaziland

Botswana, Lesotho and Swaziland follow a similar system of education. Their governments have committed themselves to economic and social development of their nations through the provision they make for the education sector in every annual budget. For example, the University of Swaziland (2000) notes that

Swaziland regards education as the key to nation building and to economic, social and political development. Since independence, education has been regarded as an inalienable right for Swazi children and citizens...the principles guiding the provision of basic and tertiary education in the country are social demands and human resource requirements. (p. 1)

Each of the governments of Botswana, Lesotho and Swaziland set aside an amount of at least 20% of its total national budget as an allocation to the Ministry of Education in 2003/2004 (Government of Botswana, 2003; Government of Lesotho, 2003a; Government of Swaziland, 2003). The portion of the national budget that goes to the Ministry of Education annually usually constitutes the largest percentage of the budget to go to one ministry. Therefore, it may be implicit from the important role that each of these governments attaches to education through their national budgets allocation that education forms an important part of the economic and social development of each of these countries.

Formal education covers a period of about twelve years in Botswana, Lesotho and Swaziland. It starts at primary school level which covers the ages of six to thirteen. Thereafter, there are three years of Junior Secondary and two years of Senior Secondary education. At approximately the age of eighteen years all formal schooling is completed resulting in the award of the Botswana General Certificate of Secondary Education in Botswana and the Cambridge Overseas School Certificate in the case of Lesotho and Swaziland. The certificate is awarded to students who successfully complete the Senior Secondary schooling (International Association of Universities, 2003).

The universities of Botswana, Lesotho and Swaziland and colleges within these countries use the level of achievement of a student at Senior Secondary School to determine if he/she is admissible to pursue a programme of study in tertiary education. Tertiary education refers to all forms of education higher than Senior Secondary education. It is offered by colleges and the university in each of these countries. The colleges offer programmes leading to certificates and diplomas and the universities offer programmes leading to certificates, diplomas, undergraduate and postgraduate degree programmes in Agriculture, Education, Humanities, Commerce/Business, Health Sciences, Social Sciences, Natural Sciences and Engineering disciplines, to name a few. The applicants who do not meet the entry requirements to the university programmes usually seek admission from government-run colleges and institutes, which offer training towards teacher's qualifications or technical and vocational qualifications at either diploma or certificate level.

Any students who want to do specialised training such as Medicine can apply to undergo training in some of the universities in the Southern Africa region or overseas with financial assistance from either their home governments or international aid agencies. This occurs if the training is in an area that has been identified by the government concerned as a priority field (Government of Lesotho, 2003b) or else private funding may have to be sought by the student.

Establishment of the Universities of Botswana, Lesotho and Swaziland

Historical Background

The countries of Bechuanaland, Basutoland and Swaziland were, from the end of the 19th century to the late 1960s, British protectorates. Bechuanaland and Basutoland regained their independence in 1966 and Swaziland regained her independence from Britain in 1968. After regaining their independence, Bechuanaland and Basutoland assumed the names Botswana and Lesotho, respectively. The status of being British protectorates meant that these countries were not self-governing states. The British High Commissioner who was based in Pretoria, South Africa, at that time was the Governor of all the three countries.

The three countries, with the help of the British High Commissioner, set up a University centre to train their students in traditional subjects at the Catholic run Pius XII College in Roma, Basutoland. The Pius XII College was affiliated to the University of South Africa (UNISA). This means that the college taught its programmes. Since it had no degree granting status at that point, UNISA supervised the programmes and authenticated the qualifications that were obtained by the students. The University of Bechuanaland, Basutoland and Swaziland (UBBS) was established in June, 1963 as a successor of the college in the same physical structures that were occupied by the college. The administration of the college was handed over to the university which had its first graduates in 1964 (University of Botswana, 2004a; National University of Lesotho, 2002b; University of Swaziland, 2004a). The supervisory role that had hitherto been played by UNISA ceased. There was no Catholic influence after the handover of the university as the University Council was responsible for the governance of the institution. The university assumed the new name, The University of Botswana, Lesotho and Swaziland (UBLS) in 1966 after Botswana and Lesotho regained their independence. It had a university college in each of the three countries. Each country made an equal financial contribution to the development of the university.

The purpose of UBLS at its establishment was to meet the manpower needs of the three countries. The university students were trained to the level of certificate, diploma and degree in the traditional subjects. Those students who required specialised training were sent by their countries to South Africa and beyond for training in fields such as Medicine, Engineering, and

many others. Research and community service also formed an important part of the mission of the university which complemented teaching. For instance, promotion of academic staff from one rank to the other was partly dependent on the research record of the individual concerned.

All along, most of the programmes were offered at Roma, Lesotho. Only small colleges of the university were found in Botswana and Swaziland. The Lesotho National Assembly took a decision to withdraw Lesotho's participation from the tripartite arrangement and establish the National University of Lesotho in October, 1975. This was caused by inconsistent and unequal cooperation among the three university colleges on developmental issues and future plans. Student unrest and strained relations between the UBLS administration and the Government of Lesotho also contributed to the separation (National University of Lesotho, 2002b; University of Swaziland, 2004a). This left Botswana and Swaziland to carry on with a new University of Botswana and Swaziland. Ongoing construction of buildings in each of these two countries had to be completed in haste for occupancy by students. Hence the University of Botswana and Swaziland was established with university colleges in each of the participating countries. The national governments of Botswana and Swaziland agreed to work towards the establishment of their national universities by 1982. This objective was realised when in July, 1982 the University of Botswana and the University of Swaziland were established through national acts of parliament of 1982 and 1983, respectively.

The National University of Lesotho was enacted by an Act of Parliament cited as the "National University of Lesotho Act A. 10 of 1976". It was subsequently repealed by the Military Council and replaced with "The National University of Lesotho Order 19 of 1992" (National University of Lesotho, 2002b). The University of Botswana was enacted by the Act of Parliament cited as "The University of Botswana Act of 1982 (University of Botswana, 2004a). The University of Swaziland was also enacted by Parliament through "The University of Swaziland Act No. 2 of 1983" (University of Swaziland, 2004a). Whereas these universities now are fully established separate national universities, there is still an amount of cooperation among them. For instance, there is a Committee of Senior Administrators which deliberates on matters of academic development and other areas of mutual interest. There is

also cooperation in exchanging information for the development of administrative structures in each institution. Cooperation extends to cover other institutions in the region. For instance, through the efforts of some philanthropic organisations and aid agencies such as the W. K. Kellogg Foundation they are all able to work with other universities in the region especially on research projects. The University of Botswana is cooperating with some universities in neighbouring countries in some of its research endeavours (University of Botswana, 2004b).

Geographical Location, Size and Programmes of these Universities

The University of Botswana is located in Gaborone, the capital city of Botswana. That is where the administration work and most of the teaching of its programmes is conducted. It also comprises a Research Centre, the Harry Oppenheimer Okavango Research Centre located in Maun in the northern part of the country. As the name implies, this centre is mainly for research work in the Okavango Delta. The full-time student population of the University of Botswana is 12 771 (University of Botswana, 2005b).

The National University of Lesotho is located in Roma, a small town which lies about 34 kilometres south-east of Maseru, the capital city. Its Institute of Extra Mural Studies and its Consultancy Services Unit are located in Maseru. The administration work and teaching of the university's programmes take place in Roma. The full-time student population is 5 140 (National University of Lesotho, 2006b).

The University of Swaziland has three campuses. These are located at Kwaluseni, the main campus which lies about 25 kilometres south of Mbabane, the capital city. This campus houses the main administration buildings of the university and most of the academic programmes are taught there. The Luyengo campus houses the Faculty of Agriculture and Home Economics. It is located about 20 kilometres west of the Kwaluseni campus. Finally, the Mbabane Campus houses the Faculty of Health Sciences. The full-time student population is 3 567 (University of Swaziland, 2006).

Each of the three universities still undertakes training of students in disciplines that are meant to supply the national government and the private sector with manpower. The degree programmes that are offered at undergraduate level are in the following traditional disciplines:

Agriculture, Education, Humanities, Science, Commerce and Business, Social Science and Politics and Law. Each of these universities has expanded its programmes on offer to include some of the latest fields of training such as Water and Irrigation Management, Environmental Health, Electronic Engineering, Chemical Engineering, Library Studies, Nursing Sciences and Information Technology, among others. Growth of these institutions has enabled them to start offering degree programmes at postgraduate level (University of Botswana, 2004a; National University of Lesotho, 2002b; University of Swaziland, 2004a). The University of Botswana has developed to the extent that it is offering Master's degree programmes in most of the disciplines and doctorate degrees in others (International Association of Universities, 2003).

This short information on the Universities of Botswana, Lesotho and Swaziland shows that the universities have a lot in common. Their mission statements, which will be discussed below, state that their goal is to carry out teaching, research and community service. This mission statement is very traditional in the establishment of universities. It should be pointed out that if the financial resources of the universities dwindle, the implementation of the plans of the institutions is challenged. The International Monetary Fund reports that the economic position of the sub-Saharan African countries is bad due to a number of issues of national importance which take away a share of the very meagre resources (International Monetary Fund, 2004).

The Mission and Organisational Structures of the Three Universities

The Universities of Botswana, Lesotho and Swaziland have been modelled on the British system of higher education. Their mission statements embrace three traditional elements: teaching, research and community service which are characteristic of a typical British model of a university (Allen, 1988). It is worth noting that there are other models of a university which favour the separation of teaching universities from research institutions. A founding Rector of the Catholic University of Ireland, John Henry Newman (Newman, 1960), for instance, was a proponent of the separation of research from teaching in a university. His ideas were influential in the statement of the value of liberal education.

The universities of Botswana, Lesotho and Swaziland have an administrative and academic structure which they inherited from the former UBLS that was itself founded on the British model of higher education. The model is characterised by the University Council and the Senate being the highest governing administrative and academic bodies of the institutions, respectively. It is only recently (2002/2003) that the University of Botswana reorganised its administrative structure to keep in line with its level of development. This section is a presentation of the mission statements and the decision-making bodies responsible for the administration of the three universities.

Mission Statements

Allen (1988) defines a mission statement as a single statement or goal that summarises the purpose of the university. Allen further states that the mission statement informs the reader about the reason for the existence of the university. It also characterises the university. This statement can be further broken down into specific goals. There are three main goals that usually emerge from the main statement in the case of universities that follow the British university system: these are teaching, research and public/community service (Gross and Grambsch, 1968). These roles are usually stated further in simpler manageable statements. The statements are what each university desires to accomplish. Needless to say that some of the universities fail to achieve some parts of their mission because of lack of resources.

The University of Botswana has a statement that is broken down into a vision, mission and values. The purpose of the university is stated as advancing “the intellectual and human resource capacity of the nation and the international community” (University of Botswana, 2004d: p. 1). A further examination of the mission statement shows that the University of Botswana framed it along the traditional lines of teaching, research and community service. The university simply states the mission statement in a form of what may be called objectives or broader sentences reflecting how it intends to fulfil its mandate. There are expressions that are in use such as “...developing a student-centred, intellectually stimulating and technologically advanced teaching, learning and research environment” (p. 1).

The National University of Lesotho’s mission statement is:

...to employ innovative teaching and learning methods, research and professional services to continually develop human resources capable of leading and managing development processes in a world increasingly driven by knowledge and by Science and Technology. (National University of Lesotho, 2002a: pp. 10-11).

Although the component of community service may seem to be lacking, it is found in the University Act which states, in part, the purpose as:

...to give instructions and training to such persons branches of knowledge as will most effectively [*sic*] improve their education and prepare them for service in their community. (National University of Lesotho, 2002b: p. 397)

In short, the National University of Lesotho states its purpose as teaching (learning), research and service to the community. This is very consistent with the purpose of the university that is stated by Allen (1988) and Gross & Grambsch (1968) above.

The University of Swaziland's mission, by contrast, is stated in its Strategic Plan as follows:

The University of Swaziland...endeavours to provide a congenial learning environment, accessible to the people of Swaziland and beyond. Such an environment shall facilitate excellence in teaching and learning, research, community service, and provide opportunity for consultancy, professional leadership and enterprise development, with a view to nurturing men and women who are well equipped for service to the changing and dynamic society through the job market and self-employment. (University of Swaziland, 2000: p. 11)

The strategic plan states that the primary functions of the university are teaching/learning, research and community service. Consultancy, professional leadership and enterprise development are an extension of the primary functions.

The common features in the mission statements of all three universities are teaching, research and community service. They have to be understood against the general purpose of the university in sub-Saharan Africa and the developing world where the study took place. The mission statements of many universities in Africa have components of a mission statement of a typical traditional British university which emphasises that universities are a key to national development. Saint (1992, p. 15) states that at a UNESCO/UNECA conference held in 1962 the role of higher education in Africa was adopted as:

To produce the skilled human resources necessary to manage newly independent countries, to generate developmentally relevant research, and to provide community service.

In his study on decision-making at the University of Namibia, Kirby-Harris (2003) also states the influence that has been made by the British university model in the formulation of the region's mission statements. In short, the mission statements of the three universities of Botswana, Lesotho and Swaziland are similar to most of British universities.

Teaching is undoubtedly a preoccupation of all universities in Africa. The increasing undergraduate programme enrolment figures that are published in a number of materials suggest that there is more teaching than research going on at these universities. However, Teferra and Altbach (2004, p. 38) observe that while there is research activity in these universities, it is performing poorly in this regard because of financial constraints:

Most countries in Africa have practically no funds allocated to research in the university budgets. Expenditures on research and development (R&D)...show a declining trend...in much of Africa, these resources are either lacking or are extremely scarce.

This observation gives the impression that research and community service are given less attention by way of funding in most universities in Africa. Teferra and Altbach state that in West Africa, for instance, universities are finding it difficult to carry out research because of either limited or an absence of funds allocated for research in their budgets. At any rate, the mission statements would still advocate an environment that seeks to promote teaching, research and community service.

Decision-Making Structures

Decision-making takes place in a democratic fashion in many traditional universities. A committee structure is what most universities rely upon for decision-making. The universities of Botswana, Lesotho and Swaziland have a committee system of decision-making. This covers all matters relating to university business including financial matters. In this section I will outline the general organisational structure and the decision-making structure in these three universities.

Each of the instruments that established the three universities sets out the decision-making structure of the university concerned. The instruments contain some details about the mission, the organisational structure, financial provisions and a repeal of previous instruments that established prior institutions that were replaced through the establishment of the current ones. An outline of the structure of the Council and the Senate as governing administrative and academic bodies, respectively, is given below.

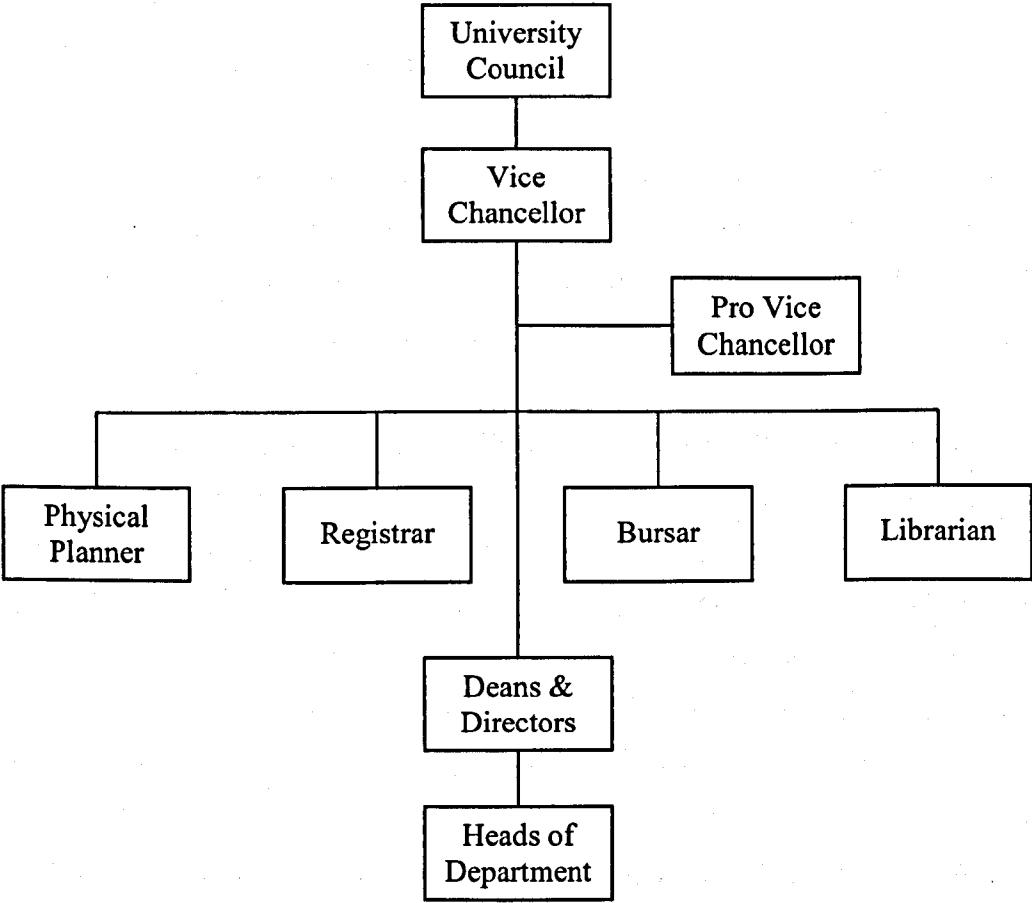
University Council

The University of Botswana's administrative structure is characterised by the Vice Chancellor as the chief academic and administrative officer of the university. There are three Deputy Vice Chancellors responsible for divisions of the administration which are Academic Affairs, Finance and Administration and Student Affairs (University of Botswana, 2004b). Some Directors who manage specific offices report to the Deputy Vice Chancellors and others report to the Vice Chancellor. On the academic side, Deans report to the Central Administration through the Deputy Vice Chancellor (Academic Affairs). Except for the clear division of duties, the University of Botswana's organisational system has not departed from the British model of a university. On the other hand, the National University of Lesotho and the University of Swaziland still follow the traditional British model where there are a Pro-Vice Chancellor and a Registrar working directly under the Vice Chancellor.

In all three universities the University Council has responsibility for governing its institution. This includes management and regulation of university finances, accounts, investments, property and all affairs of the university (University of Botswana, 2004a; National University of Lesotho, 2002b, University of Swaziland, 2004a). The Council has powers to acquire and transfer property on behalf of the university. It also appoints University officers from whom it receives and considers reports on the progress in their functions. These officers are the Vice Chancellor, the Pro-Vice Chancellor, the Registrar, the Bursar, the Physical Planner and the Librarian at the National University of Lesotho. The Vice Chancellor as the chief academic and administrative officer of the University is assisted by the Pro-Vice Chancellor. The Registrar is the administrative officer of the university. He/she is also responsible for the general administration of the institution and the provision of secretarial services to all the committees and boards. The Bursar is the chief financial officer of the university. The

Librarian is responsible for the administration of the Library. The Physical Planner is responsible for all the physical property of the university. All these officers are responsible to the Vice Chancellor who, in turn, is responsible to the University Council (see figure 1.2 below).

Figure 1.2: A Typical University Administrative Structure



Source: Adapted from the University of Swaziland (2004a)

The membership of the University Council generally comprises

- the Chancellor who in all three cases is the Head of State;
- the Chairman of Council, appointed by the Chancellor;
- the Vice Chancellor and Pro-Vice Chancellor;
- about three members of Senate appointed by the Senate;

- about five members of government representing line ministries such as Education, Finance and Economic Planning, appointed by the Minister of Education;
- about three persons who have special competence in University education outside the country concerned;
- an elected representative of the staff members who are not members of Senate;
- about two representatives of the University alumni;
- a member of the Student Representative Council; and
- the Registrar who serves as the Secretary.

The role of the Chancellor is in most cases, apart from the appointment of some of the members of Council and making an input in the appointment of the Vice Chancellor, a ceremonial function such as presiding at the graduation ceremony. The Chairman of Council represents the Chancellor in the business of Council.

The University Council delegates some of its responsibilities to its sub-committees responsible for finance, staff appointments, estates, buildings and tenders, to name a few (see figure 1.3 below). It also establishes academic units and academic and administrative positions at the university based on recommendations from the Senate. The business of Council is mainly undertaken at its meetings. The day-to-day administration business of the University is the responsibility of the officers with their assistants. Any issues that require the attention of the committees are tabled for discussion at the meetings of those committees.

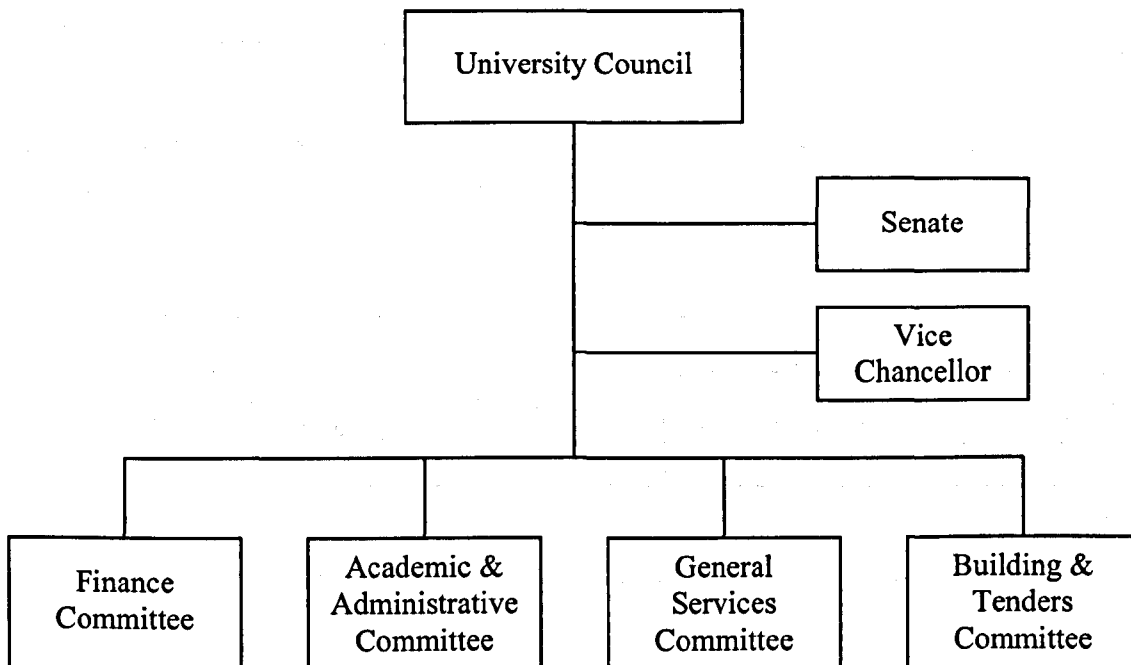
The financial matters fall within the functions of the Council. The University Act defines the funds, assets and liabilities of the university. For instance, in the case of the University of Swaziland, the University Act states that

The funds, assets and liabilities of the University shall consist of

1. the funds, assets and liabilities transferred from the former University of Botswana and Swaziland (*sic*);
2. moneys or property that may from time to time be donated, lent or granted to the University;
3. property and investments acquired by or vested in the University and all moneys earned or arising therefrom;

4. all moneys or property that may in any manner become payable or vested in the University in respect of any matter regarding its power and duties (University of Swaziland, 2004a: p. 431).

Figure 1.3: A Typical University Organisational Chart



Source: Adapted from the University of Swaziland (2004a)

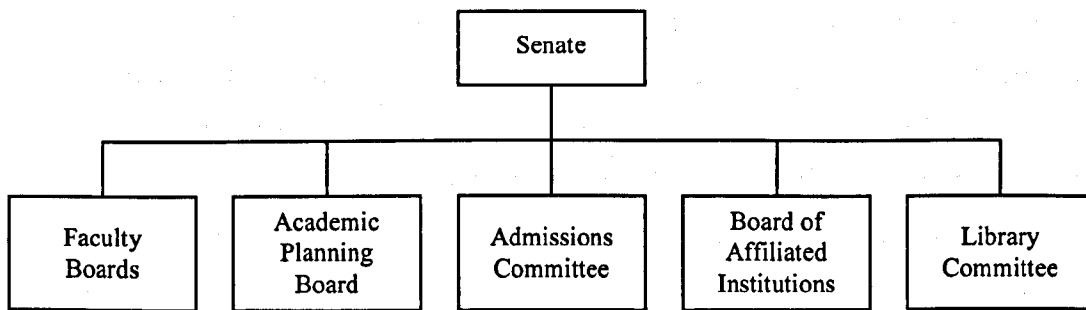
Among its functions, the University Council is required by the University Act to prepare estimates of the revenue and expenditure before the commencement of the new financial year for their approval. Further, the Act states that there shall be no expenditure incurred for the purposes of the University without the approval of the Council.

Senate

The Senate is the academic authority of the university. It is responsible for the admission of students into academic programmes, regulation and control of all teaching programmes and the granting of degree and diploma qualifications to those who complete the programmes. It makes recommendations to the Council on applications for affiliation to the University by non-degree granting institutions of tertiary education within the country (University of Botswana, 2004a; National University of Lesotho, 2002b; University of Swaziland, 2004a).

The Senate executes its business according to the established University Statutes. The statutes grant it powers to appoint its sub-committees that help with carrying out the many responsibilities at lower levels (see figure 1.4 below). Some of these Committees are responsible for admissions, academic policy and planning, library services and academic business at faculty and departmental levels.

Figure 1.4: University Structure showing the Senate and its Sub-committees



Source: Adapted from the University of Swaziland (2004a)

The membership of the Senate varies from one university to the other because of the number of representatives sought at each level. For example, at the National University of Lesotho all professors are members of the Senate. At the University of Botswana each faculty is represented by at least four members who include the Dean and two professors. The membership is generally as follows:

- The Vice Chancellor (Chairman);
- The Pro-Vice Chancellor;
- The Deans of Faculties;
- Professors of each Faculty (elected by the Faculty Boards in most cases);
- Elected members of the Faculty Boards (non-professors);
- The Librarian;
- Some members of the Student Representative Council (at most three); and
- The Registrar (Secretary).

The Faculty Boards are the decision-making bodies at faculty level. They are responsible to the Senate for all their activities. They comprise all academic members of staff within the faculty concerned and elected student representatives. The Chairman of Senate, the Vice Chancellor, is an ex-officio member of the Faculty Boards. The respective Deans chair the meetings of their Faculty Boards.

The membership of the Faculty Boards is too big to thoroughly consider matters of policy within disciplines and the diversity of disciplines would not allow a good job to be done at that level. Therefore, there are Departmental Boards that are responsible for carrying out this task. A Departmental Board makes recommendations to the Faculty Board concerned on matters that require the latter's attention. The composition of the Departmental Board is made up of the Chairman, the Head of Department, the other academic members of staff in the Department and student representatives. The Dean of the faculty is an ex-officio member of a Departmental Board.

In summary, the Universities of Botswana, Lesotho and Swaziland follow a similar structure of decision-making. It is a structure that is based on the committee system in order to ensure a democratic representation of members of the university community. The University Council and the Senate are the highest authorities in terms of administrative and academic governance of these universities. There are undoubtedly areas of overlap in some of the functions of these two bodies. The Vice Chancellor consults the Chairman of Council or the entire membership of Council if there is a need and vice versa.

Sources of Funding for the Universities

Having outlined the organisational structures and decision-making processes at the Universities of Botswana, Lesotho and Swaziland, it is appropriate to briefly describe how these universities are generally funded. The level of achievement or failure to achieve their goals will be discussed in the following section.

Funding

The three universities that form this research study have a history of receiving funding from their national governments as it has been pointed out above. The former University of

Botswana Lesotho and Swaziland (UBLS) used to be equally financed by the three participating countries (University of Swaziland, 2004a). These funds were for development and support for the general operations. The students were awarded study loans/scholarships by their governments to pay for tuition and accommodation at the university. This continues to be the case to date only at national level.

The University Act for each of the universities of Botswana, Lesotho and Swaziland, states that the University Council shall prepare an annual budget that shall be submitted to the Government to request funds for the following year (University of Botswana, 2004a; University of Lesotho, 2002b; University of Swaziland, 2004a). The case of these three universities is not unique as Teferra and Altbach (2004) note that a huge portion of financial support for higher education in Africa comes from state resources. These universities also charge student fees which comprise tuition and residence. A small percentage is generated from other sources.

The Governments of Botswana, Lesotho and Swaziland acknowledge their major commitment to the financing of higher education in their annual financial allocations and elsewhere. For instance, the Minister of Finance and Development Planning explains that:

...Basotho have always valued and cherished education from time immemorial. Long before independence they created a Sethaba-thaba Fund in order to enable young brilliant Basotho to pursue higher education abroad ...the Government is just as committed today to fighting poverty and ignorance through increased access to education at all levels including ...subventions to tertiary institutions amounting to 4% of the 2003/2004 budget. (Government of Lesotho, 2003b: p. 1)

Similarly, the Governments of Botswana and Swaziland make provision for the financing of higher education on an annual basis (University of Botswana, 2004c; University of Swaziland, 2000). The University of Swaziland states that the Government of Swaziland acknowledges the significance of making provision for higher education because it is on social demand and it is a tool for human resource development.

Problems with Funding

The smooth general operations of any university are dictated by the availability of all the necessary resources. Among those resources are funds for operations. It is a common feature in some developing countries for a shortage of funds for certain projects of the universities to be experienced, to the extent that staff salaries may not be paid on time (Teferra and Altbach, 2004). According to these authors, lack of financial resources is one of the major challenges facing higher education in developing countries and to a lesser extent, industrialised countries. They say

...African universities are under considerable financial pressure and face serious financial problems. That said, there are a few places where the financial situation appears to be relatively less severe or even improving gradually... (Teferra and Altbach, 2004: p. 28)

It follows from the above-mentioned observation that the countries in Southern Africa are not an exception. The University of Swaziland, for instance, underwent a serious shortage of funds during the consecutive financial years, 2001/2002 and 2002/2003. The government, the main source of funding, adopted what is termed “zero growth” in terms of funding the university. This meant that the university could only get money that was equal in amount to that which it received the previous year. Effectively, the amount was less than before in monetary terms when the rate of inflation is taken into consideration and the university was forced to ask for supplementary funding from the government in each case (University of Swaziland, 2002; 2003). As a result, some of the teaching facilities were not adequately provided for. Some of the library journal subscriptions were not renewed.

Shortage of funding at the University of Swaziland is not a new issue. The university took an initiative to prepare a strategic plan in the late 1990s. The idea was “to position itself (*sic*) to face the challenge of building a sustainable long-term future for itself and enhance its impact within the context of continuously changing environment” (University of Swaziland, 2000: p. ii). At that time the deficit in the Government of Swaziland budget was becoming a common feature which further led to inadequate funding to the educational system. It is ironic that government funding is decreasing at a time when student numbers are increasing. The latter

has long been a government goal. In practice, this has meant that the university has not been able to improve its infrastructure to accommodate the larger student numbers.

Teaching has suffered at the University of Swaziland as a result of the shortage of funds mainly because the same academic staff members have had to teach a larger number of students and courses. This has put tremendous strain on their time spent preparing lessons as well as on their research output. This negatively affects their morale and confidence.

The National University of Lesotho is also facing a shortage of funds. Fairly recently, the Government of Lesotho issued a statement that it was going to limit its provision of scholarships for higher education students to a figure of 195 million Maloti (Government of Lesotho, 2003b). Implied in this statement is that the University would receive less funding than before because of inflation. As a result, some services could be stopped or reduced due to shortage of funds that are tied to the scholarships that are awarded to the students.

The problem of shortage of funds at the National University of Lesotho was predictable in the 1990s. Thomas (1998a: p. 237) observes that:

Future expansion...was heavily dependent upon World Bank aid which was conditional upon the implementation of enhanced managerial effectiveness, particularly in the area of financial control and cost containment. During the 1980s and 1990s the University had been subjected to a number of reports all of which ...stressed that it was imperative that the University devise and implement a planning strategy which was based on a rigorous analysis of both institutional needs and costs and departmental performance.

The University had a managerial problem besides the shortage of funding. The University tried to address these problems by preparing a strategic plan as well as establishing a University Consultancy Centre. The latter's purpose was to carry out consultancy work both locally and regionally.

The situation at the University of Botswana is similar to its two sister universities though to a lesser extent because Botswana has a growing economy. The University of Botswana has recently established the University of Botswana Foundation with the idea of "enhancing and maintaining excellence and quality of the university education in Botswana" (Association of

Commonwealth Universities, 2002: p. 2). The Association of Commonwealth Universities notes that the intention is to mobilise funding at national, regional and international level for the support of academic and co-curricular needs of the university. Whereas the University of Botswana operates in a context of a growing economy, one factor that impacts on its access to funding is the HIV/AIDS pandemic. The fight against this pandemic demands a lot of commitment of the state's resources.

Impact of South African Higher Education on the Three Universities

The universities of Botswana, Lesotho and Swaziland have been presented as institutions that were modelled on the British university system primarily due to historical reasons. They exist in a region that is also dominated by the British system of education. However, the relationship of these universities with the South African universities or the South African system of higher education deserves a singular comment because of the latter's massive size compared with its immediate neighbours of Botswana, Lesotho and Swaziland and the fact that South Africa is a member of the Commonwealth of Nations.

The South African system of education was developed along racial segregation lines starting from the early part of the 20th century. This occurred when the work of the second Phelps-Stokes Commission was used by the South African politicians to inform a system of education that they deemed suitable for the South Africans. This was a promotion of the apartheid policies (King, 1971). The higher education system was also developed along racial grounds resulting in the emergence of Historically Disadvantaged Institutions (HDIs) and Historically Advantaged Institutions (HAIs) (Ntshoe, 2004). The current Government of South Africa tried to come up with a unified system of higher education immediately after achieving majority rule in 1994. For example, there is an ongoing restructuring of higher education institutions through mergers between HDIs and HAIs. During the process of redressing issues of equity, access and equitable distribution of resources fiscal constraints on the government side prevented the realisation of a complete unified system (Kraak, 2001). The Southern African system of higher education has not had any major effect on its neighbours' systems of higher education. There are good working relationships among institutions in these countries. For instance, there is collaborative research work between the University of Botswana and the University of Natal and the University of Pretoria (University of Botswana, 2004b). The

University of Swaziland also has an arrangement with the University of Pretoria to get the teaching services of some of the latter's staff when the need arises. Even the SADC Protocol on Education and Training (SADC, 1997) encourages collaboration among institutions.

Conclusion

The above account is one that shows that the universities of Botswana, Lesotho and Swaziland have some problems with respect to achieving their goals. The problems are linked to inadequate financial resources. Each of these universities has attempted to either contain or address the problem. There seems to be a realisation by each of these universities that their governments have other competing issues that may prevent the governments from making adequate funding to higher education in the immediate future.

This chapter gave a contextual setting of where the study took place by outlining the social and economic status of Botswana, Lesotho and Swaziland, and presenting a historical background of the three universities of these countries. The organisational structures and decision-making processes at these universities were discussed. Lastly, the funding for the three universities was discussed. The discussion portrayed a case of financial limitations to adequately cater for all the academic and co-curricular needs in each of the three universities. The three universities' relationship with higher education institutions in South Africa was briefly discussed.

The next chapter presents the theoretical and analytical framework of this study.

CHAPTER TWO

A THEORETICAL AND ANALYTICAL FRAMEWORK

Higher education is a priority on the public agenda internationally. Its importance is acknowledged by the World Bank (2002b) in its drive for knowledge based development. The mission statements of many universities also portray higher education as a key to national development. The significance of higher education is also recognised through the development of some theories that guide development. Two theories that are concerned with investment in education on which this study is based are explored in this chapter. These are the human capital and social capital theories. However, they do not provide all the answers to development. There is little agreement among economists and sociologists of education as to an exhaustive list of indicators of development. The applicability of these theories in this study is also presented through an analytical framework within the sub-Saharan Africa context.

Theoretical Framework

Human capital theory and social capital theory were introduced briefly in chapter one. They are useful in understanding the economic and social development of a country. They portray education as an important factor in development (Belfield, 2000; Schultz, 1971; Teferra and Altbach, 2004; Coleman, 1997; Psacharopoulos and Woodhall, 1985). There are other factors that play a role in development such as international trade, cultural identity and natural resources (Tilak, 2002; Zideman and Albrecht, 1995). Education is viewed as a key factor in national development because of the benefits that accrue to the state, society and individuals once the individuals have attained it.

Capital is wealth or property that is owned by a business or person or a large amount of money that is invested or is used to start a business (Oxford Advanced Learners' Dictionary, 2000). According to Johnson (1968), capital is "anything that yields a stream of income over time, and income as the product of capital" (p. 37). According to these definitions, acquired knowledge and skills are capital. Johnson argues that the extension of the definition of capital would include anything that is income-yielding as it can be given a capital value.

Human Capital Theory

The literature on human capital is now very extensive. Within this chapter I only intend to outline the issues that are involved. Schultz (1968a) argues that there is a form of capital investment in societies which causes economic growth. It is different from reproducible capital. He notes that this form of capital is realised as people acquire useful skills and knowledge. Presented in simple language, this refers to education and training including acquired skills and competences. Thus, he calls it human capital. He further argues that human capital is likely to offer a major explanation why there is an increase in national output, even better than in other investments, if the labour force is educated and has acquired skills that are relevant to the job. Johnson (1968) argues that education has a value in its contribution to economic development of a country. He says that this capital accounts for the economic growth in advanced countries that cannot be explained by increases in labour inputs and physical capital.

Coleman (1997) defines human capital as that which is brought into existence through changes in people as they acquire skills and capabilities to act in new ways or directions. As the people undergo training, they increase their chances of getting good jobs and good salaries. Woodhall (1997, p. 219) agrees with Coleman as she argues that:

The concept of human capital refers to the fact that human beings invest in themselves, by means of education, training or other activities which raise their future income by increasing their lifetime earnings.

Human capital includes knowledge, competences and other attributes embodied in individuals that are relevant to economic growth. It is generally measured by the duration of schooling and the level of academic qualifications that are obtained by an individual (Schuller, 2001).

These definitions of human capital claim that when people engage in a form of education and training, they acquire new skills and capabilities or competences. These skills and competences increase productivity. Individuals can acquire new skills on their own initiative or through an organization such as their employer. This process implies that there is a calculated attempt by individuals to increase their productivity (Woodhall, 1997). In the process they increase the productivity of the economy and the wealth of their societies

(Schuller, 2001). The manpower needs of both public and private sectors are met as people are educated and trained in specific fields.

Fagerlind and Saha (1983) explain that the human capital theory was formulated by economists as they were concerned with the productive capacity of human manpower in development and in so doing framed the theory that engagement in national development lies in improving human skills and capabilities in society. They say the best way to do that is through improving the population, human capital. Fagerlind and Saha (1983, p.18) note:

Thus the human capital theory postulates that the most efficient path to the national development of any society lies in the improvement of its population, that is, its human capital.

Xiao and Lo (2003) agree with Schultz (1968a) when they argue that, "The human capital theory maintains that economic development can be achieved and sustained by an educated and productive workforce" (p. 411). Xiao and Lo note in their study on how employees improved their education through on-the-job training in Shanghai, China, that not only did the employees acquire education, their productivity in the workplace improved as a result of the newly acquired knowledge, skills and attitudes. The human capital theory implies that there are economic gains that are realised when investment in people is undertaken. Society realises economic growth resulting from improved production by the quality of labour that is in place. Individuals make gains through economic success and achievement. Education opens new doors to them by way of promotion, responsibility and better income.

The advantages of human capital accumulation in society are perceived to be labour flexibility as reforms take place in the labour market. The skill levels of individuals are raised through additional investment in education, training and employment schemes and immigration whose aims are to attract high quality human capital (Fitzsimons, 1999). However, human capital theory remains a contentious area because of its assumption that productivity and economic success can be understood in terms of education and skills.

While Cote (2001) agrees with the economists of education on the definition of human capital, he explains that the acquisition and utilisation of human capital are influenced by the culture and traditions of society where the individual lives. His definition of human capital stretches beyond what organised institutions of learning and training can offer. He says:

Human capital has come to refer to the knowledge, skills, competences and attributes embodied in individuals, which facilitate the creation of personal, social and economic well-being. It includes motivation, moral behaviour and attitudes...human capital is a notion that captures the valuation of the attributes in which people invest. However, the inherited culture and traditions of a given society heavily influence the acquisition and use of these skills and knowledge. (Cote, 2001: p. 2)

Block (cited by Fitzsimons, 1999: pp. 1-2) argues that the economy is not:

an analytically separate realm of society that can be understood in terms of its own internal dynamics. Economists are perfectly aware that politics and culture influence economy...

He contends that politics and culture should be acknowledged as important factors in the creation of an economy rather than bracketing them and focussing purely on economic factors. He also argues that individuals are capable of acting irrationally instead of maximising utility, contrary to the view that these individuals act rationally in pursuit of organisational goals. Fitzsimons (1999) argues that economic growth does not emanate from education alone. He says there are other social and political determinants that need to be explored to explain economic growth. He further argues that

The contention that economic growth emanates from education is (misleading) because, while it may be granted that education contributes to growth, so do many other activities. (Fitzsimons, 1999: p. 3)

Similarly, Cote (2001) argues that other attributes embedded in individuals also contribute to economic development. These are moral behaviour and attitudes. These criticisms are a basis for considering other alternatives that may also contribute to the economic and social development of society. The next section pays attention to social capital as another form of investment in which education plays a part.

Social Capital Theory

Putnam (1995) argues that norms and networks of civic engagement influence the quality of life and general performance of social institutions worldwide. As a result, successful outcomes are more likely to be observed in civically engaged communities, especially in education, urban poverty, unemployment, crime control, drug abuse and health. He argues that these communities are held together by social bonds which play an important role in their economic achievements. There is also a need to introduce social organisation and social relations into the analysis of economic systems which are governed by norms, interpersonal trust and networks (Coleman, 1997).

The above argument claims that certain resources/social bonds join people together in a group or a community. These people are able to identify with one another because of that connection. The connection or resource entitles them individually and collectively to other social benefits. The resource is called *social capital*. Bourdieu (1997, p. 51) defines social capital as:

the aggregate of the actual or potential resources which are linked to possession of a durable network of more or less institutionalised relationships of mutual acquaintance and recognition-or in other words, to membership in a group- which provides each of its members with the backing of the collectively-owned capital, a credential which entitles them to credit, in the various senses of the word.

The above definition points to the value of networks and trust in groups as Putnam (1995) captures this notion when he defines social capital as that which “refers to features of social organisation such as networks, norms, and social trust that facilitate coordination and cooperation for mutual benefit” (p. 67). Schuller (2001), while agreeing with this definition, says these attributes make “...agents and institutions to be more effective in achieving common objectives” (p. 19).

Another definition acknowledges institutions, relationships between people and resources as part of social capital as Landman (2004, p. 39) puts it:

...social capital refers to the relationships between people and the resources contained therein. It also includes the institutions within, through which, these resources are applied to produce desirable outcomes.

He further explains that social capital is concerned with the resources found in the networks and relationships that are created by the members for mutual benefit. Some of the characteristics of social capital are culture, values, sanctions and norms of reciprocity.

In explaining social capital, Woolcock (2001) says that we should look at what it is rather than what it does. He says:

Social capital refers to the norms and networks that facilitate collective action...it is understood as a relational...rather than a psychological (individual) or political (institutional/national) variable. (p. 13)

He makes a distinction between the “bonding” and “bridging” nature of social capital. He says that the *bonding* nature or characteristic is observed in vertical relations among family members, neighbours and close friends, whereas the *bridging* nature is observed among colleagues, acquaintances and distant friends. Cote (2001) agrees with Woolcock and adds a third aspect of social capital, the *linking* type, which “refers to relations between different social strata in a hierarchy where power, social status and wealth are accessed by different groups” (p. 3). In short, social capital exists in vertical relations, horizontal relations and between social strata.

Trust is one of the pillars of social capital. It is an attribute of agents and institutions that makes them effective in achieving their goals and objectives. The strength of social capital depends on the relations among members of a group although the general purpose is that the networking capacity of individual members as well as the members of society in general be in a position to deal with each other (Government of Canada, 2001: p. 2). Further, this means that social capital enables people to act in a collective fashion for a common purpose (Woolcock and Narayan, 2000).

According to Woolcock and Narayan (2000), social capital is embedded in a person's family, acquaintances and friends, who may be called upon in times of need. These are an asset that can be enjoyed and put into use for one's material gain. While agreeing with the claims about networks and norms as social capital, the authors state that trust and reciprocity are its features and they are developed as members of the network interact with one another. The relations that constitute social capital should grow in order to make the ties within the group strong. They are not as quantifiable as either human capital or physical capital are because of their social nature as Woodhall (1997) contends that social capital "is less tangible than either the physical or human capitals (*sic*) for it exists in relations among persons" (p. 83). Since social capital can not be quantified like either physical capital or human capital, it is generally measured by the degree of involvement of an individual in various forms of civic engagement and the levels of expressed trust in other people (Grootaert, et al., 2004; Woolcock, 2001). The degree of trust that is associated with each group as members interact, the values and individual's attitudes are other measures of social capital (Schuller, 2001).

Economic success, which is resultant from social connectedness of groups or communities, is not confined to developed countries only. It is a world-wide phenomenon as Putnam (1995, p. 66) observes that an:

...unrelated body of research on the sociology of economic development has also focussed attention on the role of social networks. Some of this work is situated in the developing countries, and some of it elucidates the peculiarly successful "network capitalism" of East Asia. Even in less exotic Western economies, however, researchers have discovered highly efficient, highly flexible "industrial districts" based on networks of collaboration among workers and small entrepreneurs.

Social capital is a stock that is accumulated through an association with friends, family, and social organizations. These are social networks that can be called upon for enjoyment or to confront difficult situations. For example, in the Chinese culture this is called *Guanxi*. It refers to "a personal connection between two people in which one is able to prevail upon another to perform a favour or service" (Wikipedia, 2005). This excludes bureaucratic relationships as it emphasises personal relationships.

Communities that have a stock of social capital are in a good position to deal with poverty, vulnerability, disputes, taking advantage of new opportunities like embarking on business entrepreneurial projects, among others (Woolcock and Narayan, 2000; Woolcock 2001). There is empirical evidence to this effect as Woolcock (2001, p. 12) argues:

...the most comprehensive findings have emerged from urban studies, public health and corporate life, the unifying argument being that, controlling for other key variables, the well-connected are more likely to be housed, healthy, hired and happy. Specifically, they are more likely to be promoted faster, receive higher salaries, be favourably evaluated by peers, miss fewer days of work, live longer, and be more efficient in completing assigned tasks.

Social connectedness is considered important. Woolcock says that members of a network or group tend to fare well socially because their friends, acquaintances and colleagues help them when necessary. They get support in job-hunting, at work and in search for many necessities in life. They are likely to give their best in terms of productivity at work and enjoy a longer and healthier life. This is illustrated by the networks that are formed through alumni associations, bowling clubs, "Old Boy network" and the Old School Tie network of England, to name a few.

Networks of civic engagement promote norms of generalised reciprocity (Putnam, 1995) and encourage the emergence of social trust among the members. Putnam argues that these "networks facilitate coordination and communication, amplify reputations and thus allow dilemmas of collective action to be resolved" (p. 67). For instance, he observes that when economic and political negotiation is undertaken in a community endowed with dense networks of social interaction, opportunism is reduced. This makes each participant in the negotiation process aware of the value of collective benefits.

There is a close correlation between trust and associational membership. In a cross-national survey covering thirty-five countries, Inglehart (cited by Putnam, 1995) found that the members of an association become more trusting of one another because of density of associational membership. Putnam argues that engagement in civic organisations and trust are very important factors of social capital. However, he found through an empirical study he

conducted in the United States of America that social capital declines with the emergence of some new civic organisations (tertiary associations because of their secondary nature) from the old ones. Some of these new organisations do not foster bonds among members. They require no more than payment of subscription fees by members and occasional reading of a newsletter. As a result, the bonds among members are weak. Putnam concludes that:

Their ties, in short, are common symbols, common leaders, and perhaps common ideals, but not one another. The theory of social capital argues that associational membership should, for example, increase social trust, but this prediction is much less straightforward with regard to membership in tertiary associations. (Putnam, 1995: p. 71)

It is worthy of note that besides the emergence of tertiary associations, a group that may have been formed for a certain purpose may later serve in another capacity as goals of the group change over time: the appropriation of capital. Relocation of group members because of job circumstances can also transfer capital or part of it from one place to another; thus making the membership bonds weak.

Norms, networks, obligations, trustworthiness and cohesion among members of a group in any society characterise and strengthen social capital (Putnam, 1995; Bourdieu, 1997; Coleman, 1997; Grootaert *et al.*, 2004; Landman, 2004). These scholars also argue that social capital helps in times of undesirable behaviour of individuals or bad decisions that are taken by public institutions. The existence and effectiveness of norms and sanctions cause members of the social group to behave in certain ways or force governing institutions to act in desirable ways. The stock of social capital makes members of a group solve their problems easily especially when compliance with decisions of the group is sought. Similarly, Cote (2001, p. 3) agrees:

Collective action involves use of norms and networks in situations where individuals might otherwise be reluctant to be cooperative or socially engaged. Thus, norms of reciprocity and networks help ensure compliance with collectively desirable behaviour.

At an institutional level governments also make use of professional groups in solving political and general social challenges (World Bank, 2000).

A drawback is that in some situations social capital can be used by individuals or groups to the disadvantage of development. Programmes designed for economic performance can be derailed by associational membership such as organised labour unions who may be pursuing their sectional interests (Kearns, 2004). These interests may be inefficient in promoting the culture of economic progress. Secondly, social class barriers (erected by some groups) may prevent the participation or inclusion of other groups in any initiatives aimed at lowering inequalities (Coleman, 1997). This may be further illustrated through nepotism and snobbery in job employment situations. Lastly, strong communities can be oppressive to their members and restrict their access to means that would make them pull out of poverty. Further, these strong groups can promote negative behaviours such as truancy, crime, drug-taking and so on. Despite these possible negative effects of social capital, it makes a contribution to economic and social development in society as discussed later in this chapter.

In summary, social capital exists in families, networks, groups, institutions, and relationships. It is characterised by norms, trust, attitudes, cohesion, sanctions and values. These attributes govern the way members of a group interact with one another (Grootaert and van Bastelaer, 2002). Social capital is for the benefit of a community as a whole.

Social Capital and Education

Social capital is a fairly new theory compared to human capital and its indicators have not yet been agreed upon by scholars (Grootaert and van Bastelaer, 2002). The above definitions and discussion of this theory imply that there is a connection between social capital and education. The following is a brief discussion of this relationship.

Social capital as exists in families and community networks is an integral part of education. Students who receive educational support and rewards for achievement from their families and communities are generally successful in their educational studies (Heyneman, cited by Cote, 2001; Coleman, 1997). Coleman argues that social capital that is embodied in family members and relatives contributes to the child's achievement at school if the child gets assistance with his/her education. Coleman contends that the physical presence of adults in the family and their attention to the child's progress are important in his/her education.

In support of claims of existence of social capital in relationships/networks in families and communities Woolcock and Narayan (2000), Putnam (1995) and Coleman (1997), argue that as families move from one community to another because of change of employment and other factors, the social relations that constitute social capital are eroded with each move. Although the parents can call on migrant networks and survive the new environment, the school achievement rate of students who are caught up in this move decreases generally with each move.

Coleman (1997) further argues that studies have shown that children who go to the same school and whose parents are joined by relations such as religion tend to achieve good results at school because of this parental capital in the community. The parents also tend to seek placement of their children in schools with good discipline, popularity and high success rate in examinations. For example, the Catholic and Anglican schools are popular with many parents in the United Kingdom. It must be stressed that social capital available in the communities such as attendance at religious activities must be accessible to the students.

However, education helps to provide knowledge to students and the public about social contracts such as the payment of taxes, living peacefully with neighbours, respect for property and tolerance for one's fellow citizens (Heyneman, 2001). It educates society about obligations among individuals and between the state and individuals. Students are provided with an opportunity to learn appropriate behaviour for good citizens and they also learn to negotiate with other people and also tackle problems in a real life situation. Heyneman argues that students learn about the consequences of breaking the rules governing social contracts.

According to the World Bank (2002a), the contribution of education to social capital is realised through students' acquisition of social capital skills such as participation in group activities and reciprocity. These could be in civic organisations or in the community at large. Schools also provide forums for community activity. Civil education also promotes students' participation in a responsible fashion in their society. Other commentators observe that schools are also good forums for providing students with an appreciation of the complexities

of historical and current events (Heyneman, 2001). Heyneman argues that in so doing, they increase the students' chances of seeing a point of view that is different from their own.

The educational system is expected to provide an equality of opportunity for education to all students. This calls for proportionate representation of all different groups in society because once the public senses some unfairness in opportunities, trust in the system is eroded (Heyneman, 2001). Further, adjudication in the form of boards and councils in order to safeguard the interests of different groups of society is necessary. This provides the public with chances of participation in the educational system. This participation taps the experiences of the members of the boards and councils, which is social capital.

There are suggestions that investment in education improves the personal attributes of an individual. York and Thomas (2003) assert that besides imparting skills and knowledge to workers, education affects attitudes, motivation and perception about personal health, tolerance of other people irrespective of their race, colour, religion and political orientation.

Lasting relationships and networks among individuals who have taken part in learning or training together are a product of an educational system. These individuals have a potential to keep their networks alive well into the future. Putnam (1995) observes that social networks are of vital importance in job placement and other economic outcomes irrespective of the social composition of those groups. In short, friends and acquaintances have a good chance in identifying suitable candidates for jobs among themselves for the benefit of their work organisations.

Relationship Between Human Capital and Social Capital

Where there are strong ties of social capital, human capital is strengthened. Human capital is concerned with investment in education and training and development of competency skills which are important factors in economic development. Social capital also makes a contribution to economic development. Where there are good social networks, information flow, trust among members of a group and greater cohesion within the community, there is greater productivity. Social capital promotes even richer networks (Woolcock and Narayan, 2000; World Bank, 2002a).

The two theories of capital discussed above are intertwined as human capital cannot be used alone to fully explain the developmental success in society without physical capital, cultural capital and social capital (Bourdieu, 1997). These theories have complementary roles. Schuller (2001: p. 20), argues that: 1) the acquisition, deployment and effectiveness of individuals' skills and competencies depend on values and behaviour patterns of the context within which they operate; and 2) whereas human capital is measured by qualifications, social capital is measured by participation of the individual in civic life and values and attitudes in the individual. Social capital covers the learning whereby the individual learns by doing things (informal learning). Therefore, it is difficult to discuss the contribution of human capital without social capital.

Applicability of the Theories and Higher Education in Sub-Saharan Africa

The question that may be asked is, "How applicable are these theories in promoting economic and social development in society, especially in sub-Saharan Africa?" This section attempts to answer this question. The approach is through the lens of the role of education in economic and social development. Further, this section presents an answer, in part, to the question, "Why should governments and society fund higher education?"

In his inaugural lecture at the Association of Commonwealth Universities/Mandela-Rhodes Foundation and the African Leadership Award the President of South Africa, Mbeki (2004), speaks of the rebirth of the African university. He sees higher education as a key to addressing the challenges of poverty, economic underdevelopment, war and instability in the world, especially in the African context. He proposes that institutions of higher learning should work in partnership with one another and with other sectors for this purpose. He says:

...I would dare to suggest that the persistence of poverty, underdevelopment, war and instability in the world today has something to do with our inability to think beyond those factors in world history, which have shaped the regularities of global politics and trade over time...from the time of great temples of knowledge in Ancient Egypt to modern age, centres of higher learning have used their knowledge and innovation to propel societies to high levels of development and progress. Yet, institutions of higher learning can only make a meaningful contribution to the development of society if they work in partnership among themselves and with other sectors. (Mbeki, 2004: p. 3)

Indeed, sub-Saharan Africa is made up of developing countries which are confronted with a number of challenges such as illiteracy, poverty, infant mortality, disease, political instability, starvation, shortage of technology, lack of national unity, unemployment and many others. These challenges hinder progress and development. Most developing countries, especially in sub-Saharan Africa, have their ambitions about higher education systems written in their universities' mission statements. These mission statements promote the institutions' possible contribution to the economic and social development in society, a product of human capital and social capital. According to Mbeki, there is room for further development.

Similarly, Tilak (2002) gives a comprehensive analysis of how education has shaped the economies of the East Asian countries between the 1960s and the 1990s. He implores other developing countries to learn from this development process. He says that some of these East Asian countries had no major natural resources to start with but they have developed their economies to become middle income countries through their investment in education. He gives an account of the contribution of education in the development of the East Asian economies which is captured in the following statements:

It is widely held that the contribution of education to economic development in terms of both internal and external effects has been highly significant in East Asia. Rapid economic growth in Japan was attributed to the development of human capital at the very early stages...so is the case of Taiwan...and many other economies...contemporarily, education played an important role in the rapid economic growth of the Asian region, particularly in the East Asian economies. (Tilak, 2002: p. 5)

Tilak sums up his observations on investment in education (human capital) for economic development as follows:

...the important lesson-for developing economies that are growing rather slowly-that emerges from a review of East Asia's experience is loud and clear: faster economic growth is possible. Better performance will depend on, among other things, investments in human capital-specifically education. Underinvestment in education results in severe losses in economic growth and development... (Tilak, 2002: p. 42)

There is a belief among politicians and economists that there is success that can be realised politically, economically and socially among developing countries through investing in education. The accumulation of human and social capital is manifest in increased individuals' job-related skills, knowledge, productivity in the workplace, social cohesion, health and many other measurable and non-measurable benefits (Schultz, 1968b; Psacharopoulos, 1986; Cote, 2001; Birdsall; 2003).

The applicability of the two theories of capital in social and economic development is presented against that background in this section.

Economic Growth

Schultz (1968a) argues that human capital offers a major explanation why there is an increase in national output even better than in other investments if the labour force is educated and has acquired skills that are relevant to the job. Johnson (1968) agrees with this argument. According to Tilak (2002), recent studies that have been conducted worldwide give evidence that an investment in education promotes economic development more than investment in physical capital. He says this is especially the case in developing countries where the rates of return from education increase with an increase in the level of education.

Since investment in education leads to the formation of human capital that is embodied in individuals, it increases the productivity of those individuals. This leads to an increase in total production and economic growth. Human capital also leads to productivity of other factors of production as human capital's internal and external effects (Tilak, 2002). The World Bank (2000, p. 92) portrays higher education as a determinant of a nation's economic success in the following statement:

The vitality of higher education is a fundamental-and increasingly important-determinant of a nation's position in the world economy. It contributes labour productivity, entrepreneurial energy, and quality of life; enhances social mobility; encourages political participation; strengthens civil society and promotes democratic governance.

Tilak (2002) agrees with the World Bank and further explains that the nation's economic growth is observed in the individual's income. He asserts that higher levels of earnings which

are, in most cases, enjoyed by those with higher levels of education are an indication of economic growth. He states:

The contribution of education to economic growth is reflected in individual earnings, which are believed to reflect the productivity of the labour force, though there are several other direct and indirect benefits of education. Earnings are found to systematically increase by increasing levels of education. (Tilak, 2002: p. 5)

Economic growth through increased income can not take place effectively in society unless there are some efforts to ensure that its distribution takes place fairly. In the case of education it would call for ensuring that access and equity are observed. Further, chances of employment to those who have attained education should be enhanced.

Conversely, the argument that links social capital with development is that organised groups or individuals working together for a common purpose stand a better chance than unorganised groups to promote development in any society. They can help each other achieve their goals as Woolcock and Narayan (2000, p. 234) assert that:

The density of groups such as clubs, associations and civic groups in any community has a positive effect on the community's welfare. It helps the poor manage risk and vulnerability in the abundance of friends. This calls for the groups to be connected to outside resources such as banking institutions that can advance them with financial and material resources. The poor who may not have collateral means rely on the credit-worthiness of the rich within the group in order to access services of financial institutions.

Empirical studies show that as a means to positive contribution in economic development, social capital reduces poverty and improves income inequality or does not make it any worse than before (Knack, 1999). Other studies that have been conducted in several countries have identified indexes that are associated with social capital. These indexes are important ingredients for economic development. In their studies that were conducted at household level in Tanzania, Narayan (1997) and Narayan and Pritchett (1999) identified group functioning, financial and in-kind contribution to groups, participation in decision making and interpersonal trust as indexes for social capital. Grootaert, *et al.* (1999) identified density of

associations, heterogeneity of membership in associations and active participation in associations as important variables in Burkina Faso.

Canagarajah *et al.* (1998), in a study conducted in Ghana, sought to find out how inequality and poverty reduction were affected by factors of economic growth between 1988 and 1992. The study found that the non-poor benefited more from education than the poor (non-poor are those with secondary and higher education):

...the poor continue to be benefit less from education than the non-poor. This is (*sic*) demonstrated by the increasing importance of education in explaining expenditure variance-the inequality. (Canagarajah *et al.*, 1998: pp. 25-26)

According to these results, education contributes to economic growth. Similarly, in a nationwide study aimed at establishing a relationship among education, incomes and poverty in Uganda in the 1990s, Appleton (2001) found that educated households benefited more than uneducated households from economic growth. The educated households engaged more in income generating activities such as wage earnings, farming and self-employment. He notes the following:

We categorise earnings into three sources: wage earnings, income from non-agricultural self-employment and agricultural enterprise income. Earnings rose substantially between 1992 and 1999/2000...as expected, mean wages are higher for more educated workers. In 1992, secondary completers earned an average of 89% more from wage employment than primary completers did. University graduates earned five times as much as primary completers...workers of all educational attainment have seen strong real rise in earnings. (Appleton, 2001: pp. 6-8)

There is general agreement that education brings about private returns by raising earnings in wages of the employed which helps the economy.

The economic situation in Botswana, Lesotho and Swaziland is such that there is a shortage of skills in Information Communication Technology, Agriculture and in a number of areas in the private sector. There is a need to focus on the skills deemed scarce such as medicine and engineering, for instance, which if resolved, would fuel economic growth.

Inventions and Modern Technology

Higher education is important for the training of people in different fields to engage in different types of paid employment. Some of these people acquire skills which enable them to invent and improve technology. These inventions help solve existing problems. For example, improved farming technology can increase crop yield if used appropriately. The World Bank (2000) argues that participation of developing countries in higher education could solve many of the problems that are confronting them. Therefore, these countries should develop the necessary manpower skills. The World Bank (2000, p. 92) states:

Higher education is absolutely necessary for training scientists, engineers, and others to help invent, adopt, and operate modern technology in all sectors. When scientists in developing countries are inspired to define and address local problems, they are likely to contribute to appropriate solutions in such vital areas as environmental protection, the prevention and treatment of illness, industrial expansion, and infrastructure provision.

A clear area of participation by developing countries is in agricultural productivity (Tilak, 2002) to combat hunger and famine. According to Tilak, one year of additional education is estimated to increase agricultural productivity by about 2.22 percent in East Asia because education:

...influences the selection of technologies in farming. A better-educated farmer may be able to choose a superior technology than a less-educated would, and thus the productivity levels obtained with the new technology may crucially depend on the farmer's level of education. (Tilak, 2002: p. 9)

Technological inventions also help provide employment which in turn improves earning capacity of the employees.

Pure and Applied Research

According to Schultz (1971), Tilak (2002), Psacharopoulos (1986) and Birdsall (2003), research, especially applied research, is an important factor in the development of an economy. Researchers, through acquired knowledge and research skills, can be highly instrumental in applying scientific knowledge to developing technology that can produce relevant and affordable machinery for use in a developing economy. Higher education is the

level at which applied research skills are developed and where most applied research takes place.

Sub-Saharan Africa needs scholars of high calibre to engage in applied research. There is a pressing need to develop the research infrastructure as some scholars already decry the present research record in sub-Saharan Africa (Wield, 1997; Teferra and Altbach, 2004). They say that due to lack of funding and staff with relevant skills, research levels in developing countries are very low. Teferra and Altbach (2004, p. 38) argue that:

By all measures, research and publishing activities in Africa are in a critical condition. The general state of research in Africa is extremely poor, and its research infrastructure is inadequate...a massive brain drain out of the academic institutions; the expansion of undergraduate education; poor oversight of research applicability; and declining, nonexistent, and unreliable sources of research funds all remain major hurdles to the development of research capacity across the continent.

The Universities of Botswana, Lesotho and Swaziland, after due consultations with their stakeholders during the preparation of their strategic plans, have each highlighted research as an area where there is a niche (University of Botswana, 2004c; National University of Lesotho, 2002a; University of Swaziland, 2000). Personnel with relevant expertise in higher education and other sectors can make a contribution in the economic development of a country through research. For example, environmental protection deserves attention in the Southern Africa region. Relevant research through collaboration with organisations within and outside this region can contribute to development through the use of appropriate technology and networks in the advancement of knowledge.

Poverty Reduction and Health

The World Bank (2000, 2002b) postulates that higher education contributes to economic growth and better living standards for society. It also argues that economic growth which is closely correlated with income growth is a strong determinant of poverty alleviation in society. Where poverty reduction takes place there is an improvement in living standards for the people in society.

In the study that was conducted by Appleton (2001) in Uganda between 1992 and 1999, with the aim of establishing the effect of education on poverty reduction, there is confirmation that education reduces poverty. The study covered a random sample of about ten thousand households across Uganda. Its findings were that during the period of the study:

...poverty rates are lower for households with more educated heads...however, although the relationship between poverty and education of the household is clear and statistically significant, it is notable that poverty is not confined to the uneducated...even amongst those living in households headed by university graduates, one in ten were categorised as poor. Education appears to reduce the risk of poverty but does not eliminate it. (Appleton, 2001: p. 4)

People who have attained higher education enjoy better quality of life and generally enjoy higher life expectancy than less educated ones. Ill-health negatively affects productivity and the public spends a large proportion of money on the provision of health services to the sick. According to Cote (2001, p. 5):

There are also close ties among health, learning and social capital. One of the clearest social benefits of education is better health and increased life expectancy...differences in average levels of health across countries or regions seem to be related to differences in inequality and poverty more than average income levels. The economic cost of ill-health may be considerable in terms of lost productivity and higher public spending to offset the negative effects.

Tilak (2002) agrees with Cote on the issue of increased life expectancy and health. He notes in his study on the contribution of human capital to the economy of East Asia that education has contributed to increased economic growth which results in better quality of life. The life expectancy is around seventy-five years in all the five countries under his study. He argues:

Review of earlier research on Korea, Taiwan, Japan, China and other economies...highlights the significant effects of education on improving...general health conditions in East Asian economies. Life and death questions (for instance, infant mortality, life expectancy, crude death rate, and so on), in a country such as China could be explained largely with the help of literacy and education variables, apart from variables on health care facilities... (Tilak, 2002: p. 10)

Tilak attributes higher life expectancy and low infant mortality to the commitment that these countries have made to education. He extends his argument to health and states that "Education improves health practices, influences demographic patterns, and contributes to a better-quality and more prosperous life" (p. 10). The health benefit, for example, can come in two ways: first, the people who have the financial means can buy healthy food and medicines and, secondly, basic education helps to bring about awareness of the use of public health facilities.

The health record of sub-Saharan Africa is not impressive. Poverty promotes non-nutritional eating habits and in some cases there is scarcity of food. The HIV/AIDS pandemic has reached alarming proportions in East Africa and Southern Africa (Booth, 2003; Ntomo-Makara, 2003). The life expectancy is in the range of thirty-eight to forty-five years. Increased participation in higher education could help reduce poverty and improve the health standards in sub-Saharan Africa countries. Educated people could earn good salaries to enable them to buy the basic necessities. In Botswana, Lesotho and Swaziland more than thirty percent of the population lives on less than one dollar a day (DFID, 2002). Thus there is hope that starting with basic level, as education covers a wider population, the levels of poverty will reduce.

Education helps people gain knowledge about good nutritional habits. It also helps inform them about ways to control the spread of HIV/AIDS. The World Bank (2002b), through its numerous studies, observes that economic disparities are reduced as more people are educated in society. All the three countries studied have made commitments to an achievement of universal primary education. Botswana and Lesotho now offer free primary education. Enrolments at all levels of education are likely to increase remarkably in the long term and economic disparities should eventually reduce as educated people move into employment depending on the availability of jobs.

Social Cohesion

Ritzen (2000) argues that while there are good economic policies in both developed and developing countries, it is necessary to explain why they come about. According to Ritzen (2000, p. 8), the answer lies in social cohesion which he defines as:

...a state of affairs in which a group of people (delineated by a geographical region, like a country) demonstrates an aptitude for collaboration that produces a climate for change that, in the longer run, benefits all.

Ritzen contends that norms, networks and other related forms of social connection serve as an important basis for the aptitude on which social cohesion is based. He says it counts with whom the links are made. He further argues that linking relations among people or groups are more important than bonding (family, or friends) or bridging (colleagues, horizontal ties) relations. Social cohesion emphasises the notion that whether:

The entity concerned is a community, a corporation, or a country, the extent to which those affected will work together when crisis strikes or opportunity knocks is a key factor shaping performance. (Ritzen, 2000: p. 9)

Social cohesion in developing countries is concerned with, among other things, the development of shared identity among individuals, upholding the rule of law and developing formal institutions for managing exchange. It also promotes equity through the construction of transparent, accountable and flexible public institutions in society (Ritzen, 2000: p. 9). Some of these, for example, the rule of law, free markets and formal accountable institutions require the participation of educated citizens who are in short supply in many developing countries at present. In Botswana, Lesotho and Swaziland the adult literacy rate is in the range of 70-80% (DFID, 2002) and participation in higher education by the relevant age group is less than 20% (UIS, 2005). The higher education institutions could train more students so that the educated citizens' participation in civil activities may increase. On the downside of social cohesion, Ritzen argues that it may be threatened by cultural homogeneity as it has been proven historically that some of the ethnic conflicts are perpetrated by ethnic cleansing.

Networking

Woolcock (2001, p. 12) states the usefulness of social capital when he describes how people in a social network take care of one another, especially if one of them is in need:

To talk of social relations as capital, for example, is not sociological heresy or sell-out to economics: it simply reflects the reality that our social relationships are one of the ways in which we cope with uncertainty (returning to our family when we lose our job),

extend our interests (using alumni networks to secure a good job) and achieve outcomes we could not attain on our own (organizing a parade).

Networking is used by both organisations and individuals as they set out to find suitable candidates for jobs. Organisations may use associations while individuals may contact their friends in order to fill job vacancies (Putnam, 1995). Employing an individual with suitable skills for a job saves training time and associated costs. New employees settle down to their jobs faster when they know that their employers and colleagues value their skills. This networking process takes place easily among people who have participated in education together (Woolcock and Narayan, 2000).

Nation Building

According to Saint (1992), in the early 1960s the African countries redefined higher education along the lines of what it would contribute in nation-building, conservation and fostering traditions and values. Birdsall (2003) re-iterates the same point when she says that nation-building in the developing countries of Africa refers to the potential higher education has to “encourage indigenous self-expression, conserve and adapt local traditions and values and constitute important symbols of national prestige” (p. 206).

According to Pyle and Forrant (2002), most developing countries, especially African countries, inherited a system of higher education that was modelled on the Western system of higher education. These authors observe that using the Western model continued after the colonial period. Further,

...western approaches to knowledge and analysis have not been systematically challenged as countries sought to ‘modernize’...more recently institutions of higher education have turned to investigating the importance of local knowledge and ways of knowing.” (Pyle and Forrant, 2002: pp. 19-20)

Nation-building can be fostered through the teaching of local languages, culture, and much more. Contemporary literature refers to this as indigenous or local knowledge. It is concerned with the conscious preservation of culture and traditions that are transmitted through generations of a given population or community through teachings (Morgan, 2005). In their

study on knowledge-based aid comparing four international aid agencies, King and McGrath (2004) found that indigenous knowledge is beginning to play a role in the development agenda of the World Bank. Partners, mainly in the Africa region are insisting that meaningful development can only take place in local communities if local or indigenous knowledge is tapped. They further argue that recipients of development aid be allowed an opportunity to share their local knowledge with the donors.

If a country's populace attains general awareness of national unity and political tolerance, loyalty to a larger political system can be achieved. This would be a direct spin-off of promoting national cohesion instead of divisions along ethnic or tribal grounds. Martinussen (1997, p. 171) says that political theorists were in the 1960s and 1970s engaged in studying political systems of developing countries:

to determine whether these systems were sufficiently well-equipped and strong enough to cope with pressures from the environment...whether they were capable of promoting economic and social development along with political development.

He observes that the concerns that promoted the investigation by the political theorists in the 1970s still remain issues for political debate and research to date. Social capital as characterised by networks and group relationships is the most suitable instrument to address issues of political fragmentation and political intolerance in the developing countries of sub-Saharan Africa. Democracy, which is either non-existent or fragile in most of the developing countries, can be promoted through networks that are formed between groups and communities through tertiary civic bodies such as churches, social clubs (Putnam, 1995). Lee (cited by Tilak, 2002) says that education fosters "national consciousness, group spirit, perseverance, egalitarianism, meritocracy and so forth" (p. 11). The state has a challenge to foster national unity which is possible through education. Swaziland and Lesotho stand a better chance of fostering national unity because they are small by land area and they are single tribe states. However, there doesn't seem to be a conscious awareness at government or other institutional levels to engage in a process of nation-building despite recent conflicts in Lesotho and lack of democracy in Swaziland (DFID, 2002). The Government of Botswana

(1997) is engaged in the promotion of nation-building through its *Long Term Vision 2016*. It is fostering it through education at all levels.

Higher education institutions serve as settings where people from different ethnic, religious and political backgrounds learn to live together in tolerance of one another's background and work towards a common goal of advancing traditions, values and norms that bring about national unity. Furthermore, nation-building has been in existence for a long time. It can be argued that it is one of the oldest types of social capital (Tilak, 2002).

Instrument of Change

Some critics of the social capital theory claim that its application can exclude the marginalized and disadvantaged. Woolcock (2001) takes a differing position when he says that the oppressed and disadvantaged have power (social capital) in their hands also. They can organise themselves to solve their problems. They can bring about change through the use of their capital:

At its best, a social capital perspective recognises that exclusion from these institutions: public, private and civic (sic) is created and maintained by powerful vested interest, but the marginalized groups themselves possess unique social resources that can be used as a basis for overcoming that exclusion, and as a mechanism for helping forge access to these institutions (observable and likely disadvantages). (Woolcock, 2001: p. 14)

The effects of the absence of relevant social capital from societies are captured in the following statement by Woolcock:

...the broader message rippling through the social capital literature is that how we associate with each other, and on what terms, has enormous implications for our well-being, whether we live in rich or poor countries...(on the economic side) it follows that divided societies will experience greater difficulty managing economic shocks. (Woolcock, 2001: p. 14)

Further, the absence of social capital at government level breeds corruption, chaos and oppression. Some of the results from lack of social capital, for example, could be that communities would fail to come together to build centres that could be of social benefit to

them such as schools, clinics and warehouses. These communities would therefore be forced to be innovative in solving their problems. Woolcock (2001, p. 16) argues:

Rampant corruption, frustrating bureaucratic delays, suppressed civil liberties, failure to safeguard property rights and uphold the rule of law forces the communities back on themselves, demanding that they supply privately and informally what should be delivered publicly and formally.

Political Stability

Many sub-Saharan Africa countries have experienced war in the last two decades. Political instability hinders development. Fragmentation within institutions also takes place and stifles progress. Wield (1997, pp. 43-44), while giving an account of two African universities, the University of Dar Es Salaam and Eduardo Mondlane University, attests to this:

Prominent Tanzanian academic staff members emerged to bring academic leadership to the institution. However, as the 1980s progressed, the university ran into major resource constraints. The efforts of the well-trained academic staff, in their vast majority Tanzanian, began to fragment as individual and institutional material rapidly deteriorated. A vicious circle of fragmentation of academic life ensued, academic autonomy was eroded, and many senior Tanzanian staff left the university for jobs inside and outside the country...At Eduardo Mondlane University (*sic*) from 1985, student numbers increased more rapidly, allowing the reopening of courses...these positive developments took place against the increasingly unpromising general situation of destabilization and war, and, towards the end of the decade, dramatically lowered financial support for education as the economic reforms began to bite into the national budget.

Stability at national and institutional level through the efforts of the international community and the universities' leadership lately brought about donor funding to these universities.

The universities of Botswana, Lesotho and Swaziland are stable. If institutional leadership in each of them remains committed to transparency and accountability to all stakeholders, cohesion might be promoted within these institutions. It may further be promoted at national level by the graduates. Botswana and Swaziland have proved to be peaceful since independence. However, Lesotho has weathered some internal political conflicts in the last decade which need to be addressed (DFID, 2002).

Education, Training and Choices of Leaders

During the colonial period colonial 'masters' endeavoured to train civil servants to take over the civil service after independence (Saint, 1992). This training took place mainly in overseas countries, where some key national leaders received education and training. For example, Presidents Kwame Nkrumah of Ghana and Jomo Kenyatta of Kenya were educated in Britain. These leaders were educated and trained for good governance of their countries. Overseas training programmes for developing countries are still offered by former colonialist countries to this day where there are good working relations between the two countries concerned. Nowadays there are also programmes for aid/partnerships designed to help developing countries. Some of these programmes have an education component (King and McGrath, 2004). For, example, the English-speaking Caribbean countries in partnership with the Commonwealth of Learning and the Organisation for Cooperation in Overseas Development are offering training programmes through distance education and short-term residential courses for teachers at the University of the West Indies (Marret and Harvey, 1998).

Education generally improves the well being of society through enlightened leadership choices. It makes leaders to be confident to take risky, yet necessary decisions for the good of society in as far as development is concerned. This is especially the case if these decisions are based on ideas that have been tried elsewhere. The World Bank (2000: p. 92) states that:

Higher education can give leaders the confidence, flexibility, breadth of knowledge, and technical skills needed to effectively confront the economic and political realities of the twenty first century...development is fundamentally concerned with expanding the choices people can make. As such, an accessible higher education system- offering a wide range of quality options for study-is a major achievement, bolstering social mobility and helping the talented to fulfil their potential.

Depending on contextual circumstances (political, economic and cultural), educated leaders can learn from the experiences of others. If they are willing to put into practice ideas that have worked elsewhere at the risk of failure, they prove to be confident leaders. The argument for enlightened leaders is along the lines of good governance, an attribute of social capital, as witnessed in Botswana through democratic governance, which is at its elementary stages in Lesotho and lacking in Swaziland (DFID, 2002). Any well-governed country usually turns

out to be peaceful. Its citizens are free to make choices in life. They are also free to engage in any discussion on any topic without fear of retribution for a breach of the laws of the country which may be in conflict with freedom of expression. Effectively, this means that the curriculum of any educational institution should be designed such that it encourages freedom of choices and tolerance of differences in interactions across social groups within and across the community (Heyneman, 2001). Heyneman argues that an effective educational system should teach such values as accountability of government, national policies, diversity, leadership and personal contracts, for example.

Equality of Opportunities

An educational system which promotes equality of opportunities fosters social cohesion within society. Institutions of higher education are institutions that may be perceived by society to either promote equality of opportunities for the deserving members of society or favouring a certain group of individuals. Governments are challenged to ensure that their systems of education are representative of the diverse groups of society. According to Heyneman (2001) an effective educational system ensures that different ethnic or whatever social groups are represented in its programmes. This may also have to be checked in the appointment and promotion of staff.

The above situation is highly pertinent to Botswana, Lesotho and Swaziland where there is shortage of space for students at the universities. University education should not be seen to favour a certain group of students. The composition of the staff at each university is such that less than seventy percent of the positions are filled by local staff. The most experienced staff members who may be due for promotion may be among the expatriate staff. Such problems need to be addressed carefully in order to promote social cohesion in society and among the staff.

Finally, since education plays a vital role in shaping the economic and social climate of a society, the burden is placed on all beneficiaries of the educational system to ensure that human capital and social capital are created through funding education. The burden need not be on the public resources only. It may be a combination of private and public funding.

Entirely private funding is also a possibility although it has some problems of not safeguarding the public interest (World Bank, 2000).

Conclusion

Human capital and social capital theories have been explored with a view to explaining how higher education contributes to economic and social development in society. Human capital theory holds that education and training equip individuals with skills and competences which enable them to be productive at work and in the community. There are also networks, groups and civic groups which are some of the basis of social capital. They also play a role in economic, social and political development. Direct benefits that accrue to individuals and society are, among others, increased earnings, economic growth, social cohesion, national unity and good governance. The complementary roles of the human capital and social capital suggest that one type of capital cannot fully explain the contribution of education to development in society without the other. Therefore, human capital and social capital are interdependent. Lastly, human and social capital theories are applicable in Botswana, Lesotho and Swaziland, where this study was undertaken, in that concerted efforts to apply them may result in nation-wide economic and social development.

The literature that was reviewed in the design of this study will be presented in the next chapter.

CHAPTER THREE

LITERATURE REVIEW: METHODS OF FINANCING HIGHER EDUCATION

Having accepted the fact that higher education is a factor in development, at present there is a worldwide move to expand higher education and to diversify its funding in both developed and developing countries (World Bank, 2000; OECD, 2004). In his review of research studies that have been conducted by the World Bank and other scholars, Johnstone (1998) concludes that higher education is undergoing reform. This reform is driven by expansion and diversification, fiscal pressure, markets, demand for greater accountability and demand for greater quality and efficiency. These factors revolve around financial resources which are scarce. Johnstone argues that some factors put pressure on both national governments and institutions of higher education to seek ways to diversify funding for higher education. These factors are low participation in higher education in countries with growing secondary school leavers, inadequate higher education facilities, the tendency of higher education unit cost to rise faster than unit cost in the economy, scarcity of public revenue and growing dissatisfaction with the rigidity and inefficiencies of the public sector (Johnstone, 1998: p. 3).

This chapter is a review of the literature that gave guidance in the development and conduct of this study. The literature review is based on the premise that it serves two purposes as outlined by Marshall and Rossman (1999):

First, it establishes evidence for the significance of the study for practice and policy and as a contribution to the ongoing discourse about the topic...Second, it identifies the important intellectual traditions that guide the study, thereby developing a conceptual framework and refining an important and viable research question. (p. 23)

The literature review concerns where and how universities acquire their funding and how they internally manage those funds. Lastly, attention is paid to universities' alternative sources of funding. In this regard, the literature review is set out along the following sub-topics: methods of funding higher education, revenue diversification and financial management. A conceptual framework is presented at the end of this chapter.

Methods of Funding in Higher Education

There are several methods of funding higher education worldwide, some of which are not entirely transferable to all institutions. As a result, a combination of methods needs to be explored. The most successful ones can then be applied in each context (Barr, 2003; Eicher and Chevailler, 1993). The common methods of funding higher education can be categorised into two: 1) traditional or public funding and 2) the university's own sources or cost-recovery (Ziderman and Albrecht, 1995; World Bank, 2000; Ntshoe, 2003).

The first theme for exploration is what the main sources of funding for universities in developing countries, especially in sub-Saharan Africa, are. This section links up with my first research question "how do the universities of Botswana, Lesotho and Swaziland acquire their financial resources?" The literature exploration begins with government funding.

Government Funding

Governments play a major role in financing higher education in most countries (Johnstone, 2003b; Sanyal and Martin, 2006a). There are some reasons for this. Higher education is costly, especially in developing countries. The cost usually includes set-up costs and research facilities (Ziderman and Albrecht, 1995). Whereas there are private benefits in the form of higher earnings that are rewarded by the labour markets after graduation, there are social benefits that accrue to the state as well. Furthermore, there are members of society who may not afford the cost of higher education because of their poor background (equity issue). These reasons and the general perception that higher education contributes to national economic and social development (see chapter two), qualify it to be supported from the national budget in the form of subsidies. Belfield (2000) and Ziderman and Albrecht (1995) point out that in both industrialised and developing countries the national governments incorporate higher education into their budgets because of externalities (including basic research and technology development) from which society benefits and equity issues. In their study on the analysis of the contribution of the World Bank in financing higher education in sub-Saharan Africa, Banya and Elu (2001, p. 6) confirm the governments' role in the funding of higher education:

The main source of funding from early independence to now is central government grants. Typically, each year a university, along with other tertiary institutions such as

diploma, and certificate awarding colleges, submits its estimates to the Ministry of Education...this then becomes part of the government budget estimates and expenditures for the year.

The governments allocate funding to higher education institutions in block grants. For instance, in a study conducted in Uganda on the tertiary education status, Liang (2004) found that the government pays the full cost of educating students deemed by the government to be within the total number required to meet the manpower needs. Similar studies that have been conducted in Nigeria and Kenya reveal that the government subsidy in each case amounts to nearly 95% of the total university's revenue (Abagi, 1996; Babalola, 1998; Odebiyi and Aina, 1999).

According to Ziderman and Albrecht (1995), the government subsidies cover either the full cost or part of the cost for education such as tuition costs, research grants, (student living expenses in some cases) and the general operational costs for the institutions. These authors provide convincing reasons for the subsidisation of higher education by the state as follows:

Individuals deciding on a course of higher education are motivated by expected higher earnings (either stemming from enhanced productivity or the result of certification) and other, mainly job-related, benefits; these may include job satisfaction, status or wider career and study options in the future. They will not capture, nor will they take account of, any broader benefits that accrue to society as a whole from a better, more highly educated population and workforce. From the viewpoint of society, individuals will not invest sufficiently in higher education; such positive 'externality effects', it is argued, justify the subsidy of higher education to ensure an adequate supply of higher educated individuals to meet wider societal needs. (Ziderman and Albrecht, 1995: p. 9)

Sanyal and Martin (2006a) agree with the above arguments and further identify five models through which governments can fund higher education as follows:

1. The university submits a periodic (usually annual) budget based on its estimates of costs of its commitments to staff salaries and other essential inputs...the grants are 'earmarked' or 'hypothecated', which means that the university must spend the funds on the items specified by the government.
2. The university receives a single block grant based on the grant received in the previous period plus an increment, and is free to spend the money as it wishes within very broad legal limits.

3. Funds are based on a formula reflecting past performance, but the university is able to spend the funds as it wishes once they are received...the basis of most formulae is student numbers...
4. The government buys academic services from the university...funds are based on future performance...
5. The university sells its teaching, research and consultancy services to a wide variety of different customers, students' employers and public authorities. (Sanyal and Martin, 2006a: p. 13)

Sanyal and Martin further point out that the actual mechanism of government funding is usually a combination of any of the above models. They also observe that most models are incremental in design, meaning that universities receive the amount allocated the previous year plus an increment.

The models of funding presented by Sanyal and Martin (2006a) above do not make a clear distinction between funds allocated for tuition and funds allocated for other activities such as research. Models of allocation vary from country to country and in most cases institutions are free to internally allocate their funds as Sanyal and Martin have observed.

The government subsidies help keep the higher education fees low, especially for those who can not afford them. Society also looks to government being actively involved in providing funds for training manpower (Sanyal and Martin, 2006a). In this regard, Ziderman and Albrecht (1995, p. 11) further suggest that governments should make scholarships available for the disadvantaged yet academically able:

A more general argument for university subsidy is the need to keep fees low to preserve access for those coming from poorer, disadvantaged backgrounds. However, this argument would make out the case for targeted subsidy, through scholarships especially for the academically able, rather than for universal subsidies.

These arguments suggest that higher education should be subsidised by the state for the reasons of access, adequate manpower supply and equity among deserving citizens (Johnstone 1998). Ideally, no one should be prevented by poverty from attaining higher education if they qualify for admission. In the next section attention is paid to input-based and negotiated funding models.

Input-Based And Negotiated Funding

Ziderman and Albrecht (1995) have classified the types of government funding in developing countries into two categories: input-based funding and negotiated funding. Input-based funding refers to government transfers that are made on the basis of institutional input such as enrolment numbers. These numbers are multiplied by the unit cost of education in order to arrive at the figure to be allocated to the institution concerned. Negotiated funding refers to a situation where individual allocations are based on the previous year's allocations. Some incremental changes may be effected based on the rate of inflation or the negotiating skills of the institutional authorities. According to the World Bank (1994) and Ziderman and Albrecht (1995), most countries in Africa use the negotiated funding model in funding their higher education. Effectively, the universities cannot predict with reasonable certainty the amount of funding they will receive from their government the following year. A disadvantage highlighted by the World Bank is that "this process fails to provide incentives for efficient operation and makes it difficult to adjust the distribution of financial resources to changing circumstances" (World Bank, 1994: p. 51).

Input-based funding is practiced in Nigeria and South Africa (Ziderman and Albrecht, 1995). These two countries have large higher education systems made up of more than twenty universities each. The Government of South Africa (1997) moved to a centrally planned, governed and funded higher education system when the country attained majority rule in 1994. Its purpose was to overcome fragmentation and inequalities across the population. The latter was to be further achieved through making the composition of the student body reflective of the demographic realities of the country. It further sought to develop the system in order to meet the social, economic and political needs of South Africa. On the question of funding, the government adopted a goal-oriented public funding approach to higher education institutions that was intended to result in:

1. more equitable student access;
2. improved quality of teaching and research;
3. increased student progression and graduation rates; and
4. greater responsiveness to social and economic needs. (Government of South Africa, 1997: p. 19)

In a study on the higher education system in South Africa, Ntshoe (2003) found that the enrolment numbers are increasing and becoming representative of the country's demographic pattern. The study also found that only the historically advantaged institutions are doing well in the quality of teaching and research. There is a high drop-out rate among students from previously disadvantaged communities. The funding system is input-based funding in South Africa because it does not address output issues.

In their study on higher education in Nigeria, Saint *et al.* (2004) found that the cost of running federal universities in Nigeria is borne by the federal government. The allocation of resources from the government to the institutions of higher education reached an all-time-low of about US\$ 600 per student in the 1990s. Negotiations between the University authorities and the federal government in 2001 bore fruit when an increase in the subsidy from US\$ 600 to US\$ 1000 per student per annum was made by the government. Saint *et al.* argue that performance of the universities in Nigeria has not been taken into consideration when it comes to funding. They say, "Historically, university funding has been distributed in broadly equitable ways across both institutions and disciplines with little concern for their performance" (p. 8). Therefore, the funding system is rendered input-based.

The South African and Nigerian systems of higher education are typical examples of an African federal system of higher education. This system consists of public universities that are administered centrally by the national government in a country that is divided into states or provinces. The federal government may centralise the system for purposes of access, equity, redress, accountability, efficiency, effectiveness and many more. However, efficiency and effectiveness may prove to be elusive, especially if there are no structures closer to the institutions to monitor their performance.

In his study on higher education in Botswana, Weeks (2003, pp. 184-185) says:

As the only university in Botswana, the University of Botswana (*sic*) has continued to receive favourable treatment by the government...the "government subvention" to the university has increased significantly each year.

Despite its huge support from the government, the University of Botswana has not been able to adequately address the problem of access in Botswana. Weeks argues that less than four percent of the tertiary age group participates in any form of higher education. The University of Botswana is an example of a negotiated funding system of higher education. The government may wish to expand access to higher education to cater for national needs. However, such expansion may mean that funds would have to be committed by the government towards the construction of teaching facilities.

Many governments make block grant funding to their universities. In the United Kingdom, the University Grants Committee, until recently, used to carry out transfers to universities using a formula that was introduced by the government (Barr, 2003). Now there are councils that are responsible for this task such as the Higher Education Funding Council for England (HEFCE). According to Leifner (2003), in mainland Europe direct funding from the state to the higher education is done in transfers. In most cases there are no strings attached to this type of funding so long as the funds are used for the activities which contribute to the attainment of general political, social and economic goals (Caraca *et al.*, 1998). In a number of these countries there is a limited role for fees. Institutions of higher education in Australia were up to 1989 tax funded. Barr explains that reforms in the United Kingdom and Australia took place in the late 1980s and early 1990s in order to partially expand enrolment and increase access to higher education without increasing the burden on the public resources. This made way for a contribution by the students into their fees.

The above model of funding has been copied by most African countries from the countries that colonised Africa in the past. Teferra and Altbach (2004) and Banya and Elu (2001) state that most of the funding for higher education comes from public funds. Teferra and Altbach put the figure of state funds to higher education at the 90% to 95% range. The remainder comes from other sources such as donors, investment, and many others.

Each of the funding methods highlighted above has its advantages and disadvantages. The input-based funding system has an advantage of redress and equity where formerly disadvantaged communities were not treated fairly. However, Zideman and Albrecht (1995)

argue that such a system is prone to fail to put into place the desirable corrective efficiency measures. Performance standards may become low, allowing students to fail and repeat in their programmes of study. The findings of a study by Ntshoe (2003) in South Africa where the higher education system is input-based confirm this. The historically disadvantaged institutions have low success rates. The main disadvantage of the negotiated funding which is prevalent in developing countries in Africa is that it

...enables the government to maintain a high degree of political control over the university system as a whole as well as over individual institutions...(it is) unlikely to facilitate greater efficiency or dynamism in university systems (nor indeed to satisfy the needs of equity), in the existing milieu of budgetary stringency. (Ziderman and Albrecht, 1995: p. 108)

There is no single formula for calculating and awarding the subsidies because of the contextual variations from continent to continent and country to country.

Attention will now be turned to the next type of government funding to higher education which is through grants for research.

Research Grants

This type of state funding for higher education is through grants to support research and development (R and D). Research councils have been set up in the United Kingdom for the purpose of securing funds, mainly from Government and the private sector. According to Ziderman and Albrecht (1995), these funds are made available to universities on a competitive basis. They are exclusively for research which is part of the mission or purpose of a contemporary university. Ziderman and Albrecht also state that research in developing countries does not get significant funding from governments. Girdwood (1999) reports in her study on tertiary education policy in Ghana that research has not received the attention it deserves from the government. She argues that it is important for the funding model to incorporate research for each institution. There are some few exceptions to norm. For instance, South Africa established a body, the National Research Foundation (2005), to oversee funding and administration of research for organisations at national level more than

two decades ago. The subject of funding for research will be discussed further under income generation activities.

The commitment of financial resources by governments to higher education becomes a heavy burden to carry if there is no contribution made by those who benefit from it the most. In this era of financial austerity, the World Bank (2000) is encouraging developing countries to introduce cost-sharing mechanisms with higher education students. This will be discussed in the next section.

Cost Recovery

It is easy to confuse cost-recovery with revenue diversification. The former refers to a practice undertaken by universities by making students pay for services offered by the institution such as tuition, residence, meals and other related services. Governments look at the concept of cost recovery from the perspective of cost-sharing because according to the World Bank's (1994) report, the beneficiaries of higher education may pay in part or in full for tuition, residence and meals. Johnstone (2003a: pp. 403-404) defines cost-sharing as:

A shift of the higher educational cost burden from exclusive reliance or near exclusive reliance on government, or taxpayers, to financial reliance upon parents and/ or students, either in the form of tuition fees or of "user charges" to cover the costs of formerly governmentally or institutionally-provided room and board.

The concept of cost-recovery is related to the question "what innovations could be implemented in order to improve and broaden the current strategies for funding?"

Universities in Japan and the United States of America get most of their funding from private sources (Tilak, 1997). The success of these institutions has encouraged policymakers in the money-lending institutions such as the World Bank to persuade universities to recover costs for higher education from beneficiaries, the students, through an increase in fees.

Student Tuition Fees

The World Bank's desire to lessen the governments' burden and make students pay for their higher education dates back to the 1980s. This position still holds in that the literature that supports this policy is on the increase. Recent studies in developing countries (Sanyal and

Martin, 2006a; Johnstone, 2006) support this innovation. In an earlier study presenting policy options in the financing of higher education in developing countries, Psacharopoulos (1986, p. 17) presents his arguments for reducing government spending and raising fees as follows:

Given the heavy subsidization of higher education in most countries, this level of education is the natural starting point for raising charges in education. There are two ways of doing this:

1. reducing student allowances. This may be the most feasible method in countries where students receive both tuition-free education and pocket money.
2. charging for services...authorities could start charging for tuition to recover at least part of the cost of education.

Psacharopoulos backs his arguments by observing that there is evidence to suggest that people are willing to pay for education because of the high private returns to education. He claims that the private returns to higher education in Africa are so high that if the above-stated suggestions were put into practice, higher education would still remain an attractive personal investment. He further points out that excess demand for higher education is a manifestation of the high private returns to higher education. There are always more qualified applicants for places than the universities can enrol. Some families afford to send their children to universities abroad for higher education. Thus he suggests that within reasonable limits, an increase in fees would not adversely reduce enrolment figures as it has been observed in a number of countries where this has been introduced.

Barr (2003) agrees with Psacharopoulos (1986) when he presents his findings on alternative funding resources for higher education across continents. He says that students can serve as a source of financial resources in higher education. He highlights the United States of America's case and says that most universities receive their income from students in a form of fees. Private companies, families of students and payment from students' income contribute to the universities' income.

In a study he conducted in Swaziland on the financing of higher education, Akinkugbe (2000) found that the government contributed about 83% of the total revenue at tertiary level (including colleges), bringing about some inequality in the provision of education in general.

He argues that there is room for redressing this imbalance through cost-sharing measures at the level of higher education.

The Government of South Africa has recorded some successful implementation of cost-sharing in higher education. Ishengoma (2002) reports in his study on the financing of higher education in post-apartheid South Africa that the government sought to address issues of distortions and inequitable distribution of resources to higher education that existed during the apartheid era. Since 1997, the government has tried to address these issues through dominating the financing of higher education and also making parents and students pay for higher education. According to Ishengoma, the South African system of funding higher education is managed by a government-established National Student Financial Aid Scheme (NSFAS). It ensures that students with an academic potential but lacking financial resources are assisted with financial resources to pursue higher education. The NSFAS works with institutions of higher education, banks and private companies to administer student loans and scholarships, a point which shall be discussed further in the next section. The Department of Education, the National Research Foundation and several banks are also involved in providing funding for students in South Africa. They set out criteria and identify needy students. Generally, students are assisted with tuition if the combined parental income falls below a predetermined figure (Woodhall, 2006).

The application of the above policies may be met with difficulty among parents and students who perceive that government stands to benefit through the employment of a trained workforce. Historical policies of payment of student fees by government could also be another source of resistance. For example, in a study that was conducted in Nigeria on alternative models of financing higher education and the implications for university governance, Aina (2002) found that tuition fees were paid by students in state universities only. Students did not pay tuition fees in federal universities. The universities' authorities found it difficult to charge tuition fees directly because of possible riots from both parents and students who believed that the federal government should be responsible for the payment of tuition in federal universities. State universities charged tuition fees without difficulty because these universities were perceived by society as an answer to the federal government's

inefficiencies and corruption. A similar study was carried out by Mwinzi (2002) to establish the impact of cost-sharing policy on the living conditions of students in Kenyan public universities. The students were required to pay part of their tuition fees and living expenses. The Higher Education Loans Board was established to provide loans to students who were deemed to have difficulty in meeting the costs. The study found that the parents were not paying for their children's education because they believed that it was the government's responsibility to do so. The declining economic situation in Kenya made life very difficult for the students to cope with the fees. Mwinzi puts it as follows:

In the past, the state subsidized university education and consequently all students were capable of meeting their needs from the state funds...cost sharing has made the cost of education unaffordable to many students. The increasing economic difficulties associated with the cost sharing have meant that financing of education has become more costly. Further, some parents and guardians still hold the misconception that the government should meet the cost of their children's education as before. Hence, they do not provide sufficient financial support to match the latter's needs. (Mwinzi, 2002: p. 2)

Similar studies were conducted in Ethiopia and Ghana on cost-sharing in higher education. The studies found that attempts by the governments to introduce cost-sharing for higher education were met with some resistance from parents and students (Johnstone, 2003b; Tekleselassie, 2001). According to Tekleselassie, the resistance emanated from a myth that "cost sharing in higher education denies access to the most vulnerable groups in society" (p. 2). He further explains that the participation in higher education is unequal at present because of insufficient public resources.

Ishengoma (2004), in a study he conducted at the University of Dar Es Salaam on the implementation of the Tanzanian Government's objectives of cost-sharing with a view to expanding participation in higher education and making students contribute to the costs of their education, found that the implementation of real cost-sharing by the government in Tanzania between 1992 and 2003 was not successful. The cost-sharing policy was supposed to be implemented in three phases starting with Phase I in 1992/93 whereby students were required to pay for their transportation, application, registration, examination and uniform fees. This phase was implemented without difficulty. Phase II was implemented in 1993/94 whereby students were required to pay for food and accommodation. Allowances that used to

be paid by government to students were stopped. Phase III requires students to pay for tuition, stationery, textbooks, special projects, medical insurance and all that is covered in phases I and II. This phase has not been implemented yet and it marks the failure of the cost-sharing endeavour, at least in the tuition fee part. Its failure is attributed to

Low enrolments in the private-sponsored, tuition fee paying programs...the inability and/or unwillingness to begin serious efforts to collect students' (*sic*) loans, and the general reluctance by the Government to introduce Phase III of the Program... (Ishengoma, 2004: p. 31)

Despite, the general difficulties that are met by many governments in sub-Saharan Africa to implement cost-sharing of higher education, some successes have been recorded at the University of Nairobi, Kenya and University of Makerere, Uganda (Ssebuwufu, 2003; Kiamba, cited by Ishengoma, 2004). However, these successes are what may be termed *partial implementation* of cost-sharing because the governments have allowed the public universities to admit less qualified students on a tuition-payment basis whereas the highly qualified students remain on government sponsorship which pays the tuition fee (Sanyal and Martin, 2006b). Ishengoma (2004) observes that there is a government's acknowledgement of the need for cost-sharing policies to be implemented in countries that were governed by Marxist regimes in the past and now oppose charging student tuition fees. He explains the situation as follows:

A variation on the implementation of tuition fees--especially popular in countries that are ideologically and politically opposed to tuition fees but that acknowledge nonetheless an urgent need for some tuition fee revenue—are policies that preserve free tuition for students admitted at the top of the competitive admission examinations...but allow universities to admit others scoring below the cut-off scores *for a fee*. These fee-paying students and the programs that admit them...may be called *parallel degree*, or *third party*, or *privately-sponsored*, or *dual track tuition students* and/or programs. (Ishengoma, 2004: p. 1)

Cost-sharing is important and necessary in meeting the financial needs of higher education if it addresses issues of greater efficiency, responsiveness and equity. This practice has been necessitated by contexts of dwindling resources even in developed countries. It follows that certain minimum conditions should obtain even in developing countries for the concept to be

applied successfully. Johnstone (2003a, p. 407) argues that cost-sharing is compelling when some or all of the following factors apply:

1. Higher education is still partaken by the relatively few;
2. Those “relative few” are predominantly from upper middle or upper classes;
3. The taxes that the government uses in support of the so-called “free” higher education come from relatively proportional or even regressive taxes on sales or business, or from the printing of money...and the
4. Provision of “need-based” or “means-tested” grants and generally available loans is limited.

The government revenue base that supports higher education in public institutions depends on taxes that are borne heavily by the ordinary citizens. These citizens do not derive a direct benefit from the private returns that make higher education so worthwhile (Johnstone, 2006: p. 84). Arguments for cost-sharing in many countries are most effective when they are supported by a well-designed and managed student loan system that assists needy students. An exploration of the concept of a student loan system is thus undertaken in the next section.

Student loans

A common method of financing higher education in Western countries is through student loans. Generally, student loans are targeted at students who need financial assistance for their studies. For example, according to Finnie (2002), in Canada a student loan system, the Canada Student Loan Program (CSLP), was established more than two decades ago “in order to ensure that all Canadians, regardless of social background and family income, had the financial means to attend college or university” (p. 155). In other words, the students are entitled to borrow money from this scheme to finance their university education.

Albrecht and Ziderman (1993) argue that student loans are a good solution in maintaining a balance between making higher education widely accessible and recovering some of the costs from the students. Banya and Elu (2001) agree with these arguments and observe that higher education leads to higher earnings for the students (private returns). Therefore, it must be financed by those who benefit from it. They argue further by stating that:

Even before their higher education programs, these students have enjoyed large amounts of public subsidy, for example, a free secondary education...given large differentials in earnings between college graduates and other workers, the high cost of this level of education as well as the obvious excess demand for it in most countries, makes it difficult, on the basis of economic theory, to find strong arguments against the substitution of grants by loans. (Banya and Elu, 2001: p. 19)

However, we should immediately note that free primary education and secondary education are not offered in every developing country as the above statement may seem to convey. For instance, it is only recently in Lesotho that primary education has started to be offered free of charge by the current government. In Swaziland, there is no free education at all levels. Botswana, which offers free education, is to revert back to charging students for their education with effect from 2006. This practice had been in force for some time after independence.

Banya and Elu (2001) go on to state that the poor and disadvantaged should not be shut out of the higher educational system by high fees. They suggest that a system of scholarships and student loans be in place to assist those students. These suggestions are similar to those of Zideman and Albrecht's (1995) when they state that an establishment of student loan programmes by governments is economically justified because banks will not accept a non-tangible asset such as higher education as collateral before granting a loan. They further observe that an element of risk in investing in human capital discourages banks from granting loans to students.

The student loan recovery system tends to be very disappointing in that only a small portion of the value of the original loan, let alone the full cost of the education, is recovered in most cases. Albrecht and Zideman (1993) conducted a study on student loan programmes to determine their effectiveness as an instrument for cost-recovery in higher education. The study covered twenty-three countries among which were industrialised and developing countries in all continents. The findings of the study were that the effectiveness of student loan recovery programmes by different countries was very low because student tuition fees and other fees charged did not represent a realistic portion of the costs of higher education. In

a similar study conducted in Ghana by Girdwood (1999), the findings were in agreement with those of Albrecht and Ziderman. She states that:

...the generation of a good understanding of the true unit costs of educating students within each institution-and thus also areas of subsidy-would be a very useful basis for future decision-making...it was noticeable, for example, that when accommodation charges were finally introduced in 1998, considerable institutional variation was apparent in the calculations made regarding expenditure on student hostels. (Girdwood, 1999: p. 46)

On the question of loan repayment in South Africa, Ishengoma (2002) states that graduates are required by the National Student Financial Aid Scheme (NSFAS) to start paying back the loan and its interest once they reach an income level of U\$6, 350 per annum. The banks require the loans to be serviced immediately after graduation. This system of loan repayment/collection has been found to be successful. For instance, van Harte (2002) contends that a successful student loan scheme should be able to recover loans, to protect against defaults and to build the loan's administration cost and the rate of inflation into the loan (p. 7).

Ishengoma (2002) agrees with van Harte's (2002) arguments above and adds the aspect of re-allocation of the loaned funds. He says that five years after the establishment of the NSFAS, the government had disbursed about 2.1 billion Rands in financial aid to students through the NSFAS and it was able to re-allocate about 0.2 billion Rand to the scheme. He states:

This year R685 million was allocated to the NSFAS to support some 100, 000 students. R500 million was allocated as part of the 2002/2003 budget for higher education and the remaining R187 million consists of re-injection of recovered loans from past students... (Ishengoma, 2002: p. 6)

Ishengoma also found that the Government of South Africa made into law in 1993 a requirement that employers deduct student loan repayments from their graduate employees' salaries and remit them to government. That arrangement ensures that defaulters are kept at a minimal figure.

Graduate tax

Another method of making students share the cost of their higher education is through payment of a graduate tax. This system involves taxing graduates a certain percent of their earnings. Johnstone (1998) says that in Australia, for example, every graduate in employment is charged a tax over and above the normal income tax. This is done in appreciation for the fact that "the student incurs an obligation of a surtax on his or her income without regard to any amount individually owed" (p. 13). A graduate tax system means that the government pays the usual subsidy to the institutions of higher education or gives grants to the students to cover their university expenses. Once the students complete their studies and are in employment, they are taxed a graduate tax irrespective of the sum of money advanced either to them individually or to the institution where they acquired their education. Johnstone says "the effect is a shift in ultimate cost burden, but without an immediate reduction of the government's need for taxpayer or borrowed revenue" (p. 13).

Albrecht and Ziderman (1993), who carried out a review of studies on the financing of higher education with special attention to student loans, say that the government is entitled to the proceeds from the investment in higher education. That entitlement to proceeds is a basis for the taxation of the graduates. These authors argue that:

by subsidizing higher education, the government is in effect financing the creation of human capital. This produces a future stream of benefits that accrues mainly to graduates in the form of higher earnings. Because of its investment in the graduates' education, the government essentially acquires an equity share in the human capital created and is thus entitled to a dividend from the ensuing income benefits. (Albrecht and Ziderman, 1993: p. 84)

Some of the literature that was reviewed for this study does not make a clear distinction between an income-contingent loan scheme and the graduate tax (Wasser and Picken, 1998). The similarities between the two are so many that for the purpose of this study they shall be treated as one. When presenting their argument for the income-contingent loans Wasser and Picken state that income-contingent loans are more favourable than other student loan schemes in the face of the equity principle:

...a category that holds promise for fiscal efficiency has been income-contingent loans in which repayments are fixed proportions of a graduate's annual income...the justification for the income-contingent loans has been that they are more equitable and satisfy more fully the "ability-to-pay" principle since graduates' payments are in proportion to their income. (Wasser and Picken, 1998: p. 31)

A notable problem with the graduate tax option is that it takes a long time for the government to completely shift the burden of the cost of higher education to those who benefit from it; the graduates. For example, van Harte (2002) states that it matures after twenty years. In other words, it takes that long to recoup the funds initially spent on the loan scheme. Further, the graduate tax remains in force throughout the work career of the graduates unless the government opts for a shorter period of payment of the tax, in which case it would be an extended student loan system.

In effective cost-recovery or cost-sharing system, able students are made to pay fees for their university education. Less able students detected through a means-testing system benefit from financial assistance in a form of a student loan that may be made available to them by government or its appointed agent (Ziderman and Albrecht, 1995). The loan collection should be linked to effective systems such as an income tax collection system to help minimise defaulters.

Revenue Diversification

This section deals with methods of diversification of revenue through non-traditional methods. It addresses itself primarily to methods through which the institutions of higher learning can actively generate income and links up with the research question, "what innovations could be implemented at each university in order to improve and broaden the current strategies for funding?"

In this section attention is paid to methods that can be adopted by institutions of higher education to diversify their sources of funding rather than depend entirely on the state resources. Most of these methods are characteristic of the market/entrepreneurial approaches. Johnstone (1998), although acknowledging the need to diversify sources of revenue, cautions that the returns from these ventures cannot be substantial.

Income-Generating Research

Research, in general, is very crucial in making contribution to new knowledge as well as advancing existing knowledge. It is at the centre of the mission statements of most universities. Participation in research serves to improve the academic standing of the academic staff in universities. Academics consult research findings for new ideas to apply in teaching. They also apply new knowledge and innovations from industry in their teaching. It enables universities to link up with industry, non-governmental organisations, donors/aid agencies and other academic institutions. Research can generally be divided into two types: non-income generation and income-generation. The most relevant in this section is income-generation research.

Many universities are now turning to research as a source of income (commercial research) so that they can reduce their dependence on traditional government sources for their activities. Commercial research may take one of many forms such as funding from the state funds, the institution itself or the private sector (Zideman and Albrecht, 1995). In universities where it is conducted it includes business services, studies for government and industry (World Bank, 1994).

Most governments provide funding for research together with funding for instruction. In that case the block grant or formula funding, as the case may be, incorporates research funding (Salmi and Hauptman, 2006). Some few countries fund centres of excellence in research. For example, this is the case in the Netherlands, New Zealand and South Africa. According to Salmi and Hauptman, another method for funding research is when faculties or individual members of staff receive research funding for proposed projects. It would then be expected that part of the money received would go to the university as the main employer of the researcher.

As it has been pointed out above, some universities combine their consultancy services with funded research. In that situation any funding for research is made through consultancy units. For instance, the Makerere University in Uganda has established a University Consultancy Bureau to manage consultancy activities in business organisational development, and many

other fields (Sanyal and Martin, 2006b). A certain amount of proceeds from the research or consultancy goes to the university in lieu of staff time and facilities used.

Income-generating research brings industry and universities together under the umbrella phrase "research and development" (R&D). University staff members participate in technology transfer whereby they invent new technology through research and sell licences for their innovations to industry. In his study on R&D funding sources and university technology transfer in the United States of America, Powers (2004) states that with the passing of an act by the US Congress to allow universities to license their technologies to industry, a process was established whereby industry could "easily obtain the rights to a university-developed technology funded with federal dollars" (p. 3). The sale of patents to industry boosts the university's income.

In their study in the United States of America on the modern university as a contributor to industrial innovation and recipient of industrial R&D support which in turn determines the amount of financial support the university receives from industry, Mansfield and Lee (1996) note that very little systematic research has been done in this field. Their findings are that funding for R&D from both government and industry are of critical importance in the contribution to economic development through industrial innovations. Thus it is important for funding sources to assist higher education institutions to develop their research capacity.

Oketch (2003a) argues that awareness of the role of patent information and intellectual property rights in developing countries is lacking. He says that university researchers could go beyond researching and publishing their results by selling their intellectual property rights to private companies in order to generate income for their universities:

Patent applications originating from developing countries are limited...university staff are satisfied to publish in refereed journals. Thus, universities in developing countries lose millions of dollars. Very few employ patent information as a tool for research and innovation. (Oketch, 2003a: p. 329)

Notwithstanding the arguments raised by Oketch above, in South Africa there is legislation which governs the commercialisation of intellectual property rights, the Patent Act No. 57 of

1978, which has undergone several stages of amendment. Universities can commercialise patented technology as a means of generating revenue from research. Some of the Historically Advantaged Institutions are making use of this avenue. For instance, Stellenbosch University has established a company, UniStell Group Holdings charged with this responsibility (Bull, 2005). Similar progress has not yet been reported in universities in the countries neighbouring South Africa.

In addition to technology transfer, there is applied research which is also a product of collaboration between industry and higher education in many countries. Research and Development is well-supported in South Africa. In an investigation of how scientific and technological development is faring in South Africa, Boschhoff and Mouton (2003) found that the country's patenting position measured against international benchmark worsened in the ten year period, 1991-2001. The scientific publishing from 1995 to 2000 registered a small decline with the highest publications produced by an ageing cohort. Steyn (2004) also found in his study that there was a decline in South Africa's research capacity between 2001 and 2003. Furthermore, there has been a shift in research emphasis from discipline-oriented research to applications-driven research in the last decade. The latter is known as Mode 2 knowledge production whereas the former is Mode 1. Steyn explains that Mode 2 is characterised by being "largely problem-oriented and applications-based..." (p. 2). In South Africa the government and industry are both involved in funding this type of research because its aim is to be increasingly responsive to national and economic needs.

It is unfortunate that up until now, few universities in sub-Saharan Africa have developed to the level of commercialising patent technology and actively participating in funded research. This may be attributed to a lack of infrastructure and personnel experienced enough to carry out the research. Nevertheless, institutions in this region could learn from the South African example where funded research in a number of disciplines such as agriculture, health, and business management, to name a few, generates income for universities.

Continuing Professional Development (CPD)

Continuing professional development within the context of resource diversification in higher education concerns the universities making efforts to sell their services through offering

courses, full or part-time, to students in employment for their professional development. The courses may be tailor-made to meet the needs of the employer. This is to raise money for the benefit of the universities.

Johnstone (1998) notes that entrepreneurial activities may involve the sale of faculty time. Teaching to outside non-regular students is one of them. He states that in Russia and the newly independent states of the former Soviet Union training of students in languages and management and information systems is generating revenue for the universities and staff. In a study conducted by Xiao and Lo (2003) employees in Shanghai are engaging in on-the-job continuing professional development as a way of gaining more competencies and skills. Similarly, non-regular students are enrolling in part-time courses at Makerere University (Sanyal and Martin, 2006b). The university uses this avenue for income generation and staff members use it to supplement their income.

Clark (cited by Ntshoe, 2004: p. 14) notes in a study he conducted among OECD countries that entrepreneurship seems to pay a lot of attention to university service, teaching and applied research. In return,

the entrepreneurial response offers a formula for institutional development that puts autonomy on a self-defined basis: diversify income to increase financial resources, provide discretionary money, and reduce governmental dependency...

Some universities may experience difficulty in delivering courses for professional development because of the high costs of course material and infrastructure for the delivery of the courses. Partnerships between institutions could help in addressing this problem. Ntshoe (2004) notes in his study that the University of Pretoria went into partnership with a private college, Damelin, in order to offer computer courses to students. The private college had well-developed facilities and highly trained staff to teach the computer courses. The university did not have that capacity whereas there were students who wanted to enrol in the computer courses. An agreement was reached between the two institutions that Damelin College would teach the courses and the University of Pretoria would give accreditation to the courses. Further, the students who finished the courses at Damelin would be granted exemption at the

University of Pretoria. Similar initiatives have been reported elsewhere. For instance, at Rhodes University, South Africa, students in some courses are taught by staff from non-governmental organisations and other colleges. The University of Zimbabwe is collaborating with some colleges in the teaching of environmental courses (Lund, 1999). Thus sharing of resources can go a long way into making entrepreneurship realistic.

Some potential students for the staff development programmes may be located in some remote rural communities. Ntshoe (2004) argues that universities can reach out to those communities as well depending on the available infrastructure. Satellite campuses can be set up in some of these communities. University staff could visit those campuses to deliver course material and meet the students. The success of staff development programmes lies in the mode of delivery. Kraak (1999), cited by Ntshoe (2004), found in his study in South Africa that most of the universities that mounted those programmes were reaching out to the students through distance education in partnership with training colleges that had been established in those communities.

Short Courses

Short courses mounted for a specific clientele are a good source of income. It is necessary that these courses be charged on a lump sum to recover the expenses and make extra income (Warner and Leonard, 1997). Lund (1999) argues that due to competition that is posed by other providers, it is important for universities to make these short courses accredited. Ntshoe (2004) agrees to this type of revenue generation and asserts that the advantage of these courses is that they generate income very quickly. They can be run by staff within the academic units. A university may wish to make such courses a business part of its revenue generation process. Ntshoe argues that for these courses to be run efficiently consideration be given to the establishment of companies within the academic departments to manage their administration.

Similar innovations have been attempted with success in East Africa. In examining the market model of financing higher education in Kenya, Oketch (2003a) notes that the University of Nairobi is experimenting with e-learning which involves offering courses to non-traditional students on-line. He explains that the students who pay market rates or full tuition cost, are

employed in government establishments and the private sector. This approach is being extended to market most of the courses at the University of Nairobi.

Butare (2003) reports in a study on income generating activities in higher education at Kigali Institute of Science, Technology and Management, Rwanda, that embarking on these activities has been a success, yielding an income of about US\$3 million in 2003. Faced with declining government funding starting in 1992, the institute, among other activities, engaged in the following:

1. charging full-tuition fees to students who are privately sponsored and all students who are registered in part-time evening courses;
 2. mounting in-service courses through seminars, workshops and tailor-made short courses;
 3. training people in entrepreneurial skills so that they can develop their businesses.
- (Butare, 2003: p. 4-5)

Butare states that the success of these innovations can be attributed to a positive attitude towards income generation among the staff members and their willingness to relate teaching to transferable goods.

Philanthropy/Endowments

Universities are organisations well positioned to make appeals to foundations, industry, alumni and the general public for funds. It is common that some of the successful businesses are owned by people who have either previously studied at these universities, or are related to someone who has. Teferra (2006) argues that the culture of endowments still needs to be developed in Africa. He argues that it is only in South Africa where some of the historically advantaged institutions are raising a lot of revenue through endowments in sub-Saharan Africa. If generous individuals and organisations respond positively to requests for funds, their donations may be invested by universities so that returns can be used to offer scholarships to students, pay part of staff salaries, run specific departmental projects, among others (Ziderman and Albrecht, 1995). Ziderman and Albrecht further state that sometimes pieces of land are donated to the institutions for capital projects.

In his study on the financing methods and internal allocation of resources in some European and American higher education institutions, Liefner (2003) found that some universities were now embracing market approaches to their sources of income. He says "a high proportion of funding for higher education institutions is provided by private actors, for example, in the form of tuition and fees, gifts, grants, or research contracts" (pp. 469-470). He found this to be true of the University of Bristol, Massachusetts Institute of Technology and the University of Texas at Austin. His study found that about one third of the income for the Massachusetts Institute of Technology comes from endowments and gifts. Johnstone (1998) agrees with these findings when he says that private voluntary giving in the United States universities contributed more than fourteen billion dollars in 1995/96. Eight of the top twenty recipients of funds were receiving in excess of \$100 million. He further states that political and higher education leaders want to emulate the United States' experience of supplementation of university income with philanthropic giving. Johnstone also notes that the culture of giving to higher education has taken root in some of the Asian countries such as India, China and Hong Kong. However, most of this giving is directed at religious endeavours than institutions of higher education per se. Individual association with an institution either as an alumnus or a friend of alumni and favourable tax treatment of charitable forms of giving promote this culture.

The culture of giving in Sub-Saharan Africa is not well-rooted in the higher education system. This may be due to the fact that most universities were established as 'elitist' institutions that were fully supported by their governments (Oketch, 2003a; Saint, 1992). There are, however, some universities that are making progress in soliciting endowments from philanthropists. For example, the University of the Witwatersrand, South Africa has an established foundation which seeks funding from international foundations, individuals, and industry for student scholarships, professorial salaries, general staff salaries, research and endowing chairs (University of Witwatersrand, 2001). In 2000 the University of Cape Town generated more than \$10 million through gifts (Teferra, 2006).

Higher education funds that are acquired through philanthropic activities can create taxation problems, especially in developing countries (Ziderman and Albrecht, 1995). The South

African government has a law that grants tax relief to those individuals and organisations that make donations to higher education (University of Witwatersrand, 2001). This means that there is some money in taxes that must be foregone by the government. Therefore, Ziderman and Albrecht argue that the government becomes a major provider of philanthropic funds through the foregone income taxes. However, the foregone taxes might be a small proportion of the annual government revenue and also less than uncollected taxes from tax defaulters.

Donor/Aid Agency Funds

The independence of African countries from their colonial masters in the 1960s brought hope for the development of society through education. There was hope that illiteracy levels would drop, access to education would increase, jobs would be created and the standard of living would improve. Education was also seen as a means of achieving social and political goals through an educated society (Samoff and Carrol, 2002). However, the realities that followed proved that the attainment of these goals in the developing countries of Africa was beset with continuing poverty, a declining economy, low participation in international trade and political instability.

On realising that the developing countries were not achieving their ideals through education at the expected pace, many Western countries, especially the former colonial powers, sought to help these countries through aid which has come in many different forms such as development aid, partnership for international development cooperation, project aid and bilateral linkage programmes, to name a few (King and McGrath, 2004; Samoff, 2003; Samoff and Carrol, 2002). Agencies are usually the chosen vehicle for administering assistance to the developing countries. Depending on the nature of the assistance and agreements reached between the donor and the recipient, the agency may be located either in the recipient country or in the donor country (King, 1999).

The concept of development aid is not new in Africa. It can be traced back to the colonial period when some institutions of higher learning were established and operated with the assistance of some church organisations, colonial governments and philanthropists (King, 1971; Samoff and Carrol, 2004). Many universities in developing countries, especially in Africa, enjoy some assistance from developed countries through donor agencies. This

assistance usually comes in support of well established goals with the institutions of higher learning at a time when governments are reducing their participation in higher education (Ssebuwufu, 2003). In this regard, Ssebuwufu notes that it is important for universities to document a strategic plan with very clear objectives covering activities that will involve general society (university, communities and the entire country if necessary). He also says that it is important to demonstrate how projects that would fall under donor funding would be sustained in the future.

Wield (1997) conducted a study on the coordination of donors at the University of Dar Es Salaam, Tanzania and Eduardo Mondlane University, Mozambique. The study found that after a decline of donor funding which started in the 1960s, the proportion of financial support has been rising rapidly. Some key findings of the study are summarised as follows:

1. In the wake of decline in government support to higher education donor funds have assumed the role of financing core activities such as teaching, rehabilitation of buildings, staff development, beefing up library holdings, purchasing of laboratory equipment, and staff development;
2. Donor support is often planned externally to the recipient institution by the donor agency according to its policies. This arrangement often clashes with the institutional policies, especially on the preparation of financial statements;

This study found that some of the donors agreed to the use of their money in carrying out some of the necessary work of the universities which would have ordinarily been funded either by the government or the universities through tapping their resources. Ssebuwufu (2003) agrees with these findings. He, however, makes a different observation on donor support being planned externally. He says that planning can be carried out jointly with the donors, but they have to be assured that their funds will be committed into a plan which falls within their objective. Further,

Donors have often earmarked and limited themselves to specific projects, and often set strict conditions for disbursement of funds like reporting and accountability. Makerere

has been fortunate to enjoy a degree of institutional autonomy and also maintain credibility. (Ssebuwufu, 2003: p. 6)

Whereas it is generally true that donor funds play an important role in the development of institutions of higher education, there are some obstacles that may be experienced from country to country or institution to institution. It is not every institution that enjoys autonomy as receipt of donor funds for any projects by the institutions must be authorised by their governments (Wield, 1997; King, 1999). Wield states that some of the government policies in developing countries discourage donors/aid agencies from giving their funds to needy segments of the nation. King, in his study on the manner in which financial aid was “received” by the South African government immediately after the return of the country to majority rule in 1994 says that government policies may discourage financial aid for education. The South African government made it a policy that all external assistance to the education sector should be channelled through the Ministry of Finance so that the donor money could be audited and fall within the eighteen-month cycle of budgeting. Donor funds were not supposed to come as “add-ons” to educational budgets. The donor countries were frustrated by this attitude to donor funds. As a result, few donor funds were channelled to South Africa in the first three years of majority rule.

Leasing Facilities

Universities have three types of related facilities that can be used to generate income. These are residences, catering and conference rooms. Warner and Leonard (1997) argue that these facilities have a potential to generate income for the universities if they are run properly and preferably under one management. This is because the clientele generally prefers to lease them as a package; therefore, it would make sense for the clientele to deal with one person. The authors suggest that students should be assigned these facilities on a weekly charge basis so that during the long vacation they can be leased to the public. As for the management of these facilities, Warner and Leonard state that it might reduce a financial risk for the institution to appoint a company to run them and pay commission to the institution. Leasing of facilities can also be extended to the use of sporting facilities, classroom space and car parking space. For instance, Lund (1999), notes that some universities can lease their secure car parking space to students, employees and unofficial visitors.

Outsourcing of Services

In his study on the impact of global privatisation, quasi-marketisation and new managerialism in South African higher education, using the University of Pretoria as a case study, Ntshoe (2004) found that the university embarked on market-like approaches when it gave up all its cleaning, gardening, security and transport services to private providers. Cost saving was realised in these areas of service provision. However, Ntshoe raises concerns about the resultant job losses as the permanent staff were retrenched and replaced with contract staff. Generally, outsourcing is viewed as an alternative to addressing issues of wastage in material and financial resources. The institution can then concentrate on fulfilling its mission (teaching, research and community service) while service providers do the rest of the things that fall outside the institution's mission.

The move toward embracing commercialisation or market-like approaches in higher education in order to address the shortage of funding is a challenge facing many institutions. If these institutions could embrace these practices, they would look beyond the government for sources of funding. In the process they would be forced to practise intelligent and effective financial management practices. They would also get a chance to establish long-term relationships with partners, industry and other organisations that were not in their mainline of activities before. The institutions should address concerns that have been observed in other countries. These are summarised in the following statement:

...competition-driven higher education results in ...lack of institutional focus and mission coherence, rampant and even destructive competition in which historically advantaged institutions could reinforce their inherited privileges, exclusive focus on "only" paying programmes, excessive marketisation and commodification with little attention to social and educational goals, and insufficient attention to quality. (South African Council on Higher Education, 2000, cited in Ntshoe, 2004, p. 144)

Although in some small developing countries inter-institutional competition could be limited, there would be concern about possible lack of focus, paying attention to highly rewarding programmes and shifting attention away from established social and educational goals and quality.

Financial Management

This section on financial management relates to the research question, "How do the universities manage their funds in terms of internal policy and practice?" Some studies point out that some institutions in developing countries are generally inefficient in the allocation and utilisation of resources (Ziderman and Albrecht, 1995; Psacharopoulos and Woodhall, 1985; Birdsall, 2003). It is important for institutional funds, especially those received from the major source, the government, to be allocated and managed in a transparent, rational and efficient manner (World Bank, 1994).

The Government of South Africa (1997, p.7) makes a distinction between effectiveness and efficiency of a system through desirable outcomes, avoidance of wastage and sustainability:

An effective system or institution functions in such a way that it leads to desired outcomes or achieves desired objectives. It does the right things in terms of a given framework of expectations. An efficient system or institution is one which works well, without unnecessary duplication or waste, and within the bounds of affordability and sustainability. It does things correctly in terms of making optimal use of available means.

Any government that gives funds to an institution wants the latter to employ effective and efficient financial management practices over those funds. This is because continual funding of higher education, to some extent, depends on the past management practices of the institution in question. Unfortunately, many higher education institutions fail the test (Dickson, 1999).

Generally, there is a shortage of literature on the management of resources in higher education, especially in sub-Saharan Africa. The World Bank (1994) attributes this shortage to governments' policies of line item budgeting which diminishes institutional autonomy in the use of funds. In his study on cost and financing of university education in Nigeria which was carried out on ten sampled federal universities, Babalola (1998: p. 52) found that there was "significant over-spending on general administration and general academic activities (*sic*) at the expense of research and public service". The research and public service allocations were thus internally trimmed by university authorities so that the money could go into

payment of salaries and other activities. Babalola explains that in 1991/92, for instance, the expenditure on these costs amounted to three times higher than what the National University Council (government appointed body responsible for overseeing universities) had allocated. This is an example of mismanagement of funds.

These findings are not only confined to Nigeria as Bollag (2003) reports similar findings from the National University of Lesotho. He says that cases of inefficiency and corruption in the university administration were discovered in 2000. The corrective measure was to transform the old university structure into a workable one that made faculty executives answerable to the university management. Further, faculty mergers were implemented in order to avoid duplication of programmes and lack of productivity in some cases in order to improve efficiency at the lower ranks. Birdsall (2003) also agrees to these observations when she argues that efficiency in higher education governance and budgeting systems are poor in developing countries.

Focus will now shift to the utilisation of the financial resources bearing in mind that generally, universities are not profit-making organisations (Raines and Leathers, 2003). Universities are required to put into use resources acquired from various sources for the fulfilment of their goals. The market or entrepreneurial approaches to the acquisition of university funds require that internal allocation of those funds be studied within the context of strategic direction of each institution (Jarzabkowski, 2002; Ssebuwufu, 2003). In this section, a brief account of how financial resources are internally allocated, spending control measures are executed and how accountability to sources of funding takes place is presented.

Internal Allocation of Funds

The World Bank (1994) states that, "The mechanisms through which transfers are made strongly influence the way in which public funds are used" (p. 50). It is important for the budget holders to understand the allocation system fully because they are expected to administer the funds at their local level. This understanding goes together with full ownership of the system for the successful management of the resources.

Liefner (2003) conducted a study on how universities were acquiring and internally allocating funds from external sources. The study covered some universities in Switzerland, The Netherlands, United Kingdom, and the United States of America. He found that generally, universities tend to follow the methods through which they acquire their financial resources when they carry out internal allocation of those resources:

1. Where public funding dominates and is not based on performance of the receiving institution, internal allocation is largely stable and is also not based on internal performance of schools and departments;
2. Where public funding dominates and is partly based on the performance of the receiving institution, internal allocation tends to be similar to the external allocation, based on performance of the schools and departments;
3. Where private funding dominates, allocation from external sources embraces market principles that are based on performance and the internal allocations are also done competitively through performance of the receiving institutions.

The above-stated findings are consistent with observations that are made by Raines and Leathers (2003, p. 222) that universities' behaviour in decision-making, especially in internal allocation of resources, is understood in terms of survival and stability:

...the organisation seeks to maximize and stabilise the flows of revenues needed for its survival...when resource flows are altered, the organisation responds by directing efforts at restoring stability.

In this connection, each institution will try to practise the resource allocation principles that will make it survive and win continual support from its funding sources.

In her longitudinal study conducted between 1992 and 1998 at three UK universities, Warwick, London School of Economics and Political Science and Oxford Brookes, Jarzabkowski (2002) sought to examine strategic implications of resource allocation models through the following four aspects: degree of centralisation, locus of direction, cross-subsidisation and locus of control. The study was necessitated by curiosity to find out how

universities were reacting to the requirements of accountability, transparency and environmental responsiveness under the new climate of entrepreneurship. The findings are summarised as follows:

1. Some of the universities operate the most centralised resource allocation model (RAM). Some operate a resource allocation model that combines the characteristics of both centralised and decentralised models. Others operate a decentralised RAM.
2. The universities with a highly centralised RAM rely on resources being allocated and monitored by senior management through the strategic committees that are in place. In the case of universities with a decentralised system of resource allocation model the allocation is done by a collegial committee composed of staff whose authority is very limited. The experience and skill of senior management was found to be very desirable in the latter case so that the strategic direction could be generated;
3. Cross-subsidisation occurs in all three universities. It occurs as a matter of principle in those universities where there is a degree of centralisation in their RAM. It also occurs in a decentralised resource allocation model, but not to the same degree as in a centralised RAM;
4. In a highly centralised environment the locus of control was found to reside at the centre and in the planning mechanisms: the departments that have power to command scarce resources through research or income-generating activities have power to negotiate with the centre while those departments that fail to command scarce resources lose their autonomy. In cases that combine centralised and decentralised models the locus of control lies in the senior management and the resource allocation process itself. In a decentralised system the locus of control lies with influential individuals, skilled operators in the senior management, powerful departments and important committees. Control is socially negotiated. (Jarzabkowski, 2002: pp. 21-24)

The above-stated findings led Jarzabkowski (2002) to conclude that in the absence of a uniform RAM for all the institutions "the choice of RAM in use may be less a matter of best practice than one of internal fit" (p. 26). She observes that the distinctions in RAM choices are socially imbedded, influenced by the historical and cultural context of each institution. She further notes that there may be similarities among universities of similar backgrounds. In his earlier work Dickson (1999) explains that a combination of RAMs may be suitable for certain situations as the institutions see it fit.

Dickson (1999) and Sanyal and Martin (2006a) present several methods of internal resource allocation in higher education. First, the previous year's allocation with a mark-up or mark-

down percentage may be used depending on the funds available from the source. This method has the advantage of being simple and understandable. It also allows budget holders to plan ahead. It has the disadvantage of negating any innovation as both bad and good performance tend to be 'rewarded' by the previous year's allocation. The actual expenditure for the year before is not taken into consideration whereas it may have been influenced by factors that may no longer exist.

Second, an allocation of resources could be made to departments in proportion to their student numbers. Where there is a mix of students such as full-time, postgraduate, undergraduate, and so on, a full-time equivalence has to be established for use in the allocation. This method has a disadvantage in that workload imposed by the student numbers is usually not taken into consideration. Third, an allocation could be made based on student numbers taking into account the workload they impose on each member of staff (Dollars per student/staff numbers). This further calls for factoring subject weighting as practical oriented subjects place more demands on staff than non-practical subjects.

Fourth, a funding formula may be used to allocate funds to departments. The formula would take into account the weighted teaching load of staff and relate it to available funds. This method requires a good database that is efficiently managed. Fifth, a split of the total sum available between academic departments and non-academic departments is made. There is difficulty in deciding the percentage split between the two sectional departments. There is also the difficulty of deciding which method of allocating funds among the individual departments ought to be used. Lastly, a method of allocating all funds to departments and top-slicing them for services provided by central administration could be used. The area of difficulty could be determining income available to the institution ahead of time. The advantage is that the departments appear to be credited for all the work they do.

Spending Control Measures

The exercise of spending control measures is a necessity in order to ensure that the budget is followed by budget holders. According to Sanyal and Martin (2006a), financial managers of an institution have to monitor the actual income and compare it with the expenditure throughout the year. This is to ensure that there is no overspending in the budget and any

problems are addressed timely. Information on the balances of the budget holders' accounts is usually provided by the central finance office. In their study on resource allocation in Nigerian universities Liverpool *et al.*, (1996) found that universities monitored their funds through control devices assisted by expenditure control units. Devices could range from policies to online financial management information systems.

Some universities employ an internal auditor to assist their boards of trustees or university councils and management in effectively discharging their responsibilities by "reviewing and appraising the soundness, adequacy and application of accounting, financial and other operating controls and promoting effective control at reasonable cost" (Medical University of South Carolina, 2003: p.1). The internal auditor helps to ensure that spending is within allowed margins and the money is spent on what it was allocated for. He/she advises management on issues that require attention. This role is one of providing support to budget holders and management.

In all cases, prudent financial management calls for accountability to the stakeholders on how the allocated funds are utilised. This is the subject for the next section.

Financial Accountability

Although it advocates institutional autonomy in financial spending and generating income, the World Bank (1994) acknowledges that institutions should still be accountable to their funders. The OECD (2004) agrees and notes that accountability is required of institutions of higher learning in many forms including the production of audited financial statements.

There are international General Acceptable Accounting Principles (GAAP) to which most accounting firms and governments subscribe for purposes of preparing financial statements. Some organisations formulate their own standards of practice alongside the GAAP. For instance, the Australian Higher Education Institutions are guided by their Commonwealth Department of Education Science and Training (CDEST) guidelines on the preparation of their financial statements. The purpose for these statements is to provide decision-makers with sound financial information on which to base their decisions and to make the institutions

accountable to their stakeholders for the funds they receive. This is captured in the Australian guidelines:

1. To provide information to enable informed judgement about performance, financial position, financing and investing, and compliance of an institution.
2. To provide a mechanism to enable institutions' management and governing bodies to discharge their accountability obligations... (CDEST, 2002: p. 3)

The Higher Education Funding Council for England (HEFCE) has similar guidelines for its institutions. It states that the head of an institution (Vice Chancellor) that is funded by the council is accountable to the institution's governing body for ensuring that the conditions of accountability are met (HEFCE, 1998).

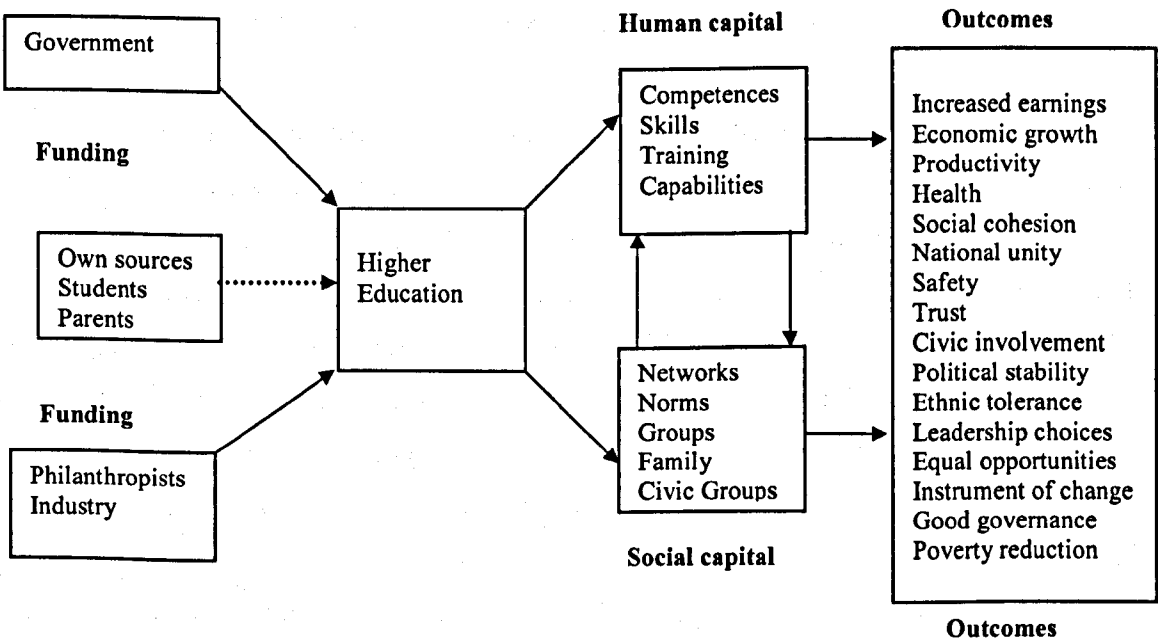
In his work based on experiences in different Commonwealth universities (Dickson, 1999) argues that the responsibility on budget holders to commit their allocated funds to useful purposes goes hand in hand with accountability. He further argues that "the budget holder must have sufficient training or experience in the financial management skills required" (p. 19). Aina (2002) found in a study he conducted in Nigeria to explore different alternative modes of financing higher education that moving into alternative modes of financing higher education imposed requirements of accountability to the funders. Otherwise, where accountability was lacking, there were instances of corruption and fraud, especially in the handling of funds generated locally by the universities to supplement inadequate Federal Government funding. Ssebuwufu (2003) agrees with this position when he states that transparency at the University of Makerere in handling financial matters (budgeting and auditing) has won the confidence of donors. Teferra and Altbach (2004) also agree with these observations and state that the Government of Uganda's granting autonomy to the institution has improved the image of the University. They further argue that misallocation and poor prioritization of available financial resources, where they occur, add to the problem of inefficiency and lack of proper financial management in Africa.

Although there are other forms of accountability to financiers/funders of higher education such as lowering the rate of class repetition, reducing the student/staff ratios and efficient utilisation of facilities, the main focus for this study is the use of funds.

Conceptual Framework

A conceptual framework is presented in this section based on the theoretical framework and the literature review. Miles and Huberman (1994: p. 18) argue that a “conceptual framework explains, either graphically or in narrative form, the main things to be studied-the key factors, constructs or variables- and the presumed relationships among them.” The framework is about “what is happening and why...” (Robson, 2002: p. 63) and what may be expected as an outcome. Robson further argues that the conceptual framework is usually designed to present the theories that inform the study and show how they relate to the research study. The conceptual framework for this study is presented in Figure 3.1 below.

Figure 3.1 A Conceptual Framework



The above model highlights that higher education and its effects are understood through the human and social capital theories. Higher education is funded from various sources (external

and internal). The process of higher education then creates interdependent human and social capital represented by arrows between the two boxes pointing in both directions. Some of the anticipated outcomes are indicated in the box on the right hand side of the framework. The emphasis of this study is on the left hand side (funding) of the framework.

Conclusion

The methods of funding/financing higher education have been explored. Government subsidies, cost recovery and revenue diversification methods have been considered. These methods have proved to be useful in developed countries where they have been implemented. The literature gives an account of progress that has been made in West Africa, East Africa and Southern Africa and elsewhere. Some governments are introducing cost-sharing in higher education with students in the first instance. Many universities are beginning to embrace market-like approaches as a method of broadening their financial base. Putting these methods of generating income into practice in developing countries is, however, proving to be a challenge because of a culture of inefficient financial management systems in institutions of higher education. Internal financial allocation and accountability to funding bodies has been explored although there seems to be scarcity of literature in this area.

The studies on financing higher education in sub-Saharan Africa are few. In many instances the cases of countries studied are reported in comparative studies covering developing countries in Asia and Latin America. Studies on small countries are not yet a common feature whereas their circumstances may be peculiar. Banya and Elu (2001) note that when conducting these studies, each country should be considered in its context. Therefore, studies may have to be conducted regionally for comparative purposes. In this connection, the South African universities that feature in the funding of higher education discourse could be studied with other universities in region with a view to developing a database.

There is a gap in the knowledge available on financing higher education in sub Saharan Africa. For example, studies aimed at investigating the perceptions and feelings of informants who are involved in applying policy on the ground are lacking. Studies on efficient management of financial resources are scarce. The concept of introducing commercial principles in the financing of higher education is relatively new in developing countries.

Current reports suggest this approach is only being implemented with moderate success. Nevertheless, it is a direction that must be followed by institutions in order to supplement their inadequate resources from their governments. Strategies that are appropriate to each context need to be explored and tried for the sustainability of higher education (OECD, 2004).

It was pointed out in the introductory chapter of this study that the governments and universities of Botswana, Lesotho and Swaziland predict an uncertain future. The financial resources to the universities are inadequate to meet all the needs of the institutions. Policy statements have since been made in the direction of expanding the universities' financial base. Therefore, the literature reviewed above is applicable to that situation.

It is now appropriate to map out the study methodology to explore the policy-makers' perceptions of strategies for funding higher education in the three countries.

CHAPTER FOUR

RESEARCH METHODOLOGY AND METHODS

The purpose of conducting research is to use established scientific procedures to uncover knowledge before any conclusive findings can be presented on a study (Borg and Gall, 1989; Robson, 2002). The source of knowledge about what is to be studied is, in most cases, individuals or settings that should be approached by the researcher to collect data and later interpret the research findings in order to make a contribution to knowledge about the phenomenon in question. This study is concerned with gaining an understanding of current and future financing strategies in the universities of Botswana, Lesotho and Swaziland. A detailed outline of how this study was conducted is necessary.

The purpose of this chapter is to outline the philosophical framework and the research methodology that I considered appropriate for this study. Thereafter, the research methods or instruments for data collection and tools for data analysis are presented. The study's credibility, transferability and confirmability and ethical considerations that were given to its conduct are also discussed.

Philosophical Framework and Research Methodology

There are three distinct ways through which people have always tried to understand phenomena that they sense in their environment. These are experience, reasoning and research (Mouly, 1978). Cohen *et al.* (2000, p. 3) agree with Mouly and put it as follows:

People have long been concerned to come to grips with their environment and to understand the nature of the phenomena it presents to their senses. The means by which they set out to achieve these ends may be classified into three broad categories: *experience, reasoning and research.*

One of these categories, research, can be defined as a scientific method of inquiry through which we understand reality. It brings about dependable solutions to problems around us through a systematically planned process of collecting data, analysing and interpreting those data. The purpose for doing research may also be stated as an exploration, explanation, description or prediction of the phenomenon of interest leading to the development of new knowledge. It helps to improve educational practice (Borg and Gall, 1989; Marshall and

Rossman, 1999). The aim in this study is to describe the social phenomenon, financing, in the context of the Southern African universities of Botswana, Lesotho and Swaziland with a view to explaining why the reality is as it is (Mason, 2002).

Although philosophical positions are a contested terrain among scholars, there are two main traditions or paradigms or sets of systematic beliefs in the philosophy of research design through which the nature of phenomena or social reality is sought and understood. These are positivism and phenomenology (Easterby-Smith, 1994; Maykut and Morehouse, 1994; Lincoln and Guba, 1985). Although this suggests that if you are not a positivist, you are a phenomenologist, phenomenology is itself an umbrella paradigm which has been further divided into other related 'paradigms' with a variety of research approaches (Marshall and Rossman, 1999; Kuhn, 1962). Further, it is possible for a researcher to develop his/her research study into a combination of approaches which are associated with either of the two paradigms,. Therefore, these two paradigms are not to be treated as opposites to each other. They each have different positions on the nature of social reality.

Positivist Paradigm

The scientific research method that has been followed traditionally in the natural sciences and to some extent in the social sciences is based on a philosophical system called positivism (Borg and Gall, 1989, p. 17) which they define as follows:

A system of philosophy that excludes everything from its consideration except natural phenomena and their interrelationships...(its major principle) is the *verifiability principle*, which states that something is meaningful if and only if it can be observed objectively by the human senses.

The above definition outlines the importance that the positivist paradigm attaches to observing the nature of phenomena objectively. It excludes the researcher's feelings, beliefs, and values. According to Borg and Gall (1989) and Lincoln and Guba (1985), positivism is characterised by an assumption that only one reality exists, a formulation of a hypothesis, deducing observable results of the hypothesis and testing the hypothesis by collecting data. Maykut and Morehouse (1994) state that "explanations from one time and place can be generalised to other times and places (and) generally, the positivist seeks verification or proof of propositions" (p. 12).

Positivism also maintains that objective criteria in deciding what is to be studied and how it should be studied should be followed. The researcher should use methods that will not make him/her influence the study. He/she must be “detached from it” (Linclon and Guba, 1985). The method of inquiry moves from hypothesis to either confirm or disprove theory. Positivism also maintains that other researchers following similar procedures of inquiry on similar study samples should arrive at similar conclusions (Maykut and Morehouse, 1994). Further, the researcher follows scientific methods of inquiry in order to identify any causal relationships among facts. Positivism adherents use *quantitative approaches* to conduct their research which means that they use numbers or statistical figures in the processing of those research data. Varieties of research methods are used in the conduct of quantitative research. These are social surveys, experiments, official statistics, structured observation and content analysis (Silverman, 2000).

The positivist paradigm is criticised by many scholars who subscribe to an *alternative paradigm* in as far as their view of the nature of social reality is concerned. One of these criticisms is that when conducting research, emphasis is placed on a controlled system, a ‘closed system,’ one whose external environment should have little or no effect on it, whereas when dealing with human subjects, real life goes on in ‘open systems’ (Robson, 2002). The external environment constitutes reality in open systems. Further, Lincoln and Guba (1985, pp. 27-28) present some more criticisms as follows:

Positivism has produced research with human respondents that ignores their humanness, a fact that has not only ethical but also validity implications.

- It has emphasised *exogenous* research-that is, research in which all aspects of the research, from problem definition through instrumentation, data collection and analysis, and use of findings, have been researcher-determined-to the virtual exclusion of *endogenous* research-that is, research in which the respondents have equal rights of determination.
- It emphasised *etic* research-that is, research carried out with an outside (objective) perspective-to the virtual exclusion of *emic* research-that is, research carried out with an inside perspective (subjective)...

Positivism rests upon at least five assumptions that are increasingly difficult to maintain...

- An ontological assumption of a single, tangible reality “out there” that can be broken apart into pieces capable of being studied independently; the whole is simply the sum of the parts.
- An epistemological assumption about the possibility of separation of the observer from the observed-the knower from the known.
- An assumption of the temporal and contextual independence of observations, so that what is true at one time and place may, under appropriate circumstances (such as sampling) also be true at another time and place.
- An assumption of linear causality; there are no effects without causes and no causes without effects.
- An axiological assumption of value freedom, that is, that the methodology guarantees that the results of an inquiry are essentially free from the influence of any value system (bias).

The general observation that can be inferred from these arguments is that there are instances in the study of social reality where the positivist paradigm fails to meet the need for the research such as in the study of human perceptions of reality, culture and so on. The research design rests on the singleness of the nature of reality, objectivity and transferability of findings to other settings. A possibility of the existence of multiple realities and the influence of the researcher in the study are disregarded.

If an in-depth study is concerned with descriptions of participants’ daily life experiences, studying a culture and seeking beliefs and values of society, the positivist paradigm might be inappropriate (Mason, 2002; Silverman, 2000; Maykut and Morehouse, 1994). The participants can contribute effectively to the study if they are made to construct their social reality. Thus an alternative to the positivist paradigm is presented in the next section.

Phenomenological Paradigm

In his study of the contribution of scientific research through the positivist theory or paradigm, Kuhn (1962) observes that as more and more facts are put together to solve any puzzle, which is a requirement of the positivist paradigm, some of these facts do not fit into the paradigm but still solve the ‘scientific puzzle’. Thus, there is a different theory from the first one that can explain the shift in the paradigm. Therefore, there is a need to consider an alternative to the positivist paradigm (Maykut and Morehouse, 1994) which takes us to the phenomenological paradigm. The phenomenological paradigm embraces different paradigms which share similar methods in uncovering knowledge (Marshall and Rossman, 1999; Eichelberger, 1989). Thus

different labels have been given to the phenomenological paradigm because of these different paradigms it embraces and the interconnectedness of the methodological approaches in the pursuit of knowledge. Some of these labels are *naturalistic*, *hermeneutic*, *symbolic interaction*, *ethnographic*, *interpretive* and *qualitative* (Lincoln and Guba, 1985; Miles and Huberman, 1994; Mertens, 1998; Mason, 2002). .

In the phenomenological tradition people socially construct reality as they experience it:

...reality is socially constructed rather than objectively determined. Hence the task of the social scientist should not be to gather facts and measure how often certain patterns occur, but to appreciate the different constructions and meanings that people place upon their experience. (Easterby-Smith, 1994: p. 78)

The phenomenological tradition was developed into the interpretive/constructivist paradigm through the work of Edmund Husserl, Wilhelm Dilthey and other German philosophers. The interpretive/constructivist paradigm asserts that the people who participate in the research study and the researcher engage in the social construction of knowledge. The latter's role is to attach meaning to what has been constructed in order to understand the words, actions and descriptions given by the participants as they reconstruct their experiences (Eichelberger, 1989; Mertens, 1998). Mertens argues that:

The basic assumptions guiding the interpretive/constructivist paradigm are that knowledge is socially constructed by people active in the research process, and that researchers should attempt to understand "the complex world of lived experience from the point of view of those who live it." (Mertens, 1998: p. 11)

The researcher and the participants engage in a process of constructing a social reality through descriptions of the social reality given by the latter and interpretations made by the former. Therefore, they influence each other. According to Lincoln and Guba (1985) and Marshall and Rossman (1999), the researcher chooses to use a personal interactive method of collecting data. This paradigm also maintains that there are multiple realities that can be constructed by the participants. The researcher must appreciate the existence of these multiple realities and that they cannot be broken down into pieces to be studied independently.

The process of data collection in the phenomenological paradigm is subjective as opposed to being objective in that there is an assumption that data, interpretations and findings are based on the participants' experiences and the context of the study. Lastly, there is no intention to make the findings of a study generalisable to a larger population although some studies allow for the development of a theory. Generally, the findings apply to the population that participates in the study (Lincoln and Guba, 1985; Mertens, 1998).

The phenomenological paradigm follows qualitative research approaches in the design and conduct of a study. These research methods are participation, observation, in-depth interviews, review of documents, and many others. A combination of methods in conducting research is also a common practice in this paradigm (Marshall and Rossman, 1999).

Criticisms of Positivism and of Phenomenology

Researchers have to be aware of the dangers of positivism and of phenomenology. The danger with the positivist paradigm is that it excludes the context of discovery which deals with the origin of scientific theories and pays attention to testing (context of justification) the theories (Lincoln and Guba, 1985). The accumulation of facts without theory is what other scholars challenge in this paradigm. Lincoln and Guba further argue that verification of theory takes precedence over discovery within the positivist paradigm. This is because "proponents of that formulation could not devise a means for coming to grips with it systematically" (p. 25). Maykut and Morehouse (1994) agree with this view when they argue that the positivist paradigm has never been concerned about explaining how knowledge is discovered as opposed to verifying it. So, facts without discovery are not very helpful in education.

Phenomenology, on the other hand, is concerned with a multiple of realities which are constructed by those who experience them. In a sense, there is an infinite number of possible realities. This presupposes that one entity may be constructed into several realities depending on how those who construct it describe it as Lincoln and Guba (1985, p. 84) put it:

There is, in this ontological position, always an infinite number of constructions that might be made and hence there are multiple realities. Any given construction may not be (and almost certainly is not) in a one-to-one relation to (or isomorphic with) other constructions of the same (by definition only) entity.

This means that once there are multiple realities of the same entity, a question might be asked as to which of them should be treated as substantive indeed. Nonetheless, phenomenology is a paradigm which has a potential to contribute positively to a study in investigating social reality because it offers many dimensions to it.

Comparison of Qualitative and Quantitative Research Approaches

This section is a brief comparison between the quantitative and qualitative research approaches which are associated with the positivist and the phenomenological paradigms, respectively. According to Kirk and Miller (1986, p. 12),

Qualitative research is a sociological and anthropological tradition of enquiry. Most critically, qualitative research involves sustained interaction with people being studied in their own language, and on their own turf.

The above argument corroborates the pioneering work of Bronislaw Malinowski (cited by Jarvie, 1964) who argues that the anthropologist must not base his/her research on secondary sources of information. He/she must leave his/her place of work and set out to conduct field work for his/her research and experience the culture of those who are researched:

The anthropologist must relinquish his comfortable position in the long chair on the verandah of the missionary compound...he must go out into the villages, and see the natives at work in gardens, on the beach, in the jungle...and observe them in fishing, trading, and ceremonial overseas expeditions. Information must come to him full-flavoured from his own observations of native life... (cited by Jarvie, 1964: p. 3)

In drawing up a distinction between quantitative research and qualitative research approaches Maykut and Morehouse (1994, p. 2) state that:

Quantitative research is based on observations that are converted into discrete units that can be compared to other units by using statistical analysis...qualitative research, on the other hand, generally examines people's words and actions in a narrative or descriptive way more closely representing the situation as experienced by the participants.

A summary of comparisons of the two approaches is presented in table 4.1 below.

Table 4.1: Comparisons Between Qualitative and Quantitative Research Approaches.

Qualitative Approach	Quantitative Approach
<ul style="list-style-type: none">• There are multiple realities and they are sociological constructions forming an interconnected whole. These realities can only be understood as such.	<ul style="list-style-type: none">• Claims that there is one reality. The whole can be understood by carefully dividing and studying its parts.
<ul style="list-style-type: none">• The knower and the known are interdependent. Subjectivity enriches the study.	<ul style="list-style-type: none">• The knower can stand outside of what is to be known. True objectivity is possible.
<ul style="list-style-type: none">• Concerned with understanding behaviour from the actor's own frames or reference.	<ul style="list-style-type: none">• Seeks the facts/causes of social phenomena.
<ul style="list-style-type: none">• Values mediate and shape what is understood.	<ul style="list-style-type: none">• Values can be suspended in order to understand.
<ul style="list-style-type: none">• Naturalistic and uncontrolled observation.	<ul style="list-style-type: none">• Obtrusive and controlled measurement.
<ul style="list-style-type: none">• Grounded, discovery oriented, exploratory, expansionist, descriptive, inductive in uncovering knowledge.	<ul style="list-style-type: none">• Ungrounded, verification or proof-seeking of propositions in the contribution of knowledge.
<ul style="list-style-type: none">• Holistic	<ul style="list-style-type: none">• Particularistic
<ul style="list-style-type: none">• Valid: real, rich, deep data	<ul style="list-style-type: none">• Reliable: hard and replicable data
<ul style="list-style-type: none">• Only tentative explanations for one time and place are possible.	<ul style="list-style-type: none">• Explanations from one time and place can be generalised to other places and times.

Source: Adapted from Oakley (2000, p. 27) and Maykut and Morehouse (1994, p. 12)

The quantitative and qualitative research methods differ in their approaches to the nature of reality, processes of collecting data, analysis of the data and inference from the findings. Quantitative research may be used for testing a theory while qualitative research may be used for exploring an area with a view to formulating hypotheses and theories (Blaxter, *et al.*, 2001).

Whereas according to the above definitions of qualitative research emphasis is on the researcher studying human subjects, other sources of data can be approached independently using the qualitative research approach. These are documents, videos and records (Lincoln and Guba, 1985; Marshall and Rossman, 1999).

Selection of the Qualitative Research Approach

The above exposition of philosophical positions and research approaches provides an appreciation of the existence of different epistemological positions in research. There is no intention to open those philosophical debates other than to state the methodology and research approach that I deemed appropriate for this study. The study seeks to establish the perceptions of university academics and administrators and government officials about funding the Universities of Botswana, Lesotho and Swaziland through descriptions and explanations of the life experiences of those people involved in the processes of funding the institutions (Borg and Gall, 1989; Lincoln and Guba, 1985). These are a construction of the social reality with an appreciation of a possibility of many realities. I elected to follow the phenomenological position with a qualitative research approach for this research. This is because of my belief that there is more than one reality out there in as far as perceptions of participants are concerned in funding policy issues. These social realities could be due to political, cultural and economic values and so on. I subscribe to a philosophical belief that the researcher and participants can engage in constructing a social reality through descriptions and interpretations leading to an understanding of the social or human problem (Cresswell, 1998).

Furthermore, one of the characteristics of a qualitative research approach is that it acknowledges the context of the study. The context of this study described in chapter one is unique in Southern Africa. Unlike in quantitative research where the influences of the study have to be isolated, they are taken into account in qualitative research and not stripped away (Miles and Huberman, 1994; Lincoln and Guba, 1985). They were deemed desirable in this study, making the qualitative research approach appropriate. Generally, they give a clear understanding of why the situation is as it is. Furthermore, exploration of perceptions of participants may require the researcher to be flexible in the presentation of questions to participants to accommodate unforeseen contextual circumstances. Qualitative research allows such flexibility in restructuring and presenting the questions.

The adoption of the phenomenological position was also influenced by the fact that the research study would occur in “natural settings rather than laboratories” in order to apply “multiple methods that respect the humanity of participants...” and allow the research to be

“emergent and evolving” from the lived experiences of the participants (Marshall and Rossman, 1999: p. 2).

The literature that was reviewed as a guide to this study was mostly written by education economists. Whereas we might expect most studies by education economists to be quantitative in approach, this literature was mainly qualitative in nature. This is because these education economists dealt with policy issues that could be better explained by seeking a deeper understanding of the phenomena through interacting with human subjects and in some cases through the use of documents. Similarly, in this study I realised that the research questions I had designed could best be answered through a qualitative study because I wanted to carry out an in-depth exploration of the perceptions of the participants as custodians of the knowledge I wanted to uncover. The intention was to enrich the study with first hand information from the interviewees in a narrative way. This approach allowed comparison of items during analysis of data, a point to be covered later in this chapter. Further, time and financial restrictions would not permit me a prolonged stay at each of the three countries to read through documents that could serve as primary sources of data without the involvement of human subjects. Such data would not have been obtained at one place. Therefore, I decided to undertake a qualitative study which could

be systematically and rigorously conducted... accountable to its audience through the provision of material on the basis of which it should be judged...strategically conducted while taking into account any contextual changes calling upon the researcher to be flexible...produce explanations or arguments rather than mere descriptions. (Mason, 2002: pp. 7-8)

The ultimate approach to this study was to seek ‘thick’ descriptions (Geertz, 1973; Lincoln and Guba, 1985) of the reality from the participants rather than serve them with a questionnaire with limited choices of responses which may not fit into their culture. This would involve choosing the site for the study, “establishing rapport, selecting informants, transcribing texts...(whose end-product) is “communicating in a quite precise and special way: (1) deliberately, (2) to someone, (3) to impart a particular message, (4) according to a socially established code, and (5) without cognizance of the rest of the company” (Geertz, 1973: p. 6).

Qualitative research data also carry the following strengths which were useful in my study as I was dealing mainly with human subjects:

1. ...they focus on *naturally occurring, ordinary events in natural settings*, so that we have a strong handle on what “real life” is like;
2. ...(are) collected in close proximity to a specific situation...the influences of the local context are not stripped away, but are taken into account;
3. ...(they have a feature of) *richness and holism*, with strong potential for revealing complexity,...(they) provide “thick descriptions” that are vivid, nested in a real context...;
4. ...(their) inherent *flexibility* ...(data collection times and methods can be varied as a study proceeds) gives further confidence that we’ve really understood what has been going on;
5. ...with their emphasis on people’s “lived experience,” are fundamentally well suited for locating the meaning people place on events, processes, and structures of their lives: their “perceptions, assumptions, prejudgments, presuppositions”... (Miles and Huberman, 1994: p. 10)

The strength of the qualitative data also rests on the competence of the researcher through the understanding of the context of the study and the methods for their collection. I am a researcher and an employee of the University of Swaziland which is one of the institutions that took part in the study. I have an understanding of the administrative processes and policy issues on financial matters in higher education. Whereas this may serve as a disadvantage in that I knew the setting and part of the information I was studying at this university, I limited myself to the perceptions of the participants and documentary evidence. Thus bias was kept at a minimal level.

This study could have been conducted through the use of quantitative research techniques if simple numeric responses of participants or what could be converted into numeric responses were sought. The conduct of a quantitative research study is usually structured to capture the responses from participants into already prepared categories. In most cases there is no flexibility for the participants to expand their responses. Therefore, the wealth of information about *what the situation is, why it is as it is and how it can be changed* may not be captured adequately through the use of quantitative research approaches. The other reason for not conducting a quantitative study is that the population size was small in each institution. Most

of the budgeting and spending control processes which were central to the aspects of funding in higher education covered in this study were the responsibility of a few individuals in senior positions (less than forty Heads of Department and Deans of Faculties combined in each institution). These low numbers would have made sampling a big problem. If the entire population were to be covered in each case, the sample size would be less than one hundred participants. This small sample size would not justify the use of statistical techniques of processing data in quantitative research.

Another point for consideration is that statistical information is available in these institutions and government ministries that were covered in this study. These statistics are also published by the World Bank and UNESCO, to name a few organisations but they are less useful in formulating policy unless what they represent is captured through the words of practitioners, the policymakers. Therefore, the qualitative research approach was favourable for this study.

The research methods for data collection that were used will be discussed in the following section.

Research Methods

The purpose of this study was to seek an understanding and offer explanations (Lincoln and Guba, 1985; Mason, 2002) of how the Universities of Botswana, Lesotho and Swaziland are funded, how they manage and account for their financial resources, what challenges are facing them and how they are going to broaden their future revenue sources.

According to Marshall and Rossman (1999), there are four main methods of gathering data in qualitative research. These are “(a) participation in the setting, (b) direct observation, (c) in-depth interviewing and (d) analysing documents and material culture” (p. 105). A combination of in-depth interviews and analysis of documents was undertaken at the University of Botswana, National University of Lesotho, University of Swaziland, and Ministries of Education and Finance and Development Planning in each of the three countries.

Face-to-Face Interviews

Interviews have long been considered as a source of account of social phenomenon in research as they are conversations with a purpose between the interviewee and the interviewer (Rapley, 2001; Mason, 2002). Mason argues as follows:

... (interviews) are usually taken to involve some form of 'conversation with a purpose'...the style is conversational, flexible and fluid, and the purpose is achieved through active engagement by interviewer and interviewee around relevant issues, topics and experiences during the interview itself. (Mason, 2002: p. 225)

They allow a construction of knowledge between the researcher and the interviewees as Kvale (1996, pp. 14-15) argues that

The qualitative research interview is a construction site for knowledge. An interview is literally an *inter view*, an inter-change of views between two persons conversing about a theme of mutual interest...the interaction between the two persons.

An interview is a verbal interaction between an interviewer and an interviewee whose purpose is to create a reality of the social world out there (Miller and Glassner, 1997). The purpose of a qualitative research interview is to seek empirical knowledge of the interviewee's world from the interviewee through questioning (Kvale 1996). According to Kvale, it is

To understand themes of the lived daily world from the subjects' own perspectives...technically, the qualitative research interview is semi-structured: It is neither an open conversation nor a highly structured questionnaire...(it) may include suggested questions. (p. 27)

Miller and Glassner (1997, p. 100) agree with this view on the purpose of a qualitative interview when they state that

Those of us who aim to understand and document others' understandings choose qualitative interviewing because it provides us with a means for exploring the points of view of our research subjects, while granting these points of view the culturally honoured status of reality.

Sampling for the interviews

The data that were sought for the study could be partly obtained from Heads of Department and Deans of Faculties at Faculty level. The organisational reporting structures are such that the Deans report to the Central Administration for their activities. On issues of budgeting and spending control they deal with key individuals in the Finance Office and senior administrators in the Central Administration. Few officials in government ministries who are involved in activities relating to funding of these universities were identified. In the design of this study the researcher sought key players in issues of financing the universities so that numerous levels of representation and understanding of those issues could be achieved from all angles (Miller and Glassner, 1997).

Maykut and Morehouse (1994) argue that a sample of the population under study should be carefully selected for a deep understanding of the phenomenon to take place. They say:

Qualitative researchers...set out to build a sample that includes people (or settings) selected with a different goal in mind (different from quantitative researchers) *sic*: gaining deep understanding of some phenomenon experienced by a carefully selected group of people. This approach to purposefully selecting people (or settings, organisations) for a study acknowledges the complexity that characterises human and social phenomena...and the limits of generalisability...(Maykut and Morehouse, 1994: p. 56)

Following Maykut and Morehouse's argument, the selection of the study sample covered more than a mere representation of the population groups. There was a purposive selection of interviewees with long experience in their duties so that they could give balanced views that were representative of the situation on the ground.

It was important that the size of my study sample be pre-specified for the sake of identifying would-be resourceful interviewees, manageability of material and keeping within available financial resources. This was in keeping with arguments that are made by Miles and Huberman (1994, pp. 27-29) when they say

Qualitative samples tend to be purposive rather than random...that tendency is partly because the initial definition of the universe is more limited...and random sampling can deal you a decidedly biased hand...the researcher lays out the dimension on which

variety is sought, then takes representative, “well-informed” informants for each contrasting dimension. The aim is to find people who are more knowledgeable, reliable, and accurate in reporting events that are usual, frequent, or patterned.

Therefore, experienced and knowledgeable practitioners: Vice Chancellors, Pro-Vice Chancellors, Registrars, Bursars, Directors and Deans of faculties at the three universities were identified as interviewees in the study. Permanent Secretaries in the Ministries of Education, Finance and Development Planning were also selected as government officials. According to Marshall and Rossman (1999), this group took part in “elite interviews.” The interviewees were “influential, prominent and well-informed people in (their) organisation(s)...” (p. 83).

Marshall and Rossman (1999, p. 113) further note the advantages of conducting elite interviews in qualitative research as follows:

Valuable information can be gained from these participants because of the positions they hold in social, political, financial, or administrative realms. Elites...are more likely than other participants to be familiar with the legal and financial structures of the organization. Elites are also able to report on an organization's policies, past histories, and future plans from a particular perspective.

This argument was particularly relevant to this study. All the interviewees were carefully chosen by virtue of their positions in their institutions or organisations so that their vast knowledge about the policies and processes could be tapped. Through leadership and practice, they knew the past history of their organisations and their future direction.

The mere fact that the interviewees were going to be the ‘elites’ of each organisation meant that the study would be based on very busy employees of each organisation and at times they could be irritated by lack of knowledge on the part of the interviewer (Marshall and Rossman, 1999). The former was witnessed in this study. The dates and times of the interviews were scheduled at most two weeks in advance. Even then it was necessary to be flexible to accommodate sudden changes on the schedule. For example, three interviews were held with university administrators either outside working hours or on holidays and weekends.

Having the above purpose in mind, I administered face-to-face interviews to all the interviewees from the three universities and government ministries.

Organisation and interview process

The interviews were semi-structured and based on different guides that were sent in advance of the interviews to the interviewees to give them time to think about the issues to be discussed during the interview. The guides covered four different research sub-questions for all interviewees with differing emphasis for each group of interviewees (see Appendices A to H). The research questions that were covered during the interviews are:

- 1) How do the three universities acquire their financial resources?*
- 2) How do the universities manage their financial resources?*
- 3) What challenges are facing the universities with respect to funding?*
- 4) What innovations could be implemented at each university in order to improve and broaden the current strategies for funding?*

The interviews lasted between one hour and one hour thirty minutes each except in cases where the interviewees were pressed for time. They were conducted in the interviewees' offices and were audio-taped. The interviewees answered questions that were posed by the researcher and offered some explanations where necessary. The researcher also probed the interviewees as deemed necessary. The interviews allowed flexibility to the interviewees as they could move from one question to another if the need arose in order:

to project their own ways of defining the world...flexibility rather than fixity of sequence of discussions...to raise and pursue issues and matters that might not have been included in a pre-devised schedule (Cohen *et al.*, 2000: p. 147).

The face-to-face interviews were used as a resource where "the interview data collected (were) seen as (more or less) reflecting the interviewees' reality outside the interview" (Rapley, 2001: p. 304). Other qualitative researchers see another aspect of the data collected. According to Seale (cited by Rapley, 2001), interview data may be further used to generate research for another study. This is based on the assumption that during the course of the interview, the interviewee and interviewer jointly construct a reality through their understanding of the

phenomenon. In other words, the interviewee and interviewer create a reality as they carry on with their conversation.

During the interview the interviewees had freedom to describe their experiences in their own words and in their setting. This was because the design of a qualitative research study

...seeks to discover participants' perspectives on their worlds, views enquiry as an interactive process between the researcher and the participants, is both descriptive and analytic, and relies on people's words and observable behaviour as the primary data. (Marshall and Rossman 1999, pp. 7-8)

The interviewees reconstructed their experiences in depth after which a general understanding of those experiences was developed. The researcher

"capture(d) data on the perceptions of local actors from the inside," through a process of deep attentiveness, of empathetic understanding (*Verstehen*), and of suspending or "bracketing" preconceptions about the topics under discussion. (Miles and Huberman, 1994: p. 6).

The interviewees were asked to give views that represented their constituencies (Deans for Faculties, Administrators for Academic and Non-Academic Units and Sections, and Permanent Secretaries for Government Ministries) with respect to the financing of higher education and internal organisational management of funds. These views were based on policies and future directions of the university and government in each case.

All the interviewees in this study were highly cooperative with the researcher. They were excited about the research topic with the hope that it would pave a way to addressing some of the glaring problems that the institutions are facing. The interviews proved to be a very useful tool to collect data in that the interviewees were, when time permitted, asked to contribute any other information they considered relevant to this study. Some made additional comments and others did not.

Opportunistic interviews

While I was in Botswana I was granted an interview by the Economic Attaché of the European Union Delegation to Botswana. This turned out to be a face-to-face interview on the

perceptions of donors about funding strategies for the University of Botswana as a case in point. This is an example of an opportunistic interview in research where the researcher follows new leads and takes advantage of an unexpected event (Creswell, 1998). Another example of an opportunistic interview took place when I was in Lesotho. I started to feel that there was a problem which all the interviewees I had interviewed up to that point were avoiding to mention to me. As I made some enquiries from a university employee, I was directed to an experienced individual in the affairs of the National University of Lesotho who made me aware of a sensitive issue which made me understand the situation better. The remaining interviewees also confirmed what I had learned through this opportunistic interview.

Problems with interviews

Interviews can sometimes pose problems on the amount of information that can be shared by interviewees to an interviewer. In extreme cases the interviewees can elect to be economical with information due to a lack of trust between them and the interviewer. Miller and Glassner (1997) argue that this lack of trust may make the interviewees mislead the interviewer. They put it as follows:

The issue of how interviewees respond to us based on who we are-in their lives, as well as the social categories to which we belong...is a practical concern as well as an epistemological or theoretical one...particularly as a result of social distances, interviewees may not trust us, they may not understand our questions, or they may purposely mislead us in their responses. (p. 101)

The interviewees shared information with the researcher freely, perhaps because of a number of reasons. The purpose of the study was to explore in descriptive terms a funding problem which was real in all three institutions. The historical background of the three institutions and membership of the researcher to one of the three institutions made the interviewees comfortable in sharing the information. However, each of these three institutions had recently been subjected to Parliamentary scrutiny on the use of funds in some cases and their general administration because some politicians expressed some negative feelings towards them. During the time of interviews a Commission of Inquiry had completed its work at the University of Botswana. The National University of Lesotho was working on an accumulation

of annual financial statements and there was an ongoing Commission of Inquiry looking into the administration of the University of Swaziland. These alone could have made some of the interviewees in the study to be uncomfortable with the study.

The other problem with interviews is the use of familiar language to the interviewees which may either prevent the interviewer from understanding some of the issues raised or fracture the stories that are being related to the interviewer because:

The subject is more than can be contained in a text, and a text is only a reproduction of what the subject has told us. What the subject tells us is itself something that has been shaped by cultural understandings. Most important, language, which is our window into the subject's world (and our world) plays tricks. (Denzin, cited by Miller and Glassner, 1997: p. 101)

Spoken language and the technical language did not pose a problem during this study because English is the official language in all three countries where the study was conducted. I asked for clarifications where unfamiliar terminology was used. However, it must be acknowledged that no amount of time would be adequate to enable me to collect all the information without fractures, but documents and records provided another avenue of data collection.

Documents and Records

Documents and records refer to recorded material. For example, this group comprises minutes of meetings, account statements, memoranda, newspaper articles, letters, manuals and many more (Mason, 2002; Atkinson and Coffey, 1997; Robson, 2002). According to Atkinson and Coffey, there are some research questions which require access to documents to provide some of the answers. This study used documents and records as further sources of data to answer some of the research questions and sub-questions. At this point attention is turned to document analysis as a source of data.

Researchers have to acknowledge that some of their work takes place in literate societies where documents are written, read, stored and circulated. Similarly, there were documents in some of these participating institutions which could either answer some of the research questions or complement the interviews. Atkinson and Coffey (1997, p. 45) argue that the use of documents as sources of data by researchers is important because:

many researchers continue to produce ethnographic accounts of complex, literate social worlds as if they were entirely without writing...many organisations and settings have ways of representing themselves collectively to themselves and to others. It is therefore, imperative that our own near-at-hand, or one to which we are strange and distant incorporate those processes and products of self-description.

Atkinson and Coffey, however, point out that the researcher must be aware of the language that was used in the construction of the documents as it might be reflective of the cultural context of the organisation and the intended audience. In other words, the researcher has to be sure that misinterpretation of the content of the documents is limited as much as possible.

The above approach was useful in this study because, although experienced interviewees were involved, some information was worth sourcing from the documents for purposes of accuracy and cross-checking due to time lag between the occurrence of described events and the date of the interview. Further, reliance on interviews alone would preclude the documented reality of each of the research settings. The documents that were collected during and after fieldwork for use as data are listed in Appendix F.

Lincoln and Guba (1985) and Atkinson and Coffey (1997) offer another perspective on the use of documents as a secondary source of data. They point out that documents can stand alone as sources of research data. Documents can form a source of reality on their own as opposed to being used as secondary sources of data to cross check data that have been sourced through other means such as interviews:

It is tempting, when undertaking ethnographic fieldwork or some similar piece of qualitative research, to treat observational and oral data (such as may be derived from interviews or recorded interaction) as the primary data and any documentary materials as secondary...Our view here, on the contrary, is that such attitudes to documentary data are inappropriate and unhelpful. We would urge that documentary materials should be regarded as data in their own right. They often enshrine a distinctively documentary version of social reality. (Atkinson and Coffey, 1997: p. 47)

The first research question "*What are the current sources of funding for your university?*" directed at both university academics and administrators was partially answered through an

analysis of documents. These documents were audited financial statements of the Universities, and the Vice Chancellor's annual reports in the case of the University of Botswana and the National University of Lesotho. The other research question which also benefited from the analysis of documents was the following: "*What innovations could be implemented at each university in order to improve and broaden the current strategies for funding?*" This study used each of the three universities' strategic plans to complement the interviews because the duration of each interview could not permit each interviewee to go through all the strategies for generating revenue in each institution.

The document analysis method of data collection was particularly favourable for this study because of its availability at low cost and its richness of information without being reactive to the presence of the researcher or circumstance. Lincoln and Guba (1985, pp. 276-277) explain that documents and records are useful sources of information in that:

They are, first of all, almost always available on low cost (mostly investigator time) or free basis. Second, they are a stable source of information, both in the sense that they may accurately reflect situations that occurred at some time in the past and that they can be analysed and reanalysed without undergoing changes in the interim. Third, they are a *rich* source of information, contextually relevant and grounded in the contexts they represent...they appear in the language of that setting. Fourth, they are often legally unassailable, representing, especially in the case of records, formal statements that satisfy some accountability requirement.

Additionally, documents are useful in verifying or clarifying forms of data collected from other sources. Gottschalk *et al.* (cited by Robson, 2002) argue that there is a need to use documents for the purpose of "...external corroboration of detail under examination" (p. 350). In this study, the documents served a dual purpose in that they were used to verify some of the responses of interviewees (cross-checking) and partly answer some of the sub-questions as singular sources of data.

Mason (2002, p. 101) stresses the pre-existence of some documents to the time of the research and their usefulness in researcher's undertaking to generate further research from them:

Some documents exist already, prior to the act of research upon them. Others can be generated for or through the research process...such documents can be generated by you as the researcher, or you can ask people or bodies you are researching to generate them for you or with you.

The ease with which documents can be read and used as sources of data is an advantage to the researcher. Mason goes further into adding that existing documents may allow the researcher to generate further data such as tables, and charts through the research process. In this study, the documents such as the universities' audited financial statements and institutions' annual reports were scrutinised in order to generate comparative tables. Thus the documents also served as primary sources of data to a limited extent.

Although documents are useful sources of data in research, it must be noted that there are some documents which may be classified as public information, such as court cases and institutional reports, among others. Others are highly confidential documents. Sometimes there is a disadvantage in the use of public documents as a source of data. Organisations will always paint a good picture of themselves especially when these documents describe their activities (Atkinson and Coffey, 1997). Similarly, in his earlier work, Platt (1981) raises questions about authenticity of the data, availability of the relevant data to the researcher (as would be the case when trying to access confidential documents), sampling problems, inference from those data and their interpretation. Atkinson and Coffey advise that corroboration of information should be sought by the researcher through the use of other sources of data besides the documents. In this study, for instance, there were no major disagreements among documentary sources of data that required clarification from either members of the organisations or other data sources.

Data Analysis

Converting Transcripts and Documents into Data

Each researcher is always confronted with making a decision about what constitutes usable data after returning from fieldwork. In a qualitative study that is based on field notes, documents and interview records careful selection of usable data needs to be undertaken before the analysis phase. Mason (2002, pp. 76-77) poses this challenge as follows:

A major challenge for interpretivist approaches centres on the question of how you can be sure that you are not simply inventing data, or misrepresenting your research participants' perspectives. Qualitative researchers over many years have been locked in debates about this question...and different qualitative approaches offer different solutions.

The data that were collected from the field were converted into written word after the face-to-face interviews for a rigorous analysis to take place. This process 'saved' time because hand-recording during the interview would have made the interview process slow and valuable information could have been lost as the interviewer decided what to record and what to skip. According to Cohen *et al.* (2000), it is very useful to take a full record of the interview through audio tape-recording or summarising responses and then transcribe the material after the interview, especially if open-ended questions are administered during the interview. They say that if the researcher tries to take notes verbatim during the interview, he/she can be disturbed and miss some valuable information. In some cases interviewer bias may interfere with what is to be recorded:

...transcripts of interviews, however detailed and full they might be, remain selective, since they are interpretations of social situations...one of the problems that has to be considered when open-ended questions are used in the interview is that of developing a satisfactory method of recording replies. One way is to summarise responses in the course of the interview. This...may result in bias because the interviewer may unconsciously emphasise responses that agree with her expectations and fail to note those that do not. (Cohen *et al.*, 2000: p. 126)

Similarly, Walford (2001) agrees with the views expressed by Cohen *et al.* that the interviews be recorded immediately and transcribed later. However, he differs on the point of transcription. He notes that depending on what is sought from the interviews, it may not be necessary to transcribe the entire record because it is time-consuming and information repetitive. He suggests that only the key points need to be transcribed unless it is a case of discourse analysis.

The arguments advanced by Walford (2001) contrast with others that the researcher has to be attentive at all times during fieldwork in order to be part of it and also take a full record of the proceedings of the interview. For example, Mason (2002) argues that non-verbal interactions

of the interview cannot be captured in tape-recorded conversations; therefore, complete transcription is necessary to minimise data omissions:

...it is also important not to over-estimate the representational or reflective qualities of interview transcripts ... a transcript is always partial partly because it is an inadequate record of non-verbal aspects of the interaction ... the same applies to audio and video recordings, which have to be regarded as partial reconstructions of interviews rather than full records ... ask yourself which aspects of the interaction you do not gain access to...with tape recording and transcribing, this does not give you much access to the interviewer's observations, interpretations, experiences and judgements. (Mason, 2002: p. 77)

The interviews were transcribed verbatim so that the interviewees could comment on the transcripts before they could be used for analysis. Further, issues of trustworthiness were addressed through seeking validation of the interview content from the interviewees and comparison of the responses from different interviewees.

Glaser and Strauss (cited by Silverman, 2000) argue for the use of a constant comparative method for analysing data in order to generate a theory. This method holds that explanation and theory are derived from the emerging analysis of the data (Mason, 2002). Silverman claims that it involves moving from the specific to the general by inspecting and comparing all data fragments. According to Lincoln and Guba (1985), the constant comparative method provided by Glaser and Strauss is useful in processing data in the naturalistic paradigm. It places emphasis on categories for classifying incidents. Although Glaser and Strauss argue that the occurrence of incidents under each category should generate a theory, Lincoln and Guba contend that in a naturalistic inquiry the constant comparative data analysis method should not always lead to theory generation. Instead, it may be used to process the data through establishing categories:

...the reader should be aware that Glaser and Strauss are describing, in the constant comparative method, a means for deriving (grounding) theory, not simply a means for processing data...since our interest is not particularly in theory development at this point, we shall truncate these steps by limiting ourselves to their data processing aspects. (Lincoln and Guba, 1985: pp. 339-340)

For example, in this study cost sharing could be treated as a category under the research sub-question: *“what strategies are being considered or already being implemented by the government in order to improve funding for the university?”*

In this study the institutions concerned have one origin and the national governments replaced one colonial government at independence. Although there could be some differences in practice that have occurred over time, it is presumed that categorisation of practices should allow some comparison at national level and among the three universities. Therefore, the constant comparative method analysis of data was used in the identification of emerging issues. This is a logical method for deriving categories of data in a naturalistic inquiry based on interviews and document analysis (Lincoln and Guba, 1985).

Presentation of Findings

Comparative Research Method

This study assumes the comparative research approach in the analysis and presentation of findings. A general observation in the literature is that research in the humanities and social sciences has taken a lead in the usage of comparative methods in research. Higher education still needs to be elevated to prominence as a ‘discipline’ in comparative research (Teichler, 1996; Bray, 1999; Rust, *et al.*, 1999). It is appropriate, therefore, to highlight some of the methods in comparative education research and how they were used in this study.

The impetus for using comparative research methods is that foreign systems of education can be compared with our own so that we can be in a position to understand our own system better. Sadler argues as follows:

The practical value of studying, in a right spirit and with scholarly accuracy, the working of foreign systems of education is that it will result in our being better fitted to study and understand our own. (Sadler, cited by Bray, 1999: p. 210)

Sadler further argues that comparison helps us to appreciate the good things and those that need urgent change in our educational systems. This study was approached with an intention to compare the funding of higher education in Botswana, Lesotho and Swaziland with a view

to identifying how the systems worked in each of the countries, what shortcomings were there and what worked best. Kandel (cited by Bray, 1999: p. 210) agrees with Sadler when he explains as follows:

The chief value of a comparative approach to such problems lies in an analysis of the causes which have produced them, in a comparison of the differences between the various systems and the reasons underlying them, and finally, in a study of the solutions attempted.

Mitter (1997) also outlines the usefulness of comparative education in research over at least four decades that are marked by paradigms of *East-West conflict, large-scale educational reform, intercultural education in multi-cultural societies, the collapse of communism and the interrelation between universalism and cultural pluralism*. He goes on to argue how comparative education has featured in addressing pertinent issues to some of these paradigms and how it is still challenged to do so:

...in regard to the(se) challenges...educational policy and educational practice increasingly are in need of comparative evidence...given the long-term effects of any action in education, reform projects are dependent on middle-range and fundamental theories as their sources of reference, laying the ground for the avoidance of predictable shortcomings and failures. (Mitter, 1997: pp. 410-411)

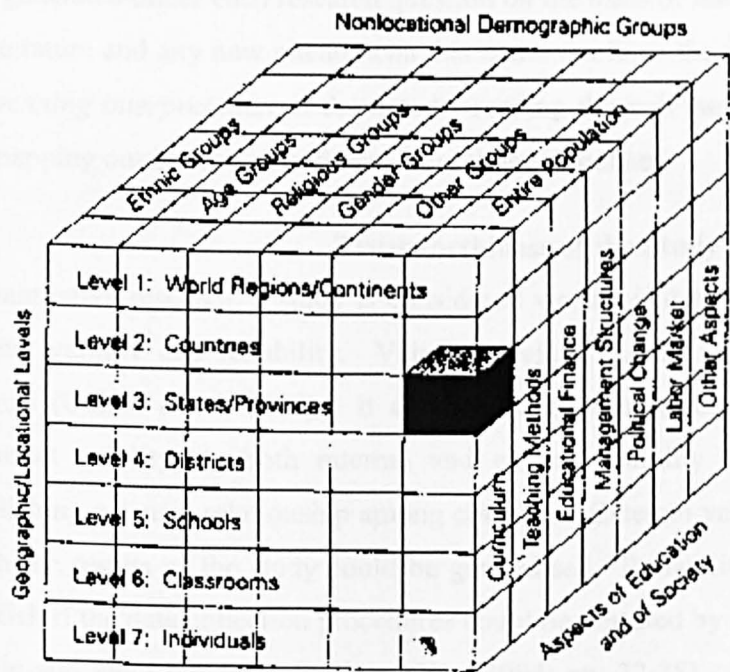
The argument for this study is in line with the above argument because it aims at educational policy formulation and contribution to knowledge.

While mapping out the need for comparison, methodological and philosophical considerations in research, Raivola (1985) points out the need for “educational problems to be examined in the light of culturally determined needs, objectives, and conditions” (p. 262). Watson (2001) agrees with Raivola as he argues that comparative education researchers should pay attention to cultural, social and historical settings of individual societies in order to bring about meaningful solutions to problems confronting those societies. This view points to the need for researchers to appreciate underlying sociological differences (cultures, values, trust and beliefs) between societies that are taking part in their studies and try to avoid imposing one’s culture onto another (Dore, 1994). Failure to do so may render the work unsuccessful.

Botswana, Lesotho and Swaziland have different cultures as they are geographically located in different parts of Southern Africa. They also have different government policies on some issues. I took these into consideration when analysing the data where their existence was perceived, especially where I was tempted to think that UNISWA’s (my employer) culture had an answer to a particular problem or vice versa.

Bray and Thomas (1995) have carefully presented a framework for comparative education analyses which covers three aspects: locational levels, aspects of education and non-locational demographic groups. The framework is presented as figure 4.2.

Figure 4.2: A Framework for Comparative Education Analyses



Source: Adapted from Bray (1999: p. 212)

This study follows a pattern where comparison is among universities in the three countries as locational levels and financing higher education as an aspect of education. Since there were two different groups that took part in the study: government officials and university academics and administrators; divergent positions in the findings were noted appropriately.

Analytic Procedures

The interview transcripts were voluminous in size. About four hundred and eighty pages of type-written material were generated from the twenty four interviews. Some of the material could not be used directly in the analysis phase because there would be repetitions of ideas. Some of the documents analysed were also bulky and some of their contents were irrelevant to the study. Again a choice of what was useful in the study was necessary.

I elected to carry out *structuring* and *clarification* of the interview data (Kvale, 1996; Marshall and Rossman, 1999). This involved the deletion of digressions and repetitions in the material used. Essentially, the material was condensed from its bulky form through the use of codes. Responses from the different interviewees were classified into categories. These categories were generated under each research question on the basis of the phenomena that were found in the literature and any new phenomena that came out from the interviewees. Finally, I carried out *meaning interpretation* of the data by reading through the responses under each category and mapping out the common theme from those responses.

Trustworthiness of the Study

In quantitative research, a study is considered worthy if it meets criteria of internal validity, external validity and reliability. Validity deals primarily with accuracy in arriving at the findings (Cohen *et al.* 2000). It cuts across the construction of the research instrument (construct validity) to both internal and external validity. Internal validity focuses on establishing a causal relationship among concepts. External validity deals with the settings to which the results of the study could be generalised. Reliability, on the other hand, seeks to establish if the data collection procedures could be repeated by another researcher on the same sample and yield the same findings (Yin, 1994: pp. 32-38). However, some commentators state that some of these issues are not the primary concern in qualitative studies. The main issue is to uncover situated knowledge about reality as described by the participants (Lincoln and Guba, 1985). That reality is to be treated as appropriate for that particular setting at that point in time. Thus, in order to establish soundness of the study, they advocate credibility, transferability and confirmability of findings (Marshall and Rossman, 1999).

Credibility

Marshall and Rossman (1999) contend that the goal in qualitative research is “to demonstrate that the inquiry was conducted in such a manner as to ensure that the subject was accurately identified and described” (p. 143). That is credibility of the study. Bryne (2001) says that the researcher should also identify himself or herself. If there is an inherent connection between the researcher and the study, that should be stated for any reader to make judgement as to the soundness of the study. In this study, the researcher, the context and the interviewees have been identified in order to make it credible. The interests of the researcher have been articulated in the introductory chapter.

The use of multiple methods in conducting the study is another way to establish its credibility in qualitative research. This procedure is called triangulation as it is described by Lincoln and Guba (1985, p. 103) when they postulate that:

The technique of triangulation is...(a) mode of improving the probability that findings and interpretations will be found credible...four different modes of triangulation exist: the use of multiple and different *sources, methods, investigators, and theories*.

The data were gathered from different interviewees. They were compared with official records of each university such as financial reports and the university act, among others. The interviewees were accorded an opportunity to read through the transcripts of their interviews to validate them. However, it is worth noting that a small number of the interviewees did not return the transcripts presumably because of their busy schedules. Since the interviews were recorded verbatim after the interviewees had agreed to sign the consent form and the fact that they were not bound to return the transcripts if they were deemed to be accurate, credibility was established.

Transferability

The term transferability is concerned with the extent to which the findings of the study can be used or applied in other contexts (Bryne, 2001; Miles and Huberman, 1994). The main question is whether the findings and conclusions of a study can be exported to other settings. If so, can they fit that context? According to Bryne, transferability is a criterion that is achieved through the use of thick descriptions of data and purposive sampling of interviewees

in a qualitative study. The thick descriptions help readers to assess the appropriateness of the findings on their own.

In order to achieve the transferability criterion, I provided thick descriptions of the findings and supported them with extracts from both the face-to-face interviews and document analysis. Due to the fact that the findings of this study are case specific, limited to the three universities, claims for their applicability to other contexts can only be made by other researchers/readers after assessing their appropriateness (Marshall and Rossman, 1999).

Confirmability

The next criterion that is used in qualitative research to make judgement on a study is the confirmability of the findings. It comes as a parallel to reliability in a quantitative study approach. It can be posed through the question: "*Do the data help confirm the general findings and lead to the implications?*" (Marshall and Rossman, 1999: p. 194). These authors also note that this criterion helps to answer how much a researcher asserts to have deep understanding of the interviewees in order to gain entry into their worlds. Further, researcher bias has to be acknowledged and limited by the researcher. Bryne (2001) addresses confirmability of findings through "*audit trail (which) allows an independent examiner to track the decisions made and steps taken in the study*" (p. 3). He notes that some specific documentation should be kept by the researcher. The list includes original data, early data interpretation and communication with research interviewees.

This study has attempted to meet the concerns raised by the authors above. The data are available for anyone wishing to conduct an audit trail. My bias has been acknowledged through the claims I have made about understanding the topic and the organisations in this study. The interaction between the researcher and interviewees is acknowledged as what may influence the interviewees in the study. The researcher also makes an interpretation of the world that has been constructed by the interviewees (Lincoln and Guba, 1985). Subjectivity was limited in favour of the accounts given by the interviewees as they responded to the semi-structured questions in this study. Further, a record of the data used is still available with the institutions concerned and the transcripts are safely locked away.

Ethical Considerations

Qualitative research deals with human subjects whose lives and experiences are being explored. It is possible for the researcher to overstep his/her boundaries in the process. Miles and Huberman (1994, p. 288) caution as follows:

We cannot focus on the quality of the knowledge we are producing as if its trust were all that counts. We must also consider the rightness or wrongness of our actions as qualitative researchers in relation to the people whose lives we are studying, to our colleagues, and to those who sponsor our work.

Therefore, researchers have to observe a certain code of ethics so that harm to the research participants is avoided as much as possible. A number of research councils have adopted a code of ethics in conducting research. For instance, this study was conducted in accordance with the British Educational Research Association's (2004) *Revised Ethical Guidelines for Educational Research* that were adopted by the University of Nottingham for conducting educational research. In the following sections a brief outline of the code of ethics observed during this study is presented. It is also a requirement of the School of Education that an Ethics Committee assess the researcher's problem statement, research methods and research instruments in line with these guidelines before the researcher can engage in the research. This requirement was met in February, 2005.

Access and Informed Consent

When I set out to conduct my research at the three sister universities, I approached the setting as a researcher/research instrument as opposed to being an employee of one of them. Gaining access to the three institutions was negotiated formally through letter-writing explaining the purpose of the study and its significance to the institutions and asking for permission to conduct the study. I identified the individuals I deemed suited for the study through the nature of their duties which covered the financing/funding of the respective universities. I had to apply for a research permit in Botswana, a requirement which had recently come into effect in August, 2004. Permission for conducting the study was granted formally in all three countries. I made some personal contacts with some of the interviewees (sent emails and spoke to others on the telephone) asking them to voluntarily participate in the study. In one university an administrator generously contacted the interviewees and made the scheduling of

interviews for me. The provision of informed consent (Berger and Patchner, 1994; Kvale, 1996) was highlighted at the start of the interviews. Berger and Patchner argue that:

The ethical codes governing research involving human subjects require that the participation of individuals be completely voluntary...(individuals) must be given an explicit choice about whether or not they wish to participate in the study. This occurs prior to their actual participation in the research and only after they have been completely informed of any possible harmful effects of the research and are explicitly made aware that they can discontinue their involvement in the research at any time. (p. 93)

This was covered through the administration of a 'Consent Form' which was read to and signed by the interviewees prior to the interview. Further, the interviewees had a right to ask questions concerning the study and to withdraw from it if they felt it was no longer safe to continue. I proceeded with the interview once consent of the interviewees had been granted. One interviewee in Swaziland and another one in Lesotho declined to sign the consent form stating that it was unnecessary to do so. However, they each freely contributed to the study. Some of the interviewees who agreed to sign the consent form stated that it made the interview to appear too legalistic.

Privacy and Anonymity

The interviewees have rights that should be respected at all times irrespective of their commitment to take part in the study. It is the researcher's duty to ensure that the human subjects are protected from danger and harm which may result from the way he/she handles the data and the study in general (Miles and Huberman, 1994). I assured the interviewees of their right to privacy. I informed them that the findings would be presented in a manner that guaranteed anonymity and confidentiality. Kvale (1996, p. 260) asserts that:

In order to protect the subjects' privacy, fictitious names and sometimes changes in subjects' characteristics are used in the published results. This requires altering the form of the information without making major changes of meaning.

Care was taken to protect the identities of the interviewees in this study through the use of identifiers, Interviewee 1A, 1B, 1C and so on, non-disclosure of the nature of the job that each

did and editing the quotations to leave out any obvious expressions that could disclose the identity of an interviewee.

It cannot be guaranteed at the data gathering stage whether at some later stage other researchers may not end up using those data. Mason (2002) states that in some instances you cannot be sure if what you have been granted is informed consent in the sense that there are the following categories:

1. agreeing to participate in the interview;
2. granting the researcher the right to use, interpret and analyse the data; and
3. granting the researcher the right to publish those data and pass the rights over the data onto other researchers.

The interviewees were made aware of the above through the consent form. They willingly waived their rights. However, anonymity in a small setting such as a university and two government ministries (specific investigation) in each of the three countries might be difficult to achieve because the interviewees were drawn from people who interact with one another on a regular basis. Their language and views may be known to a number of people within their organisations.

Harm

Harm to interviewees can easily result from a study in which they participate innocently. It is incumbent upon the researcher to ensure that harm to the interviewees is minimised. Miles and Huberman (1994, p. 292) state that:

Harm to participants can come in many varieties: from blows to self-esteem or “looking bad” to others, to threats to one’s interests, position, or advancement in the organisation, to loss of funding for a program...it’s wise to assume that the chances of some types of harm are better than even, and to consider in advance ways of reducing that likelihood.

This research topic proved to be contentious as it sought from both university authorities and government officials their perceptions of funding strategies for the institutions. Therefore, it called for fair reporting of the findings. In qualitative research it is also a question of how identifiable the interviewees are by the information that has been reported in the study (Miles and Huberman, 1994). These authors point out that there are three related issues that should

be dealt with: privacy (only the useful information should be given by the interviewees without delving into that which is protected or unwanted), confidentiality (reaching an agreement with the interviewees or organisation about what may or may not be done with the data) and anonymity (making sure that the interviewees and organisations are unidentifiable in the reporting of the study findings). Protection of interviewees was extended to security of the data as Berger and Patchner (1994, p. 96) warn that:

...research data must be secured so that information about individual subjects is not made known to anyone who has no legitimate reason for having it. The more sensitive and personal the information is, the greater the care that must be exercised in obtaining, handling and storing it.

A transcribed record of the interview was sent to each interviewee for content verification. This procedure helped ensure that the interviewees were made aware of the content of the data record. They were free to adjust their submissions as they deemed necessary. I was then confident to use the material to support my findings (Maykut and Morehouse 1994).

Areas of Difficulty During the Study

This section is confined to problems which relate to the fieldwork and processing of the findings of the study. Data collection was planned to take place through face-to-face interviews and document analysis. I had scheduled to depart from Nottingham for fieldwork on the 15th March, 2005. I received a letter from the Ministry of Education in Botswana on the 9th February, 2005 informing me that I had to apply for a research permit to carry out research in Botswana. The process, I was told, could take up to three months. The research permit was granted on the 15th March, 2005 when I was on my way to Swaziland where I had elected to start my fieldwork. Lesotho and Swaziland granted me permission to conduct my research on the basis of the letters I had written only.

During the fieldwork it turned out that it was very important to keep very close links with 'gatekeepers'. They helped me link up with the appropriate interviewees. For instance, I was able to obtain participation from Deans of Faculties who had not been pre-identified at short notice. Some of the interviewees were unavailable for the study interviews despite their initial agreement to participate. One government official in Swaziland and another government

official in Lesotho did not take part in this study. I also learnt through experience that it is advisable to schedule the interviews with the busiest officers (those who travel the most) early during fieldwork. However, other officials may not grant you an interview for unclear reasons as was the case in one of the two instances. Their failure to participate did not adversely affect the study because adequate data were collected from the other interviewees and documents.

Conclusion

This chapter outlined the philosophical paradigm, research methodology and methods which guided me in conducting this study. Since the study sought to find out what perceptions policy-makers had about strategies for financing higher education, an in-depth study of their experiences was an appropriate approach. In this regard, the qualitative research methodology was used. The qualitative research approach is laden with different research methods. Document analysis and semi-structured interviews were selected as appropriate tools that would be administered by the researcher who also posed as a human instrument. The interviews provided the researcher with an opportunity to interact with the interviewees with a view to letting them construct their social reality in their own settings. Efforts to make the study trustworthy were observed.

The interviewees were made aware of their rights to participation in the study. They were assured of confidentiality and anonymity in the reporting of data. They were also assured of protection from harm. Similarly, organisational documents remain confidential. Efforts were made to report the findings in a non-damaging manner to either the institutions or the individual interviewees.

The research findings will be presented in the next chapter.

CHAPTER FIVE

RESEARCH FINDINGS

The previous chapter presented the research methodology and the methods that were used in this qualitative study. This chapter presents the findings. These are based on the data collected through face-to-face interviews with the interviewees and an analysis of documents. A theme and a research question are posed first. Thereafter, the findings at each of the three universities are presented. Issues are identified through descriptions of either the interviewees or the documents. Explanations as to why things happen the way they do are also presented. The currencies used in this chapter are presented in Appendix G.

Sources of Funding for the Three Universities

The main question in this section is concerned with identifying the current sources of funding for the universities of Botswana, Lesotho and Swaziland. The accompanying sub-questions are concerned with policies or goals that the main funders are supporting through funding each of these institutions. The question is as follows: *How do the three universities acquire their financial resources?*

University of Botswana

The University of Botswana is, at the moment, the only national university in Botswana although a second university will open in 2007. One of its roles, in line with the Government of Botswana's (2002) National Development Plan, NDP9, is perceived by both the government and university interviewees as the development of human resources at tertiary level to meet the manpower needs in the public and private sectors. An interviewee put it as follows:

At the beginning, as far back as when we got independence, there weren't enough people in the country to run the government at that level. We didn't have people with tertiary education. Therefore, it was understood to be in the interest of government to develop people in this area...We didn't even have any other sector, no private sector to talk about. So, it was really incumbent upon government to ensure that there are people that are skilled at that level. (Interviewee 6B)

Another role of this institution is to provide access to higher education which is identified by another interviewee as follows:

[We] are training people who are going to employment, in most cases, in national employment unlike in Europe where you can also train just for social reasons. So, really, that is what comes first, the issue of human resources development, and access to higher education. Those take care, first, of the needs of the country. (Interviewee 8B)

It is for these reasons that the University of Botswana is mainly funded by the government. The funding is an annual subvention to cover the university's recurrent budget. The government classifies it as a project for the development of infrastructure within the tertiary education sector. The government provides about 54% of the university's annual revenue through subvention. About 24% of the revenue comes from student tuition fees. The remainder is made up of bank interest, donor/aid agency funds and other locally generated funds (University of Botswana's Annual Financial Statements, 2002; 2003; 2004e; 2005). The government provides funding for capital projects separately from the annual subvention. Table 5.1 presents the main sources of funding for the University of Botswana between 2000 and 2005.

Table 5.1 Sources of Funding for UB, 2000-2005 (Pula)

	2000/2001	2001/2002	2002/2003	2003/2004	2004/2005
Government subvention	275 149 900	284 153 061	316 122 176	314 271 619	281 140 469
Tuition fees	64 663 995	57 179 715	77 774 986	117 507 243	124 973 168
Rent income	-	7 913 248	7 344 816	8 360 965	8 599 552
Bank interest	41 945 728	42 769 841	51 342 591	49 454 771	65 681 790
Amortisation of funds	-	95 124 028	71 751 050	34 505 117	37 860 868
Other income	17 622 295	33 212 765	2 913 039	1 069 566	791 807
Total	399 381 918	520 352 658	527 248 658	525 169 281	519 047 654

Source: University of Botswana (2002; 2003; 2004e; 2005).

All the interviewees stated that the Government of Botswana is supportive in terms of funding the university although the latter does not always receive all the money it asks for. Generally,

the government funding to the university is inadequate. This is because (1) the economy which is largely dependent on diamond mining is going through a recession period and (2) the government has to put up with emerging and competing needs at national level such as the HIV/AIDS pandemic and unemployment. Some of the government resources are already committed to the control of the spread of the HIV/AIDS pandemic. This is confirmed by the following statements made by two interviewees:

Well, if you look at the capital budget, that is one area where we have never really gotten all the money that we asked for, simply because there are competing needs that government has to deal with. They have not been able to support us fully simply because the resources are limited, but they have been quite supportive I must say, even though they didn't give us everything. With regard to the recurrent budget, they used to support us fully actually. We used to get every little penny or thebe in our case that we asked for until about five years ago. (Interviewee 6B)

The first one is the dwindling resources of the nation themselves. I think our economy is slightly getting into a recess and that recession is really hitting very hard on the needs of the government. At the same time when facing the recession, there is also the problem of HIV/AIDS which is a subject to be addressed. So, most of the resources are diverted to the fight against HIV/AIDS... there is no point in training people who are going to die as they leave the university. (Interviewee 8B)

Since the funds from the government, the main source, are inadequate, the university is trying to be proactive in diversifying its sources of income.

National University of Lesotho

The National University of Lesotho is the only university in the Kingdom of Lesotho. It is owned by the Government of Lesotho. The government established the university from the former University of Botswana, Lesotho and Swaziland in 1975 with a goal to train Basotho students at higher education level in order to meet the national human resources development needs. The government has recently produced an Education Sector Strategic Plan whose objectives in higher education are to improve access and quality of the higher education products. It also aims at improving relevance of higher education by changing the focus of the institution from a Humanities and Social Science-based university to a technologically inclined university (Government of Lesotho, 2005). This is in response to national demand. The government of the day also wants to be perceived by the general public to be educating

deserving students at university level. This is through the provision of access to higher education. An interviewee summed it up in the following statement:

Well, first, one would say primarily manpower development; the government expects manpower out of the people. Let me say that. But I would personally say it is more of a tradition more than anything...This drives me to where I would say personally, it is more of a political move than anything else in the sense that they feel as government or as politicians they have an obligation so that at least they are seen to be delivering for the benefit of the people... (Interviewee 5C)

The sources of funding for the National University of Lesotho are the Government of Lesotho, student tuition and residence fees, bank interest on investment, rental income and miscellaneous sources. The government provides the largest portion of the funding at 68% of the total university's annual revenue at present. An interviewee from the university described the sources of funding for this university as follows:

...basically the source of funding is the main source of funding, the Government of Lesotho, by way of subvention to the university. And also the next source would be tuition fees and residence fees. Incidentally, the majority, ninety-something percent of our students are sponsored by the Lesotho Government which in essence means that the Lesotho Government pays from another pocket. They call it subvention and then they use the other pocket and call it tuition fees and residence fees. So, those are the two main ones. The third, not to a large extent is from bank interest, investment interest. Now the other smaller ones, we have what we call miscellaneous revenue. We are talking here of student application fees, transcript fees... (Interviewee 2C)

Table 5.2 below presents the sources of funding for the National University of Lesotho from 2000 to 2005.

Some small amount of money which falls under miscellaneous sources is sourced from donor/aid agencies. Those donors/aid agencies tend to support specific projects which are housed in specific units of the University because of expertise that they seek among staff. An interviewee explains the position of a donor agency with respect to supporting specific projects within the institution:

The World Bank was focussing on cost containment and effectiveness in management and efficiency in finance, in academic structures and management. And with respect to

the internal efficiency the focus of our attention was on information dissemination and that was the enhancement of the information system: the student information system, financial information system and estate management information system, personnel information system in the ITS. And emphasis was also on cutting costs for the Non-Academic Staff. (Interviewee 6C)

Table 5.2 Sources of Funding for the NUL, 2000-2005 (Maloti)

	2000/2001	2001/2002	2002/2003	2003/2004	2004/2005
Government subvention	95 723 031	104 535 838	112 178 853	117 156 725	117 750 000
Student fees	22 690 585	19 288 469	24 772 006	26 069 319	35 955 455
Bank interest	4 053 754	6 215 904	10 174 506	9 756 675	9 863 510
Rental income	89 715	2 489 453	3 058 669	5 635 789	4 560 990
Miscellaneous revenue	3 548 726	1 896 519	3 323 552	2 358 312	5 065 456
Total	126 105 811	134 426 183	153 507 586	160 976 910	173 195 411

Source: National University of Lesotho (2006a)

The Government of Lesotho is supportive to the National University of Lesotho despite that Lesotho is a poor country (DFID, 2002). Almost all the interviewees expressed the view that the university is not getting the full amount of funding it requests from the government from year to year because of constraints on the government's budget such as addressing poverty and health related issues. Generally, the government subvention to the university is increasing slowly. An interviewee from the university explained this trend as follows:

Well, let's talk of government subvention first. It is going up, but at a decreasing rate. In real terms it is going down. But in money terms it is going up but at a decreasing rate. Even in money terms as you can see from there... (Interviewee 2C)

University of Swaziland

The Government of Swaziland established the University of Swaziland in 1982. The institution is owned by the government. The government committed itself as early as 1967 when the country was about to regain its independence from Britain to develop its human resources at tertiary level (Magagula, 1990). Its purpose was to ensure that there were enough

trained people to manage the public sector including teaching in the secondary schools. That goal is still there to this day. Almost all the interviewees acknowledged that the Government of Swaziland wants to meet the manpower needs of the country through the training of students at higher education level. An interviewee stated the government policy as the:

...provision of tertiary education to qualifying students in Swaziland. So, it is deemed incumbent on the part of government to ensure that the university is fully operational at levels that are acceptable both locally and internationally. (Interviewee 7A)

The policy is not stated explicitly in any government document. However, there are expectations that the University of Swaziland contribute to the development of the human resources at graduate level. This would be a contribution to the manpower needs of the economy. The same interviewee explained this:

...the government policy towards tertiary education is the provision of the relevant human resources necessary for the development of the country. So, the university is expected to produce qualified graduates in the areas that have been identified as key to the development of the country in all its respects, economically, human and all other forms of development. (Interviewee 7A)

This policy was further corroborated by another interviewee as follows:

It is to ensure that we have the critical mass in terms of human resource capacity for national development for public, private and NGO sectors and any other stakeholders. (Interviewee 8A)

The sources of funding that are available to the University of Swaziland are mainly traditional. The university is, like its counterparts in Botswana and Lesotho, the only university in Swaziland. It gets subvention from government for its recurrent budget as a largest single source. The figure stands at 62% of the university's annual revenue at present. The students pay tuition fees which make up the second largest source of funding. Lastly, there are other small sources of funding which are student residences, bank interest, student meals, book-shop sales and so on. An interviewee stated the university's sources of funding as follows:

The university has a variety of sources. I will start off with one that I believe is the largest. That is the government subvention...We also get money from tuition. Obviously students come here to receive tuition. They are charged for the service. There will be

money for residence. As long as students are accommodated on campus, they will be expected to pay for their accommodation. There will be money for residence. There will be money for meals. If at all they have to take their meals here, they will be charged for food. (Interviewee 1A)

Table 5.3 below presents the sources of funding for the University of Swaziland.

Table 5.3 Sources of funding for UNISWA (Emalangen)

	2000/2001	2001/2002	2002/2003	2003/2004	2004/2005
Government subvention	63 886 200	85 229 100	95 367 898	102 204 502	109 286 200
Tuition fees	17 611 778	20 930 673	23 001 209	28 945 580	31 954 791
Residence fees	3 669 745	4 192 104	6 228 280	9 209 640	9 081 266
Bank interest	1 280 796	1 581 775	3 241 279	5 222 625	4 372 489
Refectory	1 336 531	1 489 956	2 021 896	2 468 667	3 033 313
Bookshop	4 779 120	4 773 668	6 332 089	7 258 274	12 372 467
Other income	1 712 438	5 166 041	5 075 441	4 582 022	5 925 794
Total	94 276 608	123 363 317	141 268 092	159 891 310	176 026 320

Source: University of Swaziland (2002; 2003; 2004d; 2005)

The government contribution to the total university's revenue has dropped from about 68% in 2000/2001 to about 62% in 2004/2005. The Government of Swaziland can not provide the university with all the funding that the latter asks for because of the poor performance of the economy. All government sectors are allocated inadequate financial resources because of these constraints. An interviewee explained the government's level of funding as follows:

The university...has its sole dependence on government for funding and the government budget is dependent on the state of the economy in each year. So, the university cannot be certain of whether it is going to get funding at the level it desires for its own progress and development and almost every financial year the university ends up disappointed. It ends up getting less than what it expected from government. (Interviewee 7A)

Whenever the government is faced with financial constraints, it prioritises its funding allocations. It is a common trend of late that higher education does not feature as a priority in the government budgeting process because of other pressing needs such as the fight against the

HIV/AIDS pandemic, poverty and increasing access to basic education. Thus the university operates under a tight budget. It is also a common feature for the University of Swaziland to go back to government before the end of the financial year to submit a request for supplementary funding when its funds run out. One interviewee had the following to say about the resource allocation process at government level:

There are a lot of considerations made, but it also depends on the government's objectives. If the government of the day is saying our objectives for the next five years or next financial year are to fight HIV/AIDS and poverty, education comes further down the list of (its) priorities... my experience is that for the past four years you found that for example, the University requested for one hundred and fifty million Emalangeni for the next financial year but they would only get one hundred million Emalangeni. So, they have not been getting the amounts for which they have been asking from government. They have been getting less. You found that down the line the university would come to government for a supplementary budget because the money they were given through the budgetary process was not enough. (Interviewee 4A)

In summary, the three universities are mainly funded by their governments for the development of human resources skills and access to higher education. Other sources of funding are student tuition fees, residence fees, bank interest on funds not set aside for immediate use. The governments in all cases are faced with other constraints on the budget such that they can not provide adequate funding to their universities.

Management of Financial Resources

The processes of management of financial resources investigated are budgeting, internal allocation of resources, spending control measures and accountability. This section sought to establish how financial resources are managed at each of the three universities. The sub-questions are concerned with how the four processes named above are carried out. The guiding research question is presented first: *How do the three universities manage their financial resources?*

University of Botswana

Budgeting and internal allocation of funds

The budgeting process at the University of Botswana takes place annually. The Directorate of Financial Services is responsible for budgeting. It prepares the budget on the basis of requests

it receives from Departments, Faculties and Units/Sections. The key players in the budgeting process are the Director of Financial Services in the Central Administration, Faculty Deans or Directors of Centres and Heads of Department. An interviewee explained as follows:

...the key players are the Departmental Heads who sit down and state their needs. The key player still would be the (Directorate of Financial Services). It has to issue out the forms to departments and then the departments have to fill in those forms in accordance with their needs and justify each request, especially if it is a new request, like new programmes needing new staff. So, the Heads of Department then submit to the Dean who produces a composite budget for the faculty using the departmental submissions and that is what goes to the (Directorate of Financial Services). (Interviewee 1B)

The University of Botswana supports its academic staff on the budgeting process. The Directorate of Financial Services circulates a standard budget form or template on which Department officers write their requirements for the coming year. It costs each item requested. Personnel from the directorate visit the academic divisions to give any support that is required. This process was explained by an interviewee as follows:

What we do annually is...to visit faculties and meet with faculty executives, the Deans, Deputy Deans, Heads of Department and Faculty Administrators. We come together and we try to impart this knowledge to show them what they should do. This is given that they know more than us what they want to do to deliver a given programme (they need a, b and c). We...may not know the finer details that are needed for a typical Chemistry course to be run. (Interviewee 1B)

A common trend is that the government awards less money than what the university requests for its budget. The university, in anticipation of this eventuality, tries to adjust its budget at each level as it moves up from departments to the University Council, the governing body, for final approval. The budget needs to be realistic for the government to fund it.

When the university finally receives a smaller amount than requested, the University Council takes a decision as to the percentage by which the budget must be cut across the board. That decision is communicated by the Central Administration to the Faculties, Departments and Units. The Faculties and Departments trim their budgets to fall in line with the composite university budget. An interviewee explained the process as follows:

So, they have to tell us the amount that they think they need. They don't always get that.

We cut at this level and even at the university officers' level we possibly cut. And then the Finance Committee of Council might trim until the budget gets to Council which might also trim. This is because there is no point in submitting an unrealistic budget. The government will just throw it away. So, you need to be as realistic as possible...if the figure is less than what we had submitted, we come back and say, "Ladies and gentlemen, we have less than what we asked for. So we have to cut the budget." (Interviewee 1B)

The Deans, Heads of Department and Heads of Section decide what should be cut from the budget to meet the new figure. They communicate that information to the Directorate of Financial Services. The latter subsequently prepares a final book of expenses detailing how much each department and unit would spend per vote. The process of internal financial allocation was related by an interviewee as follows:

So, everyone now has to spend in accordance with this book. If you say you want ten thousand Pula for consumables, you can only spend ten thousand for consumables. (Interviewee 1B)

In practice, the prepared budget at the University of Botswana is the mechanism for allocating the resources to the faculties, departments and units.

Spending control measures

The University of Botswana has set procedures which govern the spending of funds. The departments are required to contain their spending within the respective budget lines. The Directorate of Financial Services monitors the departmental spending electronically. Departments are not allowed to spend across votes at will. They can move funds from one vote to another in exceptional circumstances only. This is done with the approval of either the Vice Chancellor or the Finance and Audit Committee depending on the amount involved as related by an interviewee:

So, it is very difficult to move funds after you have been given the opportunity to budget. It is very strict. You can't spend more than what you get. You can't spend money meant for consumables on travel expenses. You need permission from the Vice Chancellor or the higher committee. (Interviewee 1B)

The Directorate of Financial Services is managed by appropriately qualified personnel. It has four divisions that are each managed by a chartered accountant. One of those managers is

responsible for the internal audit function of the directorate. He/she monitors the spending of the faculties, departments and units. An expenditure report is produced by the same office on a monthly basis. Therefore, mistakes are arrested and corrected almost instantly. An interviewee explained the internal audit function as follows:

...the Directorate of Financial Services, in making the payments, satisfy themselves that money is spent for what the (academic or administrative) department had initially said they were going to spend money on. So, we are relying on that, and then of course we also have an internal audit function. They look at how various departments spend the money and whether it is in accordance with what has been agreed...but we also have a situation where the Directorate of Financial Services will prepare sort of monthly management reports basically for management to see what the pattern is. (Interviewee 1B)

Accountability to funders

The University of Botswana is not legally bound to account to the government per se for the use of its funds. However, it is required by the University Act to prepare audited financial statements which become public information. The government officials who are members of Council sanction these statements on behalf of government. Thus, the university is audited annually by an appointed group of auditors. The audited financial statements are considered by the University Council where government representatives participate as members. This process keeps the government informed about how the funds are utilised at the university. The audited annual financial statements are also published in the university's annual reports. An interviewee explained the university's accountability procedures as follows:

Well, I take it the university structure itself is a government structure because it is a structure that is sanctioned by government. It is a structure that is supported by the University Act which is a government law. The structure has within itself, management of resources. At the top of the Management is Council...The Permanent Secretary for Finance and the Permanent Secretary for Education, probably the same thing as in Swaziland, are also members of Council...and Council would actually appoint auditors and the books are audited and we actually get to see that and sanction on behalf of government. I would say there is a structure that government has sanctioned that monitors the management of financial resources...I would say, "Yes, (Government is satisfied with the financial reports)." When we are not, we have recourse...as part of the structure, the Council, we can register our concerns. (Interviewee 6B)

The donor/aid agencies also require the university to produce quarterly, half yearly and annual reports depending on the clauses of their memoranda of agreement with the university. Some

of the donor/aid agencies make it mandatory that the university separately prepares an annual audit on how their funds are utilised. This is captured in the following interview extract:

Most donors would require that reports, financial reports, together with other reports on the projects, be submitted to them. Some of them may say, quarterly, some of them may say once a year, twice a year depending, because there is usually an agreement which will also cover those aspects of how the report is to be done. Beyond that they would also require that there be an external audit on their funds separately from the University. So, that's how that is achieved. (Interviewee 7B)

The interviewees stated that generally, the funders of the university are satisfied with the way the university uses the funds at its disposal and the way it accounts for them.

National University of Lesotho

Budgeting and internal allocation of funds

The National University of Lesotho's budgeting process involves the following key players: the Bursar's Office, Heads of Department, Deans of Faculties, Senior Assistant Registrars in Faculties and Heads of Unit. The preparation of the budget is initiated by Heads of Department/Unit as they list down their needs for the forthcoming year. They recommend their budgets to the Deans of their Faculties. The Deans, after making their input on the budget, sometimes in further consultation with the Heads of Department, prepare and recommend to the Bursar their composite faculty budgets. This process was summarised by an interviewee as follows:

The people who are involved in the decision-making process as far as the budget is concerned are the Heads of Department primarily. They are the ones who know what is going on in their departments...They always do this with the assistance of the Senior Assistant Registrar in the faculty... The Senior Assistant Registrar is there to facilitate because (he/she)...is more conversant with the financial regulations of the university...the Dean is there to collate the information and to synthesise the information together with the Heads of Department. When we are synthesising things...it is the responsibility of the Dean to make sure that the little that is available is distributed equitably, not necessarily equally... And when the Dean and the Heads of Department together with the Senior Assistant Registrar we have put together our views as presented as our proposal to the Bursary, they (Bursary staff) are the ones who would incorporate this into the global budget allocations for the university. (Interviewee 3C)

Since the bulk of the financial resources to the university comes from the Government of

Lesotho as subvention, budgets are prepared and approved by the University Council for submission to the Ministry of Education. In most cases the government communicates the likely percentage increase on the previous year's allocation to the university before the submission of the budget so that a ceiling can be observed by the university. The scarcity of funds necessitates the Vice Chancellor and Deans of Faculties to come together to discuss how the budget can be trimmed to fall in line with what the government allocates to the university for that particular year. In essence, the allocation of funds is predetermined during the budgeting process. This is captured in the following interview record:

At a point in time the bread is so thin (that) the Deans are called together by the Vice Chancellor. Then we sit down. He would say, "For this and that reason, we are unable to meet these requests. So, how do we trim these down?" So, there is that consultation. It is not always that we are comfortable because any cut would mean that you have to squeeze a little somewhere. (Interviewee 3C)

Spending control measures

The Senior Assistant Registrars assigned to the faculties have access to the Bursary Information System online. They monitor their faculties' spending and advise the Heads of Department on the balance of their departmental funds. Departments are allowed to spend within their budgetary allocations per vote only under normal circumstances. Resorting to virements of funds across votes is allowed in special cases. The Bursar's Office, after verification that the said funds are available, authorises the virements. An interviewee stated the position as follows:

Virements are permissible but (faculties) cannot make their own virements. They have to write to the Bursary. They can access information on what their funds are like through the (electronic information) system. They can access the balances and decide that (they) want to take so much out of this into that. Now they have to commit that into paper...And (the Bursary) verifies that yes, indeed they do have that money and (it) makes the virement for them. (Interviewee 2C)

Should the University's funds be exhausted before the end of the year, the University goes back to government to ask for supplementary funding. The same interviewee as above responded to a question on what would happen if there were no funds left in the university's account and said, "Of course, we would go back to the source (for) supplementary funding."

The National University of Lesotho has no personnel to carry out reconciliation of accounts on a regular basis. An internal auditor would ensure that mistakes are arrested timely. An attempt was made in the past to employ an internal auditor but the way that person was employed was not transparent and the position fell vacant. An interviewee made the following comment:

We used to have an internal auditor but he was not an internal auditor of the highest calibre...The internal auditor was pushed to us. We once advertised if I can recall. I think it was because the Academic Staff Appointments Committee was not satisfied with the cadre of the individuals that applied...So, I think the position of internal auditor has to be advertised. (Interviewee 6C)

The absence of an internal auditor may make it difficult to enforce spending control measures at NUL.

Accountability to funders

There were some mixed responses to the question on how the university is faring in the management of funds which includes disbursement of those funds and being accountable to the stakeholders. According to the University Act, this function falls primarily on the Bursar's Office. The general view of the interviewees is that donor/aid agency funds are being used and accounted for properly. For example, one interviewee put it as follows:

If you submit your financial report and you don't get any queries, it is assumed that the funders are satisfied. If they were not satisfied, they would raise their queries and you would answer several times. In the last instance that I gave you where the faculty got some money we have submitted our report. We haven't had any queries yet and it is over, I guess almost one year now. So, I think that they are quite satisfied. (Interviewee 3C)

The above statement was corroborated by another interviewee who pointed out that project funds are administered according to procedures that are specified by the donor/aid agencies such that there is no room for diversion from those procedures:

The projects funds have specific provisions. I think I can recall that there used to be a Director of the Institute of Southern African Studies (ISAS) and they were adhering to the specifications of the donors/aid agencies. (Interviewee 7C)

There are, however, some problems that are encountered at the National University of Lesotho

with respect to the management and accounting for the bulk of the funds. It was reported by the interviewees that some of the audited financial statements from the past (2000 to 2004) had not yet been prepared because of what was considered to be both technical and human problems. The University Council and the Government had not been apprised of those audited financial statements at the time of the data collection for this research. An interviewee stated the following:

There are some cases where the university missed some money. We don't know where to find it. I think that is the point where the Public Accounts Committee should be scrutinising really at the university. But sometimes it would be going on and on. Of course, accountability is also put through, as you know, the annual Council meeting where the Vice Chancellor would be reporting through the Vice Chancellor's report and the audited statements...That is where problems emerge on funds we do not know what they were used for. Management letters were written responding to the auditors but all in all the university never registered that the funds are run properly. This is either because of technical problems, human problems and social problems, financial mismanagement here and there particularly with regard to reconciliation. (Interviewee 6C)

The Government of Lesotho is unhappy about the management of financial resources at the National University of Lesotho. As a result, it has now directed the university to produce its financial statements at the end of the year before it acquires new funds. One interviewee explained this new rule as follows:

Now with the government it is very clear. There is a directive from the government that within three months of the financial year audited financial statements must be submitted. If they are not submitted, no money is released. (Interviewee 7C)

This statement was corroborated by another interviewee who had this to say:

Since I came, I have never seen the audited financial statements of the university going to Parliament. But since the enactment of the Higher Education Act which also states that they will have to submit the statements and if (they don't) after so many months, the Minister could withhold a portion of the subvention because (they) are getting the subvention quarterly. But the rules will also be more clearer on the regulations and the policy on such issues, but since last year, the university is trying to pull up its socks and auditing the statements from around three years back. (Interviewee 4C)

Indeed, there were no audited financial statements collected during the conduct of this study. A prepared summary of audited financial statements was eventually made available at the end of January, 2006 (National University of Lesotho, 2006a).

University of Swaziland

Budgeting and internal allocation of funds

The budgeting process at the University of Swaziland is historical in the sense that the previous year's budget is used as a point of reference in putting together a new one. The key players in the budgeting process are the Bursar, Faculty Deans, Heads of Department and Heads of Unit. The Bursar sends out a memorandum with a specimen return form to the Departments and Units requesting them to submit their requests for the upcoming financial year. An interviewee explained how the budgeting process takes place and who the key players are as follows:

The University has a decentralised budgeting system where each Faculty, each Department, each unit participates in the formulation of their own budget. These departmental or faculty budgets are sent to the Finance Office in the Bursary Department which consolidates these into what one would term the University's Master Budget. So, the budget that we are talking about is the budget that would have originated from these various departments and units based on their unique needs...They know their needs better than any other person. They would normally formulate their budgets on the basis of their needs that are known to them, and we have no need to doubt those. (Interviewee 1A)

The budget goes through stages of consideration before its submission to government for funding. The Bursar's Office prepares the university's composite budget based on the submitted Faculties' budgets. It is then considered by two committees: the Budget Advisory Committee first and later the Finance Committee, before it is finally recommended to Council. Once the Council is satisfied with the budget, it recommends it to the government for funding. The same interviewee as above explained as follows:

...we would have the Budget Advisory Committee, a university committee that would look at the budget. Once that has happened, then we have a statutory committee, the Finance Committee, which is a sub-committee of the University Council, the governing body. It consists essentially of the technicians. It would look at the budget and once they have debated the budget, they would recommend it to Council for adoption. Council would

look at that and then if they are happy with it, they would submit it to government. (Interviewee 1A)

The Heads of Department/Unit of the University who are entrusted with budgeting undergo some training from the government technicians on how the budget ought to be prepared for government consideration:

...government officers (come) to the university to train the Heads of Departments and Deans about the medium term estimate framework (MTEF) for budgeting and the departments, units and faculties are expected to use that in their budgeting. The historical figures that are used serve as a guide to departments...(how much you got last year and how much you used and increase that accordingly). These two methods are used as guidelines for the allocation of funds. (Interviewee 2A)

So, the University is expected by the government to trim any unrealistic budgetary requests as much as possible. This becomes unavoidable at the budgetary allocation stage where the amount of money received from government is always less than what is requested.

When there is a shortfall in the government budget allocation, the faculties and departments revise their budgets so that they fall in line with what is allocated by the government to the university. An interviewee from the university related a recent example of this process as follows:

Now we have only been funded up to sixty percent by Government. What it means therefore, is that in total, you are going to get sixty percent of what you had asked for; in this case you are going to get 1.8 million Pounds. And then ultimately the other activities which originally made up the three million are going to be affected. So, you would need to adjust each item. That is the Faculty that does that now. In other words, if you wanted so many computers, after realising that your cake is not big enough, you say, let me adjust it. It can't be the Administration...Essentially, it means that in terms of their spending, they would have to spend within their adjusted figure. Because once we have received the money from government, we then communicate to the Faculties that this is the reality. We go back and revise the figures and say this is what you asked for and this is what you are going to get. So see what you do with it. It is just as simple as that. (Interviewee 1A)

Spending control measures

The Faculties and Departments are required to spend money within their vote lines only. They are required to submit purchase order requisitions to the Bursar's Office as a first step in purchasing items. The Bursar's Office checks if there is still money available for the purchase

of the items sought before the purchase can be authorised. The Heads of Department and Deans have the primary responsibility to ensure that overspending does not take place. This is monitored through regular financial reports that the Bursar's Office prepares for the Departments on how they spend their funds. However, this system is not entirely abuse-free as some Departments can get what they want against stated rules as an interviewee made the following observation:

I think the Heads and the Deans are the main people who are monitoring. We are asked that we should not overspend...I am aware because the Bursar says this is the only money I will get, but I think on the ground the situation is entirely different...It is different because if I go in the name of the examinations (and say) that if I do not get this item, the examinations will not be conducted, my bill will be passed immediately. (Interviewee 5A)

The Departments are expected to spend money on items for which the allocation has been made. It is only in exceptional circumstances where once a department that has exhausted its funds in a particular vote, can request the Bursar's Office to authorise a transfer of some of its funds from one vote to the exhausted one. This occurs after checking if there are funds available for a department that seeks such a virement.

The university has employed an internal auditor to ensure that spending controls are observed by all budget holders. The internal auditor checks if money is spent appropriately (in accordance with the budget allocations) at every level. If there are some anomalies, he/she reports this information to the Vice Chancellor for appropriate action.

Accountability to funders

The Public Enterprises Act of Swaziland (Government of Swaziland, 1999a) requires the university as a parastatal organisation to prepare quarterly reports for their submission to the Public Enterprises Unit (PEU). The reports include information on how funds are spent by the university. The University Council contracts the services of external auditors to audit the University accounts. The audited annual financial statements are presented by the auditors to the Council for consideration. Also, the Ministry of Education and Parliament are furnished with the audited university statements for consideration.

The interviewees stated that the funders are happy with the university's management of its financial resources. An interviewee explained how the University of Swaziland accounts for its funds to government as follows:

Yes, that is the form of accounting not only to the Ministry of Education, but to the government because the funds at the university are public funds and the government wants to know exactly how they are utilised. (The Ministries of Education and Finance) do use the audited accounts of the university, but by the time the audited accounts come out as you say, (they) are aware of what the situation is at the University through (their) membership of the Finance Committee and (their) membership of the University Council. (Interviewee 7A)

Similarly, on donor/aid agency-funded projects, the University of Swaziland is required to account for the funds that support the project work. Donor/aid agency funds are managed by the University of Swaziland for specific projects such as some regional research projects. Prior to the signing of the memorandum of agreement on a project, the donor/aid agency funding the project states how it wants its funds to be accounted for. This entails specifications on how often reports are to be submitted to the donor/aid agency and in what format reporting should be done as explained by an interviewee below:

We have some funded projects, but mainly they are research projects which we house. For example, W. K. Kellogg's Foundation would have a project which it would want the university to house. So, we could say those are financiers but we are merely managing the research projects for those donor/aid agencies, like FAO has a project in the region and Swaziland is hosting it...Well, those...are specific to a project and the only things that come to the university in most cases are the overhead costs...We report quarterly on research projects. At least once a year we have to present a (report to the donor/aid agency). Before we embark on the research projects, we have to agree with the (donor/aid agencies) on how we are going to account for the funds. So, there are specific regulations. (Interviewee 1A)

Each of the three universities has key budget players who are the administrators at departmental and faculty levels and the Bursar's Office or Directorate of Financial Services at the University of Botswana. The budget preparation is participatory through the involvement of the budget holders. It is also historical in that the previous year's budget is used as a reference point when preparing the new one. There are procedures that are followed in spending the allocated funds. Accounting for donor/aid agency funds is taking place as stipulated in the memoranda of agreement between the donor/aid agencies and the universities.

Accounting for the bulk of funds is taking place at both the University of Botswana and the University of Swaziland. The National University of Lesotho's accounting to the Council and the government through audited financial statements is behind by about three or four years.

Challenges Facing the Universities

This section presents some of the challenges that are facing the three universities that were studied. Whereas this study is built around one main challenge: the declining or inadequate financial resources from governments to the universities, the approach here is to look at the problem in a broader sense. For example, it could be inappropriate to say that governments' resources to the universities are inadequate without looking at the causes. As usual, the research question for this section is presented first: *What specific challenges are facing the universities with respect to funding?*

University of Botswana

The University of Botswana has enjoyed adequate financial support from the Government of Botswana for quite some time (Weeks, 2003). Now, funding from the government is inadequate to meet the needs of the university. The specific challenges that are perceived by the interviewees and those that are documented elsewhere are the subject of this section.

Accountability

Quite often, accountability is only viewed along the lines of reporting to the funders on how their monies are utilised. This is a challenge at the University of Botswana where there is a perception that products of the university could be factored into a formula to enhance accountability. This study found that some government officials fail to appreciate the value of the products from the university because they are not quantifiable in monetary terms. As a result, when deserving organisations get their financial support from the government, the university is treated differently. An interviewee made the following comment:

You see in the first instance because when there is this institution and this industry, they express everything in terms of money. So, when it comes to the university, they don't readily see what the university produces because when your products go out, they are not readily convertible into currency. So, they don't see it. When you say look we have played a role and therefore you must also compensate us for that role we have played, they say, "But you know, Botswana Housing Corporation sold x houses and they brought in twenty-five million Dollars". And you say, "Look, I have produced five

thousand graduates. Those graduates are the same people who will produce that twenty-five million Dollars.” They don’t want to see it that way. So, in that case then, when they talk of only giving money to these organisations that are trying, that are improving their returns, they forget that those returns are the number of graduates that are trained by the institution. (Interviewee 8B)

There is concern among university authorities that the allocation of financial resources by government to the university disregards the value of the end-product, the graduates. Hence the decline in the allocation of those resources seems to be attributable, in part, to the non-profit making status of the university.

Competition with service providers

Another challenge is posed by the election of government to seek some services from the University’s competitors. There is money involved there which can augment the university’s dwindling resources. An interviewee observed that the money that is paid by government ministries to outside organisations for consultancies and staff training could be paid to the university to provide the same services instead. That way the Government of Botswana would be funding the university:

The challenge is for people to understand that funding of higher education is not only the grant that (government) sends to the university and I think there is a lot of money in this country which can fund (the university) but it is difficult to source it because (the government officers) don’t see it as part of funding higher education. You know, for example...each and every ministry here has money for consultancy, little money for research and little money for training. And you say, “...first of all, before you send your staff members to do an MBA, do not send them to somewhere in the UK or South Africa. Think of UB first.” That is one thing that they could consider... they can contribute to our funding...We deal with consultancies and so on. But they don’t see it. So, the challenge is also to harness this little money which is scattered all over the ministries, even the industries all over the country...It is also through research that the public can do funding. It is also through training. Those can be the alternatives in the short term. But we are not going to win this overnight. (Interviewee 8B)

The main challenge for the university is to convince the government and the private sector that they fund the university more through consultancies, research, and training, among others.

HIV/AIDS pandemic

The HIV/AIDS pandemic is an issue of great concern regionally. The escalating death rate is depleting human resources. Governments have to commit huge portions of their national

budgets to the fight against this pandemic. Some sectors such as education suffer some cuts in their budget allocations during the process. The University of Botswana, starting about five years ago, has not been receiving all the money it requested from government to carry out its day to day business. This is partly attributed to the national fight against the HIV/AIDS pandemic. An interviewee expressed this challenge as follows:

There is also the problem of HIV/AIDS which is a subject to be addressed. So, most of the resources are diverted to the fight against HIV/AIDS and yet at the same time we are not generating sufficient funds through our diamonds unless there is a change very soon in the economic performance. Otherwise the resources are now going to HIV/AIDS. That is really the major problem....So, I think that one, we cannot compete relatively or equally with it. (Interviewee 8B)

This challenge has also been highlighted in some of the government documents. For instance, the Government of Botswana (1997) decided to commit some of its resources through the national budget to the fight against the HIV/AIDS pandemic. In short, the University of Botswana is competing against the HIV/AIDS pandemic for the government resources.

Second university

The Government of Botswana's (2002) current National Development Plan, NDP9, provides for the establishment of a second university. This institution will be the University of Science and Technology. It is not yet clear how it will be funded. There is a plan on the government side to sponsor this new university through a "Public Private Partnership" initiative. The public resources which are inadequate to meet the University of Botswana's needs are likely to be shared between the two universities with effect from 2007 when the second university will be operational. Many of the interviewees were concerned that government is not consulting the University of Botswana about developments in this regard:

Well, we see it as a challenge because government is finding it difficult now to fund us fully as a University of Botswana. Now when you set up another institution, obviously it is going to depend on government for funding. We see a situation where the financial support from government to the University of Botswana will go down again because now they have got responsibility of this new university that they have to fund. Not only that, it's going to be an expensive university to run because it is Science and Technology-based. It's an expensive area. We already have Engineering and Science here and we know just how costly it is to sustain those faculties. So, we see it as a major challenge. (Interviewee 7B)

Apart from the foreseeable challenge on the financial resources to be allocated to the University of Botswana, the establishment of the second university is likely to impact on the personnel. There are some fears that some members of staff at the University of Botswana will be recruited by this second university, leaving vacancies to be filled, which will be a costly exercise:

We are keeping our fingers crossed not because our best staff could be taken there...Depending on what innovations they come up with in the new university, we may see a drain from our staff. If they think they are going to get better allowances or a better working environment, they will go. But if when, the university starts, not even a single person is appointed from this university, (we) will also get worried (if we) have the right type of people that we need to develop this university. That is not the same as saying (we) want them to go... (Interviewee 8B)

The most likely members of staff to be recruited by the second university are those who are senior in academic rank and those who are aspiring to serve in administrative positions. The same interviewee as above made the following clarification:

Universities are hierarchical by nature. You are going to have only one Dean in a Faculty. You can only have one Head of a Department at a particular time. So, some of (our staff) who would like to go into administration will definitely use this opportunity...They have the experience and expertise. And it is that expertise that this new university must also tap into. (Interviewee 8B)

It may be deduced from the above arguments that losses at the University of Botswana are likely to be in both monetary form and staff expertise.

Declaration of unused funds

The Government of Botswana has made it mandatory for the University of Botswana to declare any unused funds at the end of the financial year. The government does not take this money away from UB but it deducts an equivalent figure from the subsequent year's budgetary allocation to the university. There are some small amounts of money that the university generates through its own means besides the money it receives from the government. At the end of the year that income has to be declared as well. An interviewee explained the effects of this policy on money saving as follows:

Well, we have had to live with it but we don't think it's a wise decision on the part of the government. The reason we feel it is not a good decision...is that it does not provide an incentive for the university to be prudent in using money, to aim to save in our various votes because you see, savings can be achieved by the various departments out there, making sure that when they spend money, they get the best value for money...So, if at the end of the day they made some saving, all that money goes this way. They don't see any merit in that. Therefore, they are not inclined to be prudent. Now, so, that is really one problem that we see... (Interviewee 7B)

All the interviewees stated that the Government of Botswana is encouraging UB to find alternative ways of generating income because the government has reached a point where it can no longer fully sustain the university bill. However, the undertaking by the government to have the UB declare how much it has made through its own efforts in any financial year and further deduct that figure from the subsequent year's allocation is viewed by the university as self-defeating. It is also a potential source of tension between the university and government:

...the university has been trying to fundraise, to generate income through other means. There is scope for that much as it is limited. But right now there would be no point in the university doing that because if we raise any more additional income in order to support additional university functions, that actually would not happen because the government would say, "Well, you have some money left over. All that money is ours". (Interviewee 7B)

A similar concern was echoed by another interviewee who pointed out that it is not possible now for the university to build reserves on which it can fall in hard times. He put it as follows:

Now we are hitting that point where now we don't even have the reserves that we can fall back on. So, this policy of retirement (of unused funds), my view would have been that whatever is left they should allow us to invest it or at least put it in a fund somewhere so that...when it comes to a year like this one,...we can sacrifice and supplement ourselves from these funds. (Interviewee 8B)

This government policy is contentious because all the interviewees who are government officials did not find anything wrong with it. They said that it applies to all recipients of government funding. One of them argued as follows:

Now, these other institutions like the university that are public are also expected not to bring back (money) because they can't ...because money is given in a form of what you

declare. So, when you have declared that you were given this much but you only spent this much, that is subtracted from what you are supposed to get. And in my view, I have always thought it was a fair game. (Interviewee 6B)

Establishment of the Tertiary Education Council

The Government of Botswana recently established the Tertiary Education Council (TEC). Among its functions, it will oversee the funding of tertiary institutions in the country. It is expected to be fully operational by 2007 whereupon it will allocate government funds at its disposal to tertiary institutions in Botswana. Most of the interviewees at UB perceived that the allocation of financial resources to the country's institutions will be a big challenge because at present there is no formula for the allocation of funds. An interviewee stated this challenge as follows:

The third and important one is the emergence of a new institution here called the Tertiary Education Council (TEC). It is a body which is supposed to be really the umbrella of tertiary education in this country and also regulate and also shape it...We don't know exactly how they are going to approach funding of higher education especially of the universities. So, we are waiting for them to come up with a formula or a model that they are going to use...So, we are still in the dark as far as that one is concerned. But I think that is the most critical one because in future all the funding will have to go through that body. (Interviewee 8B)

Since the TEC is at its infancy stage, the UB interviewees hope that they will be accorded a chance to make a contribution to it on how best funding of higher education can be undertaken. The coincidental membership of the University of Botswana's Vice Chancellor on the TEC can be viewed as UB's advantage to some extent during the discussion of the funding formula.

Student fees

The University of Botswana, being a parastatal organisation, does not have the freedom to increase the student fees to what it considers the real cost of its programmes. Most of its students are sponsored by the Government of Botswana. If the university substantially increased the student fees to meet operational costs, the government would likely object. That is because the government would also have to increase its budget allocation to the Ministry of Education to meet that increase in fees. Another problem is that an increase in fees could discourage international students from enrolling at the University of Botswana because the

cost of university education would be too expensive for them. Two interviewees at the University of Botswana argued as follows:

You see even the fees, we don't have the latitude to charge what we think is right for the university. They say, "After all we are here funding you. So it doesn't really matter if you raise the fees. That's right. We are going to cut the subvention that applies." So, it really depends on what you get, if you want to get the subvention instead of the fees because you are dealing with the same sponsor. (Interviewee 8B)

At the same time we want to attract international scholars. So, as far as international students are concerned, we are competing with other universities in the region. So, if we raise our fees substantially, those students would not come here. They would go elsewhere to other universities in the region. (Interviewee 7B)

Donor/aid agency fatigue

The University of Botswana is facing challenges in harnessing donor/aid agency support. The economy of Botswana is the best in Southern Africa in terms of per capita income (DFID, 2002). Most donor/aid agencies have turned their attention to other developing countries because of their feeling that Botswana is doing well economically. The remainder tends to support focused research projects. Some of those projects do not pump money into the university. In some cases, the donor/aid agencies come forward to support projects in which they feel they would benefit. Two interviewees made the following separate submissions:

You know the difficulty with an institution based in Botswana especially when it comes to donor/aid agency funding, most donor/aid agencies would not support us. They feel Botswana is a country that is doing well financially; therefore, does not deserve to be supported. (Interviewee 7B)

I think the starting point is that Botswana as a country itself is no longer favoured as the destination for donor/aid agency funding. They think we are a middle income country. Therefore, they don't view us as a priority. So, our funding is really project specific...In other projects they say well Botswana is capable of standing on its own. In fact quite a number of the donor/aid agency organisations have moved out of Botswana. (Interviewee 8B)

National University of Lesotho

An account of the funding position at the National University of Lesotho that was presented above (Table 5.2) indicates that the government contribution to the university revenue is increasing slowly. There are some challenges that are facing the university and government that warrant consideration in this section.

HIV/AIDS pandemic

The national financial resources of Lesotho are stretched to the limit because of the need for the government to commit resources to its fight against the HIV/AIDS pandemic. All this is taking place at a time when the economy of the country is growing very slowly. An interviewee stated this point as follows:

Oh, yes, it is depleting the government resources because you can see that the amount which was not used for that particular issue has to be created to be used for that particular purpose...each and every ministry is supposed to take two percent of its total budget towards the activities of HIV/AIDS groups. So, that money was supposed to be used somewhere else but it is used for (the fight against) HIV/AIDS. And in our case two percent is a lot of money...Besides, the economy is growing slowly. (Interviewee 4C)

The impact of the HIV/AIDS pandemic is felt at the National University of Lesotho in that it is taking its toll on both staff and students. Some financial resources are committed to the fight. A portion of the university budget goes into sponsoring programmes aimed at controlling the spread of the pandemic. When students die, some revenue in fees is lost. Some terminal benefits are paid out by the university to its employee's estate when he/she dies. There are other non-quantifiable losses suffered by the university as an interviewee stated:

We have even set up an office for HIV/AIDS and in terms of finance, of course, we have diverted funds into the running of that office and it still comes with programmes and every time they say we are going to be doing this, to us it means more money...Almost every week there is a memorial service: every Thursday afternoon...Transport costs for funerals are also there...The funerals could be anywhere in Lesotho. So, those are some of the costs. (Interviewee 2C)

Student fees

Student fees are stagnant at the National University of Lesotho. If they were increased, the level of revenue would improve. Government and students are not keen to endorse an increase in the student fees because of the implication that the stakeholders would pay a higher figure than at present. Further, the Southern African Development Community's Protocol on Education and Training, SADC (1997), to which Lesotho is a signatory, will soon prevent the University from generating extra income through foreign student fees. Once the protocol comes into effect, foreign students from other SADC countries will be charged the same figure

as local students. That will decrease the revenue that is generated from foreign student fees as asserted by an interviewee at NUL:

About eighty percent of our student population is sponsored by the government, (through) the National Manpower Development Secretariat and twenty percent comes from other sources. The government is not very enthusiastic and students themselves are not very enthusiastic about the increase of tuition fees because the reasons from the students are that when they fail, they won't be able to afford the fees because they pay for themselves... (Interviewee 6C)

Competition with outside service providers

The National University of Lesotho is losing some of its prospective students to universities in neighbouring South Africa. Some students specifically want to study in disciplines that are unavailable at NUL such as Environmental Science, and Tourism, among others. The government is sponsoring those students to go and study abroad at high cost. The government sometimes spends more than twice what it would have spent at NUL had those programmes of study been available locally. This is a positive challenge because NUL sees an opportunity to develop some of those programmes which attract students to South Africa and beyond:

And many students still go to say, South Africa...If a student is going to South Africa, the expenditure is almost double what they have to spend here...what we are trying to do is to offer many of these courses here so that the government can save money and then they can put that money here so that we can build additional facilities. That is one direction we have to think about. (Interviewee 1C)

The above position stems from the realisation that the government, being in need of trained staff in the yet unavailable programmes at NUL would pay the university fees for the students once they enrol at NUL. That way the university would realise an increase in the money it generates from its sources. The same interviewee stated the following:

That is right, so that even if we don't increase the fee, at least we know that the government will pay for them. So, if it is ten thousand Maloti per student here, they spend about twenty thousand Maloti if the same student goes to South Africa. So, why don't we have these programmes here? (Interviewee 1C)

University of Swaziland

Emerging issues

There are some emerging issues at national level which were viewed by the interviewees as contributing to the inadequacy of financial resources from the Swaziland Government to the University of Swaziland. These are the HIV/AIDS pandemic and unemployment. In the government budget more resources than before are being allocated to the Ministries of Health, Education and others in order to deal with the consequences of the HIV/AIDS pandemic. The government has taken a decision to provide for the education and needs of orphans and vulnerable children (OVCs). Unfortunately, this has come at a time when the economy is performing poorly. An interviewee stated this challenge as follows:

There are now other factors: the HIV pandemic in addition to the declining economy...Our economy is not performing well. We have high unemployment. Now because of HIV we have the orphaned and vulnerable children (OVCs) which are a big challenge. So, the main funder is now actually not even using that money for basic education. It is using this money for other things like the OVCs. So, the cake is getting smaller and smaller. (Interviewee 2A)

The rate of unemployment also is high at 34% because of the fledging economy (see Table 1.1). Some of the government resources are directed to job creation efforts (SIPA, 2006).

Lack of appreciation for higher education

Some of the interviewees observed that there is a lack of appreciation for higher education by government because development at the university is not fully supported through government funds. When government does not have enough money to finance its sectors, it makes everyone 'get by' with little. Further, these interviewees asserted that higher education does not feature prominently in the government's list of priorities. It is the other lower levels of education that are a priority. However, those levels depend on higher education for their existence and progress. Two interviewees argued as follows:

...it looks like when government budgets, it doesn't look at development. It looks more at the maintenance of the status quo and for a university that wants to be globally competitive, that is faced with challenges of new knowledge, new technology and everything, it is very difficult. (Interviewee 7A)

...I think (it) is for the government to appreciate the importance of university education.

We often talk about the importance of basic education, the importance of secondary and high school education, but somehow we don't talk about university education in the same breadth yet you will never have the primary level developing or even the secondary level developing without the manpower from the university. So, it is defeating its own purpose...therefore, I think it is important that government should be convinced to prioritize university education as well. (Interviewee 2A)

It is noteworthy that nearly all the interviewees felt that if the government prioritised higher education, the financial allocation to the university could improve.

Tension from unclear policies on financial decisions

According to the University of Swaziland Act of 1983, the Government of Swaziland, through the Ministry of Education is responsible for providing the university with financial resources. At times the allocation is so little that university authorities end up using an unusual avenue to apply pressure on the government to provide the required funds. They approach the Chancellor who is the Head of State, His Majesty, King Mswati III, for funding. The government has always taken a directive from the Chancellor to provide part of the shortfall in the allocation. This avenue has a potential to sour relations between government and the university. The contention revolves around the autonomy of the university. The government feels that it does not have enough control over the decisions that are taken at this institution as an interviewee related this matter:

And our position is that it is their responsibility to fund the institution but we should remain autonomous because right now the problem the ministers have had is that they are...accountable to Parliament. When (the budget) goes to the Public Budgeting Committee, it is the Ministry of Education that should defend our budget. But then when it comes to our operations, yes we deal with them but if we feel we have a problem, we go elsewhere...we approach the Chancellor directly and at times they get a directive from the Chancellor to do a, b, c and it's something that the ministry does not appreciate actually. (Interviewee 6A)

Working with partners

Another challenge for the University of Swaziland is the university's capacity to work with its stakeholders so that those stakeholders can finance higher education because they enjoy some of the benefits of higher education. For example, they employ the graduates. As beneficiaries of higher education, they should participate in cost-sharing. An interviewee stated as follows:

The (other)...challenge is working with the stakeholders, the NGOs, the private sector, the parastatals to see how they can also contribute in funding university education. They get products that have been prepared by the university and they use those to develop themselves yet they do not contribute to the development of those resources. Somehow they should also contribute and maybe the university has to convince those stakeholders as well so that they can be part and parcel of funding the institution. (Interviewee 2A)

This type of cost-sharing could cover sponsored programmes, research and allocation of scholarships to students. The University's Strategic Plan (University of Swaziland, 2000) has identified this need for the university to work with its partners. However, the strategic plan's implementation suffered some setback when it was not funded by the government for the entire planning period (2000 to 2005).

Lack of marketing the university

It is now a common trend for universities to market themselves so that the public is generally made aware of the programmes and activities that are designed to meet society's needs. Universities participate in community activities designed to solve social problems. This process also draws the attention of well-wishers to assist the universities in kind and otherwise. This aspect was identified by an interviewee as lacking at the University of Swaziland:

...our university is not very popular with the ordinary Swazi, the ordinary man in the street. I think that it's got to be seriously involved in marketing itself to the ordinary person by engaging in outreach programmes. Outreach programmes cannot bring money but they can bring a lot of goodwill and goodwill later translates into money...and I do believe that even the participation of industry or some of the consumers of the product of the university doesn't show any appreciation of having a university and I think a lot needs to be done to get them to participate, not just marketing in the PR sense or propaganda sense but even in the quality of our own graduates. (Interviewee 7A)

The University of Swaziland embarked on a successful fundraising drive in the past with a view to constructing some teaching physical facilities. The success of this work was due to the goodwill of the private sector, Non-Governmental Organisations and individuals. Some of the interviewees said that this drive could be even more successful if the university makes its presence felt by the public through outreach programmes and community service.

Student fees

One of the challenges that is facing institutions of higher education in developing countries is that the unit cost of university education is very high (Ziderman and Albrecht, 1995). In Swaziland, for instance, it is estimated that the unit cost of higher education is equivalent to the cost of educating about 55 pupils at primary school level (Akinkugbe, 2000). The University of Swaziland is facing a challenge because it is unable to charge the appropriate fees for educating students as most students can not afford to pay the fees. Government could also object to a substantial fee increase because most of the students are provided with scholarships/study loans by the government to pay their fees. Additionally, the University of Swaziland can not charge cost-related fees to foreign students from the SADC countries because of the provision of the SADC Protocol on Education and Training, SADC (1997). The following argument by an interviewee carries the point home:

...the university cannot charge fees as it would do if at all it was not a government owned university. The fees that we charge are regulated by government... if you were to push up the fees, you (would) go back to the same government because ninety-five percent of the students are government-sponsored. Government would complain that you are expensive. So, we are getting government subvention, but again in terms of tuition, strictly speaking, the money comes from the same source because these people are government-sponsored. So, unfortunately, you are not at liberty to push up the fees as and when you want. (Interviewee 1A)

This study found that there are challenges in each of the three countries that are facing both the governments and their universities. Some of them are that the government budget is stretched because of emerging issues at national level and others are managerial issues in the universities.

Future Funding Strategies for the Universities

Having considered the current funding strategies, how financial resources are managed and the challenges impacting on the funding of the three universities, attention shall now be paid to the universities' future funding strategies. These strategies are with a view to broadening the financial base of each university so that it might reduce its dependence on its government. The research question for this section is: *What innovations could be implemented at each university in order to improve and broaden the current strategies for funding?*

University of Botswana

The Government of Botswana has made calls to the University of Botswana to diversify its sources of income. It is also exploring ways to improve the higher education funding at national level. The findings on government's efforts and those on the university are presented below.

Government funding

The government is still committed to the future funding of the University of Botswana (UB). This is in appreciation of the fact that such funding is a social responsibility and few people would be in a position to pay the full cost of university education either for themselves or their children. Funding is also in appreciation of the contribution in economic and social development that the university is making. Further, the resources that could be generated by the university may not be guaranteed from time to time. Thus government can not let the university be on its own in terms of generating income and supporting itself; as an interviewee stated:

I think government is still committed to continue to fund the university because we see that a university in a developing country, you cannot expect much from it in terms of its own sources of revenue. So, government will remain committed to funding the university. (Interviewee 2B)

Similarly, another interviewee agreed with this view when pointing out that UB does not have to worry about payment of fees because the government is still responsible for a larger part of those fees and the university would be guaranteed students because providing access to higher education is the Government of Botswana's goal:

They will get students no matter what and they don't even have to worry about who pays because government will pay. So, they don't have to chase after people that owe them school fees. So that is the positive thing for them, you know. When they mount a programme, they know that they will get students and how they pay is usually the least of their worries. (Interviewee 6B)

Cost-sharing

In the first instance, the government stated in NDP9 (Government of Botswana, 2002) that cost-sharing in higher education would be introduced during the current planning period, 2002/2008. It has since informed the public that cost-sharing in higher education will start in

2006. This occurred after Cabinet approved cost-recovery strategies for the Ministry of Education that were recommended by a committee set up to look into cost-recovery strategies in the public sector. Thereafter, the Minister of Education undertook to visit all constituencies to inform the public about the position of government. An interviewee explained government's initiative as follows:

...a decision has already been taken by Cabinet that come 2006 the parents should start contributing to the uptake of their children and it is going to be tertiary and secondary levels...So, I see the university saving costs in that regard because it would mean that...it comes to a strategy where students have to buy their own books. I do not know what the configuration will be. I don't know what the current contribution of the books is, maybe huge. So, there is room for cost-sharing there, and there is also the whole issue about whether students in tertiary education like university should be given allowances although they can fend for themselves. Again, it is something that is going to be looked at as part of the implementation of this cost-recovery. (Interviewee 2B)

Cost-sharing will be incremental as the government is aiming at starting with the areas that can be managed by most students and their parents. This policy will later be extended to cover meals for the students. The government has assured the nation that disadvantaged children will be provided with free education in an attempt to promote equity as explained in the following extract from the same interview as above:

...government has clearly said that this policy will not exclude any disadvantaged child. In other words, we have a system of social welfare where we have family welfare...So, a child who is from that kind of family background will get free education from primary to tertiary. (Interviewee 2B)

Students' loans recovery

The Government of Botswana has endeavoured to assist Botswana students to undergo training in higher education without being restricted by inability to pay for tuition, board and other needs at institutions of higher learning. The students are granted bursaries/study loans to pursue their education. The loan portion of the money is due when the graduates take up employment after graduation. However, the success rate in collecting the loans from the graduates has been disappointing as an interviewee explained:

First of all, with those that are within the public service we don't have a problem because we deduct money at source. So, all the teachers, all the nurses, all the public officers and so on, that is where we have our success. Now our difficulty is people that

go into the private sector because we don't necessarily have access to them. They have actually to agree or to cooperate. Some of them do and (others) don't and need to be tracked. (Interviewee 6B)

As a result, the government decided to make some technological improvements to the Department of Student Placement and Welfare within the Ministry of Education in order to facilitate effective loan recovery from former bursary/loan recipients of those funds. Further, the Department is going to operate independently of the Ministry of Education. The aim is to ensure that more money is put back into circulation to free more funds for higher education.

Increase in student fees

The University of Botswana successfully increased its student fees in 2003/2004 by fifteen percent in order to make up for the inadequate government funding. However, this can not be guaranteed to take place from year to year because an increase in student fees is debated and agreed by the University Council. If the government is opposed to the increase, it can be rejected at that stage. The 2003/2004 increase in student fees combined with an increase in the new intake contributed about 66% increase on the previous year's tuition fees collected (University of Botswana, 2004e). Some interviewees argued that a regular increase in fees in a country where most students are government sponsored could be met with resistance from government. The problem with the above position is that if government failed to give subvention to the university in any particular year, the latter would be forced to raise the fees substantially. That could create tensions among students and the nation generally as one interviewee pointed out:

...I would rather we get more money through the fees than through the subvention because that day when we stop getting that subvention and we start increasing the fees, they will be so low that we may have to increase them five hundred times and there will be a strike, especially at the time when people will be paying for their children. (Interviewee 8B)

Therefore, the University of Botswana is committed to negotiating with government so that it can be allowed to charge students an amount that comes close to the actual cost of higher education.

Staff consultancy services

The staff members are encouraged by the university to do consultancy work in their areas of expertise in order to generate income for the university through a levy. A 20 or 40% levy is charged the member of staff for private consultancy or institutional consultancy, respectively. This amount is for the overheads because staff use university time and facilities in carrying out the consultancies. Apart from extra income, another benefit that accrues to the member of staff engaging in consultancy work is that the work may count towards his/her promotion.

Consultancies are a relatively new source of income at the University of Botswana. The main client is the government. Some of the consultancies are for individuals and private companies. The amount that is generated from these consultancies is small but there is room for the consultancies to increase in number and monetary value in future. An interviewee made the following explanation about the role of consultancy work in generating income at the university:

There are consultancies. They are largely related to government. The university is doing consultancies for the government. Lecturers in their private capacity, have an agreement with the university to do consultancies. There is a policy governing conducting consultancy. The policy requires approval from the Deputy Vice Chancellor's Office and also twenty percent of the proceeds from the consultancy should come to the university because the staff member is obviously using university's time. So, for private work, the approval first of all, twenty percent of whatever the staff gets has to go to the university as a source of income. (Interviewee 1B)

The University of Botswana sponsors further research within the university through the funds that are generated from consultancies. Although the money first goes into a central pool, the academic departments receive it back in a form of research funds; as the same interviewee further stated:

The money that is generated from consultancy is allocated for research at the University of Botswana. This is so that this money does not go into the non-academic programmes of the university. (Interviewee 1B)

Establishment of a UB Foundation

The university recently established the University of Botswana (UB) Foundation whose main

task is to mobilise resources from the business community and other sources. It is getting support from the government, having been established with a view to involving the private sector in contributing to higher education. An interviewee had the following to say about the UB Foundation's establishment:

But you have to, at one stage, go the American model where you have to rely on officers who are dedicated to doing nothing but fundraising. We have done it again by setting up the University of Botswana (UB) Foundation...And I don't think UB Foundation has really achieved its full potential. We are still looking internally and there is not much money internally. (Interviewee 8B)

The membership of the UB Foundation comprises business persons who understand the business environment. The idea of a UB Foundation is perceived by almost all of the interviewees in Botswana as a positive step. However, some have reservations about the amount of money that can be generated from local businesses because of the small size of the economy. All along the UB Foundation has been targeting projects which have donor/aid agency support. The foundation should mature with time and start making money for the university.

Renting out physical facilities

The University of Botswana has a small post-office, a souvenir shop and a bookshop on campus, and several other facilities. These facilities are rented out to companies to run them. An interviewee pointed out that there is some small amount of money that is generated by the university through these efforts:

We do have a few companies that are providing services to the university like catering companies (and) the company that is selling books to students. We have got a post office and a convenience shop. They pay some rental to the university because they use university facilities, building space, (and so on). But again that is not much. (Interviewee 7B)

The university is also leasing its facilities such as lecture theatres and conference rooms to organisations to host conferences. Some funds are generated that way. However, some structural improvements need to be undertaken on some of these facilities as an interviewee explained:

The biggest problem is that those facilities were never designed for such activities...they were designed to be primarily student facilities. If you look at the hostels now, vacations are during the winter and there are no heating facilities in the hostels...So, that is the biggest problem now. So, what we are planning to do is to look at the new facilities which are going to come up and say okay, keep in mind that there are periods during which we can make use of such facilities. (Interviewee 1B)

The university intends to construct suitable structures for conferences in future.

Staff development programmes

The University of Botswana takes part in training staff of other organisations through carefully designed programmes. Some of these programmes are taught during the long vacation. They are mainly for the government ministries. The money that is generated from these programmes or courses is set aside for departments to conduct further research on a similar basis to consultancy proceeds. However, companies have not yet been fully targeted as partners or clients in such an endeavour. An interviewee stated the following about the involvement of the university departments in running these programmes:

When that programme is run, it is run during the vacation. The departments get (the) benefit. The income generated from that project, because all of them are run as projects, is kept with the department for further research and further development of whatever programmes. (Interviewee 1B)

Establishment of a limited company

The University of Botswana Council approved strategies for the university to engage in income generating initiatives to the extent of getting a limited company registered. It is envisaged that this company will take over the provision of security services at the university. Another area that has been selected to fall under the limited company is the University Press which will provide printing services to clients. This company will be able to sell its services to other organisations outside the university.

The University of Botswana has not yet moved fully into the implementation of its strategic plan which is rich in income generation ideas. It will not rush into the income generation venture pending discussions that might be held with government officials to address the way generated funds can be handled in view of the policy that unused funds be declared to government. An interviewee explained the university's position as follows:

The university already has areas where we can generate income...as long as we have this policy where they (government) don't differentiate between the money raised by the university independently and the money from government, because basically what they are really saying is that before you spend our money, you spend yours first, then there is no point in generating our own income. (Interviewee 8B)

National University of Lesotho

Government funding

The Government of Lesotho is committed to funding the National University of Lesotho (NUL) into the future. The government determines the level of funding on a yearly basis depending on the available resources. It has, despite economic hardships, projected in the Ministry of Education's Strategic Plan (Government of Lesotho, 2005: p. 87) that the National University of Lesotho's level of funding will be a constant annual figure of 120 million Maloti from 2005 to 2008. It also projected in the same document that there would be a shortfall or funding gap in higher education during this period: "the funding gap...will prevail assuming that there is no drastic decrease in the government budget allocation for higher education" (p. 86). The shortfall will have to be financed through other means, meaning that either the university charges the beneficiaries for services (cost-sharing) or it engages in more income generating activities or the government engages in private public partnership (PPP) initiatives or any combination of these three. An interviewee made the following statement on government's future funding of NUL:

The government has not said it will increase the subvention or whatever, but it is encouraging the university... to make sure that the university has got other sources of income so that we can at least say we will give this subvention every year. We won't increase it because of the economy of the country which doesn't grow that much. Most of the time you find that the budget allocated to the Ministry of Education is not increasing. That is why it is very difficult...to increase the subvention to the university. (Interviewee 4C)

The above account makes it clear that the Government of Lesotho's position with respect to financing higher education is fragile. The university can not expect an increase in the level of funding in the immediate future. What makes it urgent for the university to develop its strategies to source extra funding is that the so called "other means" to finance the shortfall have not yet been developed by the government whereas the constant level of funding for the

university was reached in 2005 (Government of Lesotho, 2005) .

Student loan recovery

Starting from independence, the Government of Lesotho was awarding bursaries/loans to deserving students to study at the then University of Botswana, Lesotho and Swaziland and subsequently, at the National University of Lesotho and other institutions. This is because most students are unable to pay for their university education. Part of this money is payable to government once the student finishes his/her studies and starts working because it is a loan. The former recipients of the loans who are employed in the public sector pay fifty percent of the loan. Those who find employment in the private sector are required to pay 75% percent of the loan and those who find employment outside Lesotho pay 100% of the amount loaned. The recovery of that amount of money from the recipients is a nightmare to the government. The government is now working on a policy that will make the recovery of the loan portion easier and it is anticipated that the National Manpower Development Secretariat, whose function is to administer the student bursaries/loans, will now operate a scheme that will be self-sustaining as an interviewee explained:

Yes, (the recovery of the loan) is very easy for those who are working for the government who are only paying fifty percent. So, now the government is trying to review that, so that this can be made sustainable...but I think in two years to come there will be a slightly different policy which will actually ensure sustainability of this scheme. (Interviewee 4C)

The new policy that is being prepared will address issues of equity in that cost-sharing will be introduced for those students who have the means to pay for their education and it will be required that a sibling's loan be cleared before a loan can be issued in favour of another member of the family:

...but each and everybody who had applied for this was awarded the sponsorship provided the parents or the sisters or brothers of that student were not owing anything irrespective of whether the parent was able to pay for the fees or whatever. But with the review I think it will be somewhat different... (Interviewee 4C)

Capital for university's projects

The Government of Lesotho is encouraging the National University of Lesotho to embark on

income generating projects. The government has promised to make available to the university some capital to initiate the projects once the latter has decided what projects it wants to do. The challenge to the university is to produce workable plans with justifications and sell them to government for funding. An interviewee from NUL stated the following position of government:

We had a meeting with the Minister of Finance, the Minister of Education and the Minister of Health. The major issue is that we were trying to make a plea that we need to be given funds to try to build certain things and in that forum...the Minister of Finance was making it clear to us that look, there are a number of projects that you could start and definitely we are prepared to help you...So, he was actually saying you cannot sit at Roma and expect that you will always be given your money. Come up with ideas...where you think the starting point is to get (capital) from us so that you can start something we are prepared to do that... (Interviewee 5C)

The Government of Lesotho has secured some funds from the World Bank and other agencies. This money can be used to help the University initiate some income generating projects as confirmed by the following interview extract:

You know,...we have been allocated money from the World Bank. We were able to forge our way ahead and grab some part of funding from the World Bank for this phase of the Education Sector programme...we asked them to give us a little amount of money to see how we can spend it. And out of that we have been working and we set aside this amount as an incentive to these (tertiary) institutions. They will write proposals to get that amount. It will be used for seed funding for whatever (initiatives they want to embark on). (Interviewee 4C)

On the National University of Lesotho side there are initiatives that are aimed at generating income. Some of these initiatives are highlighted in the university's strategic plan and they will be discussed below.

Consultancies and funded research

The National University of Lesotho staff members are permitted to do consultancy work for individuals and organisations. The university requires that 40% of the proceeds from consultancies be paid to it because of the staff time and facilities that are used. The university's strategic plan (National University of Lesotho, 2002a), identified this as an area that is fertile for income generation. In the past members of staff could hide their

consultancies from the university to which they were required to pay 10% of the consultancy fee. The university made it public information that anyone who wants consultancy work done for them by university staff should approach the Consultancy Unit that was established for this purpose. The university also tightened up the rules governing consultancies by members of staff so that more money may be collected from those who are doing consultancies. An interviewee stated this development as follows:

...we are now going to move very firmly to ensure that income from consultancies and others which we have been a bit lax in doing we collect. Staff who (were) undertaking consultancies and...were virtually doing it, hiding it and all that, but even those who were not hiding it...(they) would just pay ten percent and take the rest...And the university just got ten percent. That was unrealistic. We have changed that. Now it is 40% and that is the way we are moving. (Interviewee 7C)

The rules governing consultancies are that each member of staff should apply for permission from the Vice Chancellor before engaging in consultancy work. Permission is granted provided the consultancy work is not going to adversely affect the primary responsibilities of the member of staff at the university.

Funded research takes place on a small scale at NUL because of the size of the economy. There are two routes of funding research at NUL. The university sets aside some money for funding research that is undertaken by staff. That amount is small because it is a portion of the limited university resources. Secondly, some organisations external to the university also fund research as much as possible. However, this does not generate much revenue. The university has to be very competitive in terms of staff profile, availability of facilities and its general research record to attract substantial external funding for research. An interviewee made this comment regarding externally funded research:

It is competitive you know it. In Europe they say you have to give evidence that you have been able to manage this and that and that type of research in order to show that you can attract this type of research even before you get a job. Now, how do we get it here with our limited facilities over here? So, the condition is so keen and so difficult for us and I am speaking from my own expectancy of my faculty, but also invariably we would probably not succeed in competing for the very high level type of research. This would bring in the meaningful funds. We may end up with small projects that would probably bring in about two thousand dollars. (Interviewee 3C)

Increase in student numbers

Increasing student numbers in a strategic fashion ensures that some extra revenue is generated by the university. This has already been attempted at NUL. The unfortunate result is that some students have to stand outside the lecture rooms to listen to lectures because of shortage of seating space in lecture rooms. It is now envisaged that with the government's commitment to encouraging the university to change its emphasis in its disciplines to a technologically-based university, the numbers can once again be increased. Post-graduate programmes are also going to be developed across the university. Every department will be required to make an effort to move in this direction or else its survival will be threatened as it can be discerned from the following statement by an interviewee:

There are some faculties and some departments which are really being subsidised but the challenge has been thrown to all of them that (they) have to survive. If (they) do not increase student numbers, (they) will be closed down. We have to. (They) cannot go on indefinitely with that. (They should) increase (their) student numbers to make sure that the real cost of running the department is not above cost. Then (they) also (have) to make sure that (they) improve the quality and depth of the programmes and also that we cannot have departments which are unable to run post graduate programmes. (Interviewee 7C)

The envisaged increase in student numbers is expected to increase the revenue base of the university provided there is a limited increase in the main areas of expenditure such as staff salaries and so on.

Development of new programmes

The Government of Lesotho is sponsoring many students to attend universities in South Africa, especially in programmes that are not available locally. The government has now directed that the NUL should restructure itself so that it can become technologically focused in its programme offerings (Government of Lesotho, 2005). In order to address this need the University started to introduce some new programmes that are technologically focussed a few years ago. The Faculty of Science has gradually introduced B.Sc. programmes as evidenced by the following extract from an interview:

What (we) then decided with the available positions without any extra funding was to start new programmes. Now we have got Engineering...B. Sc. in Computer Engineering, B. Sc. in Electronic Engineering, B.Sc. in Computer Science, B.Sc. in Information

System, B.Sc. in Electronics, and B.Sc. in Chemical Technology all started in the last five, six, seven years,. We are starting a new programme in Biotechnology next year (and another one) in Environmental Science next year. Now, all these new programmes were started without any additional funding...And (now that) the programmes are running, we are getting support. (Interviewee 1C)

The need for new programmes is not limited to those in the Faculty of Science. The university's strategic plan states that one of the goals on the agenda is to "promote the introduction of new science and technology driven programmes" (National University of Lesotho, 2002a: p. 26). Thus new courses are expected to be introduced in as many faculties as possible. The introduction of these new programmes has increased student numbers and the university finances increased slightly as a result of that.

Cost-saving measures

Cost-saving practices are important in any organization. When resources are limited, the need for cost-saving is even more pronounced. This need was realised at NUL and means of cutting expenses were initiated. For example, the student refectories were commercialised and the university is currently collecting rent from the private caterer. The success of this venture can not be determined because of a number of hidden costs. However, the operational costs for the refectories were reduced to less than what they would have otherwise been had they been run by the university.

Donor/aid agency funding

Donor/aid agency funds are always useful as a source of income if a university has access to them. NUL gets some funding from donor/aid agencies although this amount is small. It is so small that it is not even classified separately in the university's financial statements. The Faculty of Science's buildings at NUL were recently extended and some equipment was purchased and installed through the assistance of the World Bank. Accessing donor/aid agency funding is mainly done by the faculties through the Vice Chancellor's Office. Once the faculties have evidence that there are some proposals that they can submit to prospective donor/aid agencies for funding, they alert the Vice Chancellor's office so that those donor/aid agencies may be approached centrally by the Administration or by government. In some instances the Government of Lesotho is the first one to approach the university with leads to prospective donor/aid agencies. In such instances the donor/aid agency funds are usually

accessible as assistance to the government. There is now a trend that is beginning to take shape among donor/aid agencies. Some of them have begun to communicate with the National University of Lesotho that they prefer to enter into an agreement directly with the university rather than going through a third party. An interviewee affirmed this position as follows:

...we are beginning to (hear) some whispers by some of them that, "We also want to have direct links with you." So, we have started now in that route. We have also specific discussions with organisations like the World Bank on certain ideas where they are saying those (projects) will not go through the government. We have the Japanese, who have (taken a similar position)...So, I think the situation is beginning to change and we have...UNFPA and others we deal directly with now...(Interviewee 7C)

Alumni donations

A western model of fundraising has been tried at NUL - alumni donations. At one point alumni donated some money to the university. Two interviewees confirmed this. However, the amount realised was small compared with the needs of the institution as an interviewee put it:

We have tried this. I am not sure how much we have realised. Yes, there is some money that comes from that source but I don't think it is anything to write home about. (Interviewee 3C)

The process of fundraising through alumni of the university is done on an *ad hoc* basis. The main constraint is that NUL has no officer designated to fundraise with the alumni. The Registrar's office is the one that undertook this responsibility once and there is at present a need for this activity to be continued. The following statement by an interviewee confirms this position:

Anyway, in 1999 we embarked on an Alumni Conference involving past students dating as far back as 1945 to attract students from the date the university was founded. But there were good ideas and suggestions that came from the alumni themselves. They contributed to a tune of about three to five hundred thousand Maloti...it was something that was worthwhile. So, this is a very fertile area which has to be followed up...but we don't have time to do it. We have to create an office. You have to have infrastructural facilities in order to get it going. (Interviewee 6C)

Other income generating activities

NUL has ventured into real estate business as an income generating activity. It borrowed some money from financial institutions in Lesotho and bought some houses which were then rented out to Foreign Diplomatic missions and government ministries. It also owns a shopping complex in Maseru, the capital town. Having started poorly because of servicing the bank loans, these properties are now beginning to generate money for the university. There is scope for the university to further develop in this regard. However, one interviewee cautioned that it might be necessary to move slowly in this direction because of some legal provisions regarding the acquisition of loans by a public institution as he alleged in the following statements:

We already have, for example, the real estate portfolio. We have a very extensive real estate portfolio. We earn quite a bit of money from that, not from staff but from people from outside...So, those are the issues and we expect that to be a significant portion of our portfolio and soon rather than later, we will put up another block of flats in Maseru which will ensure that we are not (as) dependent as we have been...Of course, there is a catch that...in terms of the laws, no public institution should borrow money without the consent of the Minister of Finance. But we have been doing it over the years without the Minister of Finance. But I don't even think that we are going into considerable debt. (Interviewee 7C)

Another latest venture at the National University of Lesotho is farming. The university is looking forward to government for initial funding so that some projects in poultry, piggery and vegetable production may be expanded. Work is in progress in the Faculty of Agriculture which houses the university farms to ensure that the farms become productive. Their past failure has been attributed to poor management structures that are in place. An interviewee put it as follows:

I don't think the farm so far is doing well. The problem is with management. The Farm Manager that we have appointed, I don't think he is doing well yet. And maybe the structures that we have put there have to be revisited. (Interviewee 6C)

The National University of Lesotho has initiated the sale of academic hoods to graduates as a means to generate income. This venture has some rewards because the income is increasing

over time due to the corresponding increase in the number of graduates as an interviewee explained:

So, the Registrar of the university, on assumption of duty, took the initiative to have the Domestic Bursar to sell the academic hoods of the students. The amount is incremental. It rises every year on the basis of the student population graduating. It rose from forty thousand Maloti profit. Now it is about two hundred thousand Maloti. (Interviewee 6C)

The other activity for NUL that is aimed at generating income is the bookshop. The bookshop has historically been run by a company. The University has decided to take it back and run it along business lines. It is not clear whether the bookshop will generate income as expected because the books that will be sold are very expensive owing to the fact that they are published overseas in countries with very strong currencies. Thus the bookshop will be run by the university out of moral obligation as an interviewee perceived the university's decision:

As for the bookshop, we are not even thinking, we are taking it back. We have a bit of a problem...I think the problem has more to do with the way students get their book allowance. As of this year, I think, they have been getting it in hard cash and boy, no one even goes near the bookshop. So, you see, if you lease it out to somebody who is paying rent and has brought books and they are just sitting there, definitely there is some problem. (Interviewee 2C)

The university has made it mandatory that the students should only get 25% of their book allowance from their sponsors to buy stationery and the other 75% be retained by the university so that the students buy their books against that money. It may not be a significant amount, but it will serve the intended purposes: purchasing of student books and putting some money into the university treasury.

University of Swaziland

The financial resources for the University of Swaziland are insufficient to cater for its expenses. It has been pointed out above that the main funder, the Government of Swaziland, is unable to increase funding to an adequate level from year to year. At present, there are moves on both the government side and the university side to address this situation. The government is encouraging the university to diversify its sources of income. This will help reduce the latter's dependence on one source, the government. The future strategies for

funding the university cover the government, the university's sources and income generating activities.

Government funding

Government funding to the University of Swaziland is going to remain in force for many years to come. Funding of higher education is a social responsibility where government has an interest. Poverty, the increasing number of orphaned children as a result of the HIV/AIDS pandemic and other issues such as unemployment and so on place the burden on government to continue to be the main provider of higher education. The findings of this study are that the Government of Swaziland, being aware of its long-term commitment to funding the university, has made attempts to enter into a performance contract with the University of Swaziland. The contract would spell out the expectations from either party. This would be partly based on the fact that the government has signed similar contracts with other parastatal organisations. An interviewee from the government side had the following to say about the performance contract:

The university could be in a position to see how much they could expect from government from year to year. So, once you know the resources to expect from government, you can plan your expenditure by way of determining the number of new students to be admitted into the university if we have that kind of funding to run the university. Also, in that kind of an agreement, government could tell the university that if so much is allocated to it, so much is expected as production based on the money allocated. (Interviewee 4A)

According to this interviewee, there are some obstacles in the preparation of the performance contract. One main obstacle is the absence of a manpower development policy document. The Ministry of Public Service and Information Service is yet to produce this document. On the other hand, the University of Swaziland which took part in the initial phases of the performance contract development has pointed out that the government should make a commitment to make funds available to meet certain pre-requisites to the implementation of the performance contract such as the establishment of additional staff positions and putting up infrastructure such as additional laboratories and computers. This commitment is still awaited from the government.

Student loans/scholarships

The Government of Swaziland is responsible for providing loans/scholarships to most students to study in higher education. This is an ongoing historical arrangement between the government and the students despite the fact that some students or their parents can afford to pay part of the fees. The former pays the cost in full, half of which is a loan, and the other half is a grant or scholarship. The loan is repayable at an annual interest rate of 5% (Government of Swaziland, 2005). The payable portion falls due when the student completes his/her studies at the university and is employed. The government's mechanisms of the loan collection are evaded by some of the former loan recipients because the conditions of the award of the loan/scholarship have loopholes. This was expressed by an interviewee as follows:

Part of the problem lies in the conditions of the award. The award states that the student will repay government half the cost of his or her education over a period which is twice the length of training. So, if somebody goes and studies medicine for eight years, and it costs government two hundred thousand Emalangeni, government expects to recover one hundred thousand Emalangeni over a period of sixteen years. (The interest is very small. It is five percent). It makes a very small drop in the ocean of what the government spends annually in the form of scholarship. The second problem is with tracing the former beneficiaries. It is very difficult to locate them. People don't come up voluntarily. (Interviewee 7A)

One implication of this policy is that the period of the loan repayment can, in some cases, be more than twice the length of the study period because repayment is based on the employment status of the individual. A legal instrument is now being prepared by government to compel all former recipients of the study loan to pay their debts. The same interviewee continued to explain this position as follows:

For each student who is awarded a scholarship we have our own numbers now, and we are going to do exactly what you are asking us to do because when you get employment, that number is going to be with you. The income tax is going to keep the number. The government revenue service is going to keep that number whether you are applying for a driver's license or you are applying for a butchery license, a trading license, the computer will (indicate) that you are owing some money for scholarship. You are not going to get that license until you go via the Ministry of Education. So, we are getting to that stage. We are using technology now to try to keep track of the beneficiaries. It has not been possible before. (Interviewee 7A)

The legal instrument will make it possible for the employer of a former recipient of the loan/scholarship to deduct from the recipient's salary the calculated monthly amount due to government which shall be an affordable percentage of his/her salary.

Cost-sharing

The Government of Swaziland has stated that:

Analysis by the Ministry of Education shows that unit costs for university education are higher compared to other institutions and basic education facilities. Furthermore, the beneficiaries of higher education are highly subsidised by government...(Government of Swaziland, 1998: p. 23)

It is against this background of high unit cost of higher education that the Government of Swaziland is considering cost-sharing in higher education in the future. If implemented, this policy would ensure that the beneficiaries of higher education pay directly to the university part of the fees for their education. It would, to an extent, depend on the proposed performance contract between the government and the university. The government hopes to make full sponsorship to students studying in "priority areas". The non-priority areas are likely to get reduced funding from government and the students or their parents shall be expected to pay the balance of the tuition fees. Further, some student allowances which have historically been paid as part of the scholarship/loan may be stopped. Government-sponsored students who are studying abroad have had some of their allowances stopped already because of the difficulty for government to carry on funding them in full for their expenses. An interviewee made the following comment on this issue:

Government still takes it as its responsibility to provide tertiary education particularly in key development areas but we do feel that there is need for the beneficiaries to contribute towards their education. So, I think that in the immediate future some of the benefits maybe be cut, benefits such as the allowances, personal allowances, residence and others. Those will be the first to go...Tuition fees may be continued for quite sometime particularly in crucial areas of development. We have actually started with students who are not studying in our own university cutting down on some of the allowances that we pay. (Interviewee 7A)

Consultancy and Training Centre

The University of Swaziland is responding to the challenge of inadequate financial support

from the government through several initiatives. One of these is through the newly established Consultancy and Training Centre (CTC). The centre's role is to coordinate staff consultancies and mount training courses for clients. Staff members are required to pay 40% percent of their income from consultancy work to the university. The university is getting support from the government through the award of some of the consultancy contracts. Although UNISWA does not have expertise in some areas, it would benefit it more if government were to award it more contracts than at present. An interviewee at UNISWA presented the position as follows:

On their part, government promised that for quite a number of the consultancies that government needs they would use the university. They have done that to certain respects but I think there is still room for improvement in terms of government using the university for all its major consultancies which would make quite a considerable percentage in assisting the university generate its own income. (Interviewee 3A)

Having been established about four years ago, the CTC is a fairly new income generating venture at UNISWA. It is still run on a part-time basis by a director appointed among the teaching staff. The University is planning to appoint a full-time director with the appropriate qualifications and experience to move the centre forward. Most of the interviewees observed that there is potential for increasing the performance of the CTC through staff engagement in more work and generating more money for the university. Two specific areas for improvement were identified: advertising the services rendered by the centre and commitment to delivering the services to the clients as an interviewee pointed out:

Because not enough is known about the existence of this unit what has tended to happen then is that some organisations will send their own staff outside the country on short-term training when in fact these could have been sent here and money would have remained in the country...The other thing is, there may be situations where the intention is to involve the locals and give them the money (for services rendered) but the end-product is disappointing. Either the quality or the deliverables are not forthcoming. (Interviewee 1A)

The University of Swaziland is also planning to transform the Consultancy and Training Centre into a business centre. The idea behind this move is to open up the centre to anyone who wants any business done for him/her. The university could charge the individual or organisation in such a way that some profit is realised from the income. An interviewee

explained this proposed move as follows:

...we are thinking of (expanding the) CTC...(into) a business centre rather than calling it CTC because we can build a business centre which (could house the) CTC. The Business Consultancy Training Centre means that anyone who wants a project proposal to be prepared for him/her could come and ask for help. And then we could... package that and charge the person and so on. (Interviewee 8A)

UNISWA Foundation

A latest income generating venture that has taken place at UNISWA is the establishment of the University of Swaziland Foundation (UNISWA Foundation). Its task is to raise funds for the university from different sources with the aim of making development at the university possible. The Government of Swaziland supports this initiative through its membership on the board of the foundation. The foundation's main target is industry and organisations that can sponsor specific activities at the university. These could include endowing chairs in teaching departments, providing scholarships for students, and fundraising through alumni functions, to name a few. An interviewee stated the foundation's activities as follows:

I have to say we are looking at the UNISWA Foundation which has about three endowments...We have a board of trustees which is made up of captains of industry within the country and some of them are outside the country. The whole idea is to get our partners to contribute either in kind or financially, with or without conditions through endowment because we believe we can do that. (Interviewee 8A)

In its fundraising drive the UNISWA Foundation has, as its main objective,

to acquire, collect, receive, manage and invest funds raised or assets becoming available to it as a result of any appeal for funds or otherwise donated, granted, bequeathed, inherited or in any other manner made...(University of Swaziland, 2004b: p. 8)

The funds raised through the foundation augment the resources of the university or are used as stipulated by the donor. For example, the funds could be used for student scholarships only.

Professional development courses

Professional development courses for non-certification are becoming popular with employers. These are courses that are designed to address specific needs in the workplace. There is a general awareness at UNISWA for the need to mount those courses in order to generate extra

income. In fact, the University of Swaziland's Strategic Plan identifies the mounting of professional development courses as a niche in Swaziland. The courses are to be offered to students from industry, public and private sectors during vacation time when the teaching facilities are underutilised. An interviewee stated the following:

There is no reason why we shouldn't have night schools here and why we shouldn't have programmes going on during the long vacation and why we shouldn't have courses packaged for specific people. Those are what we call courses for professional development, not necessarily for certification. (Interviewee 8A)

Commercialisation of the university farm

The University of Swaziland has a large farm in the Faculty of Agriculture. Part of it is used for teaching purposes. The other part is used for general farming. The university is planning to commercialise a portion of this farm so that income may be generated through professional farming. There is a need to source funds to inject into this project. The university has put together a project document that could be sold to financial institutions for borrowing capital to start the project. It is also envisaged that some of the stakeholders may show some interest in providing the university with initial funding and infrastructure. An interviewee at the University of Swaziland explained the process as follows:

(We are) expecting a report from our colleagues on how to commercial a portion of our farm which is not used for teaching...a document which you could take to financial institutions to borrow money to start the project. The document indicates how and why we think it would be viable. There are certain indicators and projections and so on. (Interviewee 8A)

Donor/aid agency funds

Another possible source of funding for the University is donor/aid agency funds. This study found that donor/aid agency funds targeted at assisting Swaziland are not as abundant as one may expect. Despite the difficulty in sourcing donor/aid agency funds for higher education, the University of Swaziland sees a possibility in engaging donor/aid agencies for continued assistance with funded projects. This is stated in its strategic plan (University of Swaziland, 2000). However, this has not yet developed because the strategic plan has not been effectively sold to donors/aid agencies yet. An interviewee at UNISWA made the following observation about sourcing donor/aid agency funds:

...it is not only the university who should be behind it. It involves the government as well. The university on its own cannot go to the donor/aid agencies and negotiate funding. UNISWA cannot go to the World Bank and ask for money. It cannot go to the EU to ask for money....So, the idea was that the implementation would be with the government support...What has happened is, maybe we have been left out. Our requests are not included in what is submitted to the donor/aid agencies. Why, we don't know...(Interviewee 2A)

This study found that there is lack of clarity in who should market the strategic plan between the government and the university. The government officials believe that the university ought to market itself to donors through the strategic plan, a point to be discussed more in the next chapter.

Establishing a university press

The University of Swaziland is planning to set up a university press for publishing books, journals and any other material. Material for printing/publication shall be accepted from organizations and individuals at a fee. There seems to be scope for significant revenue in that venture because of UNISWA's position as a highest educational institution in Swaziland. An interviewee at the University of Swaziland made the following comment regarding the establishment of the University Press:

I should mention again some of the things that are in the pipeline, the UNISWA Press. The UNISWA Press is (an)other thing that is in the pipeline where the university as an institution of learning, could publish books, journals, whatever and be able to market these. (Interviewee 8A)

Leasing out facilities

The University of Swaziland has embarked on leasing some of its facilities to the public and private companies. The facilities cover classrooms, lecture theatres, sporting facilities and hostels when they are not in use. Further, the university is also leasing its staff houses that are located in the City of Manzini to credible Non-Governmental Organisations (University of Swaziland, 2004c). The university is charging a commercial rate for the rentals. It makes it a point that it revises the rental fees on a regular basis to make them market-related.

Conclusion

This chapter presented the findings of this study under four separate themes or research questions. The sources of funding for each of the three universities are government, student

tuition fees, residence fees, bank interest and others which vary from institution to institution. The management of the financial resources at each university is the responsibility of Director of Financial Services or Bursar. This office is assisted by Deans and Heads of Department in the budgeting process and control of expenditures. The governments are committed to funding the universities into the future although their level of funding cannot be determined at this stage because of poor performance of the economy. They are encouraging their universities to initiate income generating activities to which the universities are responding positively despite challenges posed by the small fragile economy in Botswana, Lesotho and Swaziland. The next chapter presents an analysis of these findings.

CHAPTER SIX

ANALYSIS AND DISCUSSION OF THE FINDINGS

The previous chapter presented the research findings of this study. This chapter presents a comparative analysis and discussion of those findings. The findings are first discussed in the context of human capital and social capital theories. Thereafter, they are analysed and discussed under each theme as established through the research questions. The chapter ends with an analysis and discussion of the findings in the context of international policy and development in Africa. The comparison among the three universities may be limited by one main factor: the three are sister institutions that succeeded the former combined University of Botswana, Lesotho and Swaziland. Similarities will be highlighted in both old and new practices and points of divergence in practices will be presented as much as possible.

Human Capital and Social Capital Theories in the Study Findings

It is appropriate to gain some insight from the study findings as to whether human capital and social capital theories on which the study is based are supported. A research question was posed to the interviewees as to why the funding bodies were making money available to the universities in this study. There is evidence from the findings that almost all interviewees in all three countries shared the perception that higher education provides training for relevant skills and contributes to economic development. The human capital theory is upheld by the institutions as well as their governments. For instance, most of the government interviewees acknowledged that their governments are funding higher education for the production of skilled manpower. They want their graduates to participate in both public and private sectors in the teaching profession, industry and research. Furthermore, increased productivity is envisaged by the interviewees and some of the government documents analysed (Government of Botswana, 1994; Government of Swaziland, 1998; Government of Lesotho, 2005). These governments seek, among others, to address issues of access to education and training, health, imbalance in resources allocation (teachers) to the school system, participation in Science and Technology and Research and Development programmes. This is consistent with the literature claims about higher education's contribution to economic development and social development. That is, after independence or from their establishment, most universities were tasked by their governments to train human resources in order to produce relevant manpower

skills (Saint, 1992; Odebiyi and Aina, 1999). This need for manpower training for all sectors is still a guiding norm in many sub-Saharan African countries due to a shortage of some professionals such as doctors, engineers and scientists, to name a few. Again these findings confirm those of Ishengoma (2004), Johnstone (2003a), and Tekleselassie (2001) in East Africa.

Although the building of networks is important in further creation of the human resource base as many studies have proven, in this study the findings on social capital creation were not as robust as those on human capital. The social capital aspect of higher education mainly features in government documents. These documents highlight social security, good governance, relevant degree programmes, political stability, cultural advancement, national unity, to name a few (Government of Botswana, 1994; Government of Lesotho, 2005; Government of Swaziland, 1998). Few interviewees highlighted the need to educate society for the sake of education and national unity. They pointed out that it is good to educate a nation because an educated society is better than an uneducated one. The interviewees' lack of awareness of the social benefits of higher education is consistent with the view that social capital's link with education has not yet been fully understood even among developed countries. This is still a debatable topic. Further, the focus on human capital more than social capital even on government side could be because the latter's outcomes are harder to attain.

Generally, human capital and social capital theories are applied in policy and practice in Botswana, Lesotho and Swaziland. The main objective of higher education though is perceived as human resource development in all three countries. Governments usually advise higher education institutions of their manpower needs through manpower development plans. However, in all three countries there are no up-to-date manpower development plans to guide the institutions in their programme offerings for the future. In Botswana and Swaziland the plans are reportedly being prepared by relevant government ministries. None of the interviewees could predict as to when the manpower development plan will be produced in Lesotho. Thus, without these plans, the states are struggling to build capacity.

Sources of Funding

Financing of higher education is a contentious issue taking into consideration that, generally,

economies of developing countries are performing poorly. However, inadequate funding to higher education through state resources is not only limited to developing countries. Developed countries also find it difficult to meet all the financial needs of their public higher education systems. For instance, the OECD (2004) notes that in most of its member countries universities are participating in income generating activities in order to meet the shortfall in funding. The World Bank (2000) is encouraging developing countries to follow this example and develop policies that will make universities provide for part of their budgets.

The findings in this section of the study reveal that the main sources of funding for each of the three universities, the University of Botswana, the National University of Lesotho and the University of Swaziland are, in descending order, subvention from their governments, tuition fees, residence fees and other small amounts generated by the institutions. These findings confirm findings of similar studies elsewhere (Abagi, 1996; Babalola, 1998; Odebiyi and Aina, 1999) that reveal that in Kenya and Nigeria, universities depend on government for their funding. Whereas in Kenya and Nigeria the governments cater for about 95% of the universities' total funds, the findings of this study reveal that the main provider of funds in each case, the government, caters for funding to a lesser degree. The proportion of government funding (excluding money loaned to students for their fees) in the university's annual revenue is 54% in Botswana, 64% in Swaziland and 68% in Lesotho. This pattern seems to follow the economic status of each of these countries (see Chapter One). Botswana, having a better economic base than the other two countries, seems to provide a better environment for UB to generate income from other sources. The difference between the literature and the findings of this study in the level of government contribution is also due to the fact that tuition fees and residence fees are paid directly by the students mainly through government secured study grants/loans. The governments cater for about 90% of the total student population in paying for their tuition, residence and meals through scholarships/bursaries/loans. The remainder of the students have private sources of funding.

The universities are able to invest some of these funds in order to generate a bank interest which is a sizeable amount in each case as it can be noted in tables 5.1, 5.2 and 5.3. In reality, the governments are funding the universities to a tune of at least half the total cost of higher

education. This is consistent with the argument that universities in developing countries are heavily dependent on government sources for funding (Ziderman and Albrecht, 1995; Banya and Elu, 2001; World Bank, 1994; World Bank, 2000).

Donor/aid agency funds are available in small amounts. However, those funds are set aside for specific projects. They are not available for general university business. These findings are consistent with the literature which asserts that donor/aid agency funds are usually committed to a specific purpose determined by the donor or aid agency (Wield, 1997, Samoff and Carrol, 2002).

In all three countries there is no clear set mechanism on how the government allocation of funds to higher education is conducted. The decision to allocate funds is similar to the English university model where:

The Government divides the 'cake' according to needs and political priorities using the mechanism of Comprehensive Spending Review (CSR) (Prowle and Morgan, 2005: p. 15)

Whereas in Botswana and Swaziland the above situation may continue into the future, the Government of Lesotho has set the annual allocation of subvention to NUL at a figure of 120 million Maloti with effect from 2005. This arrangement will remain in force until 2008. This is because the country's resources are constrained. It must also be pointed out that the three Governments' allocation of funds to their universities is based on revenue that is generated from taxes and other sources as an ongoing process throughout the year. Hence, there is a need to base allocation on priorities.

Another finding of this study is that the amounts of funding that the universities receive from their respective governments are increasing. This increase has been generally slow between 1999 and 2005 rendering the resources inadequate (see Table 6.1 below on the trend in the subvention allocations from governments to the three universities since 1995). The slow increase is attributed to the poor state of the economy in the Southern Africa region, poverty and other emerging needs such as the HIV/AIDS pandemic that call for the governments' attention. The trend is that generally, the economy in the Southern Africa region is slowly

increasing; hence a slow corresponding increase in budgetary allocations at government level. Whereas most of the literature argues that the government funding to higher education is on the decrease in most developing countries (World Bank, 1994; Zideman and Albrecht, 1995; Wield, 1997), the findings of this study differ. They confirm those of an empirical study conducted by Varghese (2001). Varghese concludes that “it is not always factually correct to argue that the share of higher education in the education budget declined” (p. 9).

Table 6.1: Government Subvention Figures to UB, NUL and UNISWA

Year	UB		NUL		UNISWA	
	Amount (P '000)	% Increase/ Decrease	Amount (M '000)	% Increase/ Decrease	Amount (E '000)	% Increase/ Decrease
1995/96	116 703	-	45 347	-	36 914	-
1996/97	161 701	38.6	63 000	39.0	40 375	9.4
1997/98	195 798	21.1	73 518	16.7	44 199	9.5
1998/99	202 029	3.2	87 500	19.0	58 501	32.4
1999/2000	250 384	23.9	87 500	0	60 844	4.0
2000/01	275 150	9.9	95 723	9.4	63 886	5.0
2001/02	284 153	3.3	104 536	9.2	85 229	33.4
2002/03	316 122	11.1	112 179	7.3	95 368	11.9
2003/04	314 272	-0.6	117 157	4.4	102 204	7.2
2004/05	281 140	-10.5	117 750	0.5	109 286	6.9
2005/06	344 476	22.5	120 000	1.9	113 773	4.1

Source: Ministry of Finance and Planning Development, Government of Lesotho, National University of Lesotho (2006), University of Botswana's Financial Services Office, University of Botswana (2002; 2003; 2004e; 2005), University of Swaziland Bursar's Office and University of Swaziland (2002; 2003; 2004e; 2005).

Botswana stands out among the three countries where the government shows its commitment to funding capital projects at its university. The findings reveal that the government involves the University of Botswana when designing its National Development Plans so that the needs of the higher education sector can be incorporated into the national plans. As a result, the university space has expanded immensely in the last ten years. On the other hand, the Government of Swaziland is presenting its development plan through the National

Development Strategy (NDS) (Government of Swaziland, 1998). The NDS does not make capital projects for higher education a priority whereas other capital projects of national interest such as roads construction are. In Lesotho, none of the interviewees could offer an explanation why capital projects are neglected by the government at the university besides stating that there is a shortage of government funds. It goes back to the planning process at government level. There are no up-to-date national development plans in the government ministries in Lesotho and Swaziland. The lack of support for capital projects for NUL and UNISWA in the 1990s and the first few years in the twenty-first century could have been caused by the poor economy of the two countries. Further, the policies of international agencies such as the World Bank could have also influenced the governments in these countries to disregard funding capital projects in their universities in favour of basic education.

Management of Financial Resources

Budgeting

The management of financial resources calls for delegation of authority in large organisations such as higher education institutions. This is achieved through a budgeting process as (Prowle and Morgan, 2005: p. 101) assert that:

Giving a subordinate manager a budget delegates the authority to incur expenditure up to the budget level without the need to refer the expenditure decision to higher authority...may also lead to better decisions because the lower level manager is closer to the point of action and therefore better informed about what needs to be done.

Prowle and Morgan further argue that a budget facilitates

- Delegation-giving authority to lower level managers.
- Planning-outlining the activities to be undertaken in the next few years and the resources to be required.
- Resource allocation-sharing available resources among competing activities in the organization.
- Financial control-exerting managerial control over spending to ensure that actual expenditure is in line with set limits.
- Motivation-making an impact on the managerial performance of individual managers.

Source: Adapted from Prowle and Morgan (2005, pp. 101-102)

These arguments are applicable to UB, NUL and UNISWA where some authority is delegated to academics. The organisational structure of a university requires that some administrative functions be performed at departmental and faculty levels. The management of financial resources in each of the three universities is comparatively similar in its location in the central administration, faculties and departments.

The budgeting process is one that can be termed participatory because its preparation involves the people for whom it is meant to serve: the academics and administrators. It is, however, only decentralised to the extent that Heads of Department/Unit and Deans of Faculty are the key players or the budget holders. They prepare the budget at their level and recommend it to the central administration for consideration first by the Directorate of Financial Services (at UB) or the Bursary (at NUL and UNISWA). Thereafter, the senior university officers make their input before its transmission to a subcommittee of Council and later to Council. The Deans of Faculty and Heads of Department are close to where the resources are required for use. They are the ones who know their needs better than anyone else; therefore, they are involved in the preparation of the budget. The budgeting process may also be described as both “incremental and historical” (Sanyal and Martin, 2006a) in the sense that it is based on the previous year’s budget. Such a budget allows for adjustments to be made, taking into consideration “the effects of inflation, new developments, changes at the margin or the need to generate an efficiency improvement” (Prowle and Morgan, 2005: p. 108). Most of the interviewees in all three institutions stated that comparisons between the previous year’s budget and the one in preparation are made at almost every level to ensure that the latter is realistic. The government in each country allocates funds on the basis of those requests on the budget.

The similarity in the preparation of the budget at UB, NUL and UNISWA may be explained by the fact that these universities have one historical origin, the University of Botswana, Lesotho and Swaziland. The latter had an established workable financial management system modelled on that of a British university. Also, for over two decades during these universities’ separate existence the inherited financial management processes have proved useful. This

may also be attributed to their small size.

The general practice in universities that follow the old British model of a university is that positions of Deans and Heads of Department may be termed 'political' positions because the incumbents are elected by their colleagues into those positions. They need not have training in financial management matters (Warner and Leonard, 1997; Clark, 2004). Therefore, support in terms of budgeting and budget monitoring is necessary. This is a function that is expected to be provided by the Finance Office. Some of the interviewees indicated that support is provided to the departments. This is the case at the University of Botswana. However, there were dissenting views on this issue. For example, one interviewee pointed out that there is no support provided by the Finance Office. It was only after the Heads of Department had threatened not to prepare the budget that help came from the Finance Office at UB in 2004/2005:

No, there is no support. In fact in the last few years we have been requesting that Heads of Department need to be inducted with the financial procedures. What they did they produced a financial manual which was approved by Council. And then this year we had to ask the Directorate of Financial Services to come to Departments, to Faculties to explain because Faculties were very unhappy about a situation whereby they would be told okay, do the budget and they spell out everything that they need and then it would be cut unilaterally without any explanation as to why it was cut... So, this year the staff were very reluctant to do the budget... (Interviewee 5B)

Another interviewee at UB observed that lack of regular support to the academic units with respect to budget matters is caused by a shortage of manpower in the Directorate of Financial Services. Similarly, some of the interviewees at the University of Swaziland stated that there is support given to the academic departments in budgeting in a form of training. The frequency of this training could not be established. Another interviewee stated that there is a need for support:

Maybe not all of them (Heads of Department) would have the experience. Certainly, in my Faculty I have always insisted that there should be a departmental process where people with different experiences would assist one another. It is not always easy to be able to do this, certainly not for new Heads of Department. We do not provide any training per se, formal training per se. I think

there are always some indications as to what are the key things that people should be looking at from the Bursar's Office... (Interviewee 3A)

NUL relies on Assistant Registrars that are attached to the faculties to help with policy issues on financial matters. The provision of support by way of training new Heads of Department in budgeting is missing. Again this is due to shortage of personnel in the Bursar's Office. Generally, the findings at the three universities are that support to the budget holders is inadequate because of shortage of manpower. This lack of support makes it difficult for the Heads of Department to carry out their function of budgeting. Based on arguments raised by Warner and Leonard (1997), this issue needs attention in all three universities.

Internal Allocation of Resources

The findings on the 'model' for internal allocation of resources at the three universities are that the institutions have authority to decide how to allocate their funds to academic departments and support units. In each case decisions are based on both needs and consensus. This procedure is consistent with the findings of a study that was conducted in Nigeria on 'Modelling for Resource Allocation to Departments and Faculties in African Universities' (Liverpool, *et al.*, 1996). The authors note that:

In Nigeria, although the National Universities Commission (NUC) advises government on university needs and guides universities on efficient use of funds, it is the universities that decide on the resources required, their acquisition and their allocation to the various internal units. The universities also independently monitor their budgets and funds through control devices, including an expenditure control unit and the use of virement techniques. (p. 1)

The freedom to internally allocate resources at each of the three universities emanates from their detailed budgeting that is scrutinised by their governments prior to the allocation of funds. The governments are also represented on the Councils which monitor the financial resources. Therefore, there is no need for control external to the institutions. These findings are also consistent with the literature (Liefner, 2003; Jarzabkowski, 2002).

It is worth noting that at UNISWA there was a lone interviewee who felt that there was need for a formula to be introduced to help determine the amounts allocated to teaching and other

operations to ensure equity. However, since there is an arrangement of virements of funds when the need arises in all three institutions, this need seems to be taken care of under this arrangement.

Spending Control Measures

Prowle and Morgan (2005: p. 111) argue that a sound budgetary reporting system in organisations of higher education is one that provides information to budget managers on how their progress is against their budgets. It can be identified with the following characteristics:

- **Relevance** - the information should be relevant to their budget;
- **Frequency and timelines** - monthly reports need to be made available promptly. Where the information is available online, it must be updated often;
- **Format** - the format may vary but it must contain such key information as total budget for the year, budget for the month, expenditure for the month, cumulative budget for the year, cumulative expenditure for the year and year end estimated expenditure;
- **Accuracy and content** - the information must be accurate showing cash payments made and commitments of payments already made;
- **Support** - it should be one that gives support to the managers as much as necessary.

The above characteristics are relevant to the budgets of the three universities. The budget holders should be able to access accurate information or reports on their spending trend on a regular basis. This would enable them to function efficiently in their roles.

The findings are that spending control measures are strict at the UB and the NUL. The spending is in accordance with the budget allocations. It is controlled electronically by the central financial office. The departments have access to the financial information system for self-monitoring. It is only in exceptional circumstances that spending across vote lines is authorised by either the Vice Chancellor or the Finance Committee of Council. Similar practices are said to be in place at the UNISWA. However, unauthorised spending could be possible under the current arrangement where the Bursar's Office can authorise a transfer of funds from one vote to another. Thus spending may be legitimate on paper but unnecessary.

The findings also reveal that UB and UNISWA are successful in exercising spending control

measures leading to timely production of statements of accounts because they have employed internal auditors to manage the spending in accordance with the budgets. This is again consistent with the above findings of the study by Liverpool *et al.* (1996). The absence of an internal auditor remains a challenge at NUL. It may cause delays in the reconciliation process, leading to delays in the preparation of audited financial statements by external auditors.

Accountability

Accountability has been stated by the OECD (2004: p. 24) in its status of higher education in member countries as “a necessary corollary of autonomy.” The same document further states that:

The factors that drive in the direction of autonomy also make it necessary to establish new mechanisms to ensure that institutions are responsive to the national and regional public interest; and to the needs of different groups. (p. 24)

The OECD also notes that in more centralised systems of higher education the relationship between the institutions and funders is of an owner/co-funder type:

In it, the state could be described as the parent body to the education institution. The parent generally owns assets, it determines the main strategies and objectives of the institution, and provides the major part of the funding (usually in the form of budgets) for the main activity. (p. 26)

This study established that accountability in a form of reports such as Vice Chancellor's reports and financial statements to funders of the universities is taking place at UB and UNISWA. Audited financial statements are prepared and submitted to the relevant funders or governing bodies. Donor/aid agencies are supplied with reports as specified by the memoranda of understanding between them and the universities. NUL is experiencing some difficulties in this area. For instance, whereas accounting to donors/aid agencies is taking place, the same does not hold true for the broader accountability process for all the university's funds through audited financial statements. The audited financial statements for the period 2000 to 2005 were being prepared during the conduct of this study. This problem is an old one as it has been highlighted elsewhere (National University of Lesotho, 2002a; Bollag, 2003; Ntimo-Makara, 2003). A possible explanation for the difference between NUL and its sister universities in Botswana and Swaziland is that in practice, NUL is accountable to

the Auditor General, an employee of Parliament, whereas the other two universities are accountable to their Councils as governing bodies. The National University of Lesotho Order, 1992 is vague on the powers of the Council vis-à-vis Auditor General with respect to the scrutiny of financial statements. The Auditor General is currently responsible for appointing the external auditors for NUL, making them accountable to government rather than Council as one interviewee explained:

The Council wants (the financial statements) after the audit. So, after (the audit), we have to be able to go through the Council and then send them to the government. But of course, the government appoints the auditors. (Interviewee 7C)

Inefficiency in the Bursar's Office has been cited as a problem at NUL. Ntimo-Makara (2003) notes that this problem of poor financial accountability extends to other public institutions in Lesotho. Since financial probity is a serious matter, the policy-makers at NUL need to attend to this matter.

In summary, there are similarities in the manner in which the preparation of budgets, internal allocation of funds, budget/spending controls and accountability to funders are carried out in all three universities. There are minor differences in some of the processes which can be attributed to inefficiencies rather than policy. For example, there is a possibility of overstating the budgetary requirements at UNISWA and a backlog in the preparation of financial statements at NUL.

Challenges Facing the Universities

The challenges that were presented in the previous chapter can be classified into those that are external to the universities or occurring at national level and those that are internal to the universities. Some of them are common to all three institutions and others are peculiar to a single institution. Their discussion will be approached from the premise that addressing them may bring about some relief on the pressing need for funding at UB, NUL and UNISWA. Others have been discussed elsewhere. Therefore, a repetition of that discussion is unnecessary at this stage.

Accountability

This study found that accountability extending beyond audited financial statements is an issue

that requires attention between the universities and the governments in Botswana and Swaziland. Some of the interviewees at UB expressed that the government officials tend to look at a detailed account of how money has been used and compare the university with profit-making organisations as a yardstick for accountability. The university's primary goal is not about making profits. It is to do scholarly work through teaching, research and service. There is a view from the interviewees in Botswana that perhaps the government could take the product of the system (graduates) also as a way of accounting for the input (financial resources) rather than looking at how the funds have been utilised only. The government could then take into consideration the effectiveness of the university in producing graduates when allocating funds for the following year.

There were similar arguments raised in Swaziland where some interviewees stated that there is lack of appreciation for higher education at government level. According to these interviewees, this is evident in the manner in which allocations are made to the university. The government tends to allocate a small amount of money to the university whereas the manpower that is trained will take up employment in the public and private sectors, both of which contribute to the development of the nation economically, socially, politically and otherwise. The findings suggest that in both Botswana and Swaziland there is an attitudinal problem between government officials and university authorities.

According to an interviewee in Botswana, an option that could resolve this challenge is an introduction of a formula-based funding model. There are several models that are usually developed to address a local problem. Some of them would base funding on input (admission figures, number of staff members, predictable amount of money to be generated by universities from private sources, and so on) considered jointly with the programmes of study. Others are output-based, focusing on the number of graduates produced annually (Moore, 1982). The idea of a formula-based funding model through a performance contract is also viewed by the Government of Swaziland as a viable option as an interviewee argued as follows:

The university could be in a position to see how much they could expect from government from year to year. So, once you know the resources to expect from

government, you can plan your expenditure by way of determining the number of new students to be admitted into the university...Also, in that kind of an agreement, government could tell the university that if so much is allocated to it, so much is expected as production based on the money so allocated. (Interviewee 4A)

It is worth noting that formula-based funding could be sensitive to fluctuations in the economy. If a government finds that it can no longer meet its obligations due to increased demand on the national budget, higher education could suffer the consequences.

Another consideration that needs to be put into perspective is that these universities are undergoing a growth process that is supported by their governments to a large extent. If at any point they would fail to meet the requirements of the formula, funding could be jeopardised. The formula would depend on variables such as manpower projections which are not readily available in any of the three countries at present. A lot of caution needs to be exercised in this matter. For example, a study commissioned by the World Bank (Merisotis, 2003) recommended that formula-based funding should not be introduced in Ethiopia yet because of its sophistication and the fact that some of the variables required in the formula would not be easily attainable. Instead, Merisotis recommended that government should move towards a system of block grant funding instead of a line-item budgeting system in higher education. Therefore, a point to note is that universities worldwide are moving towards formula-based funding, built on performance indicators, as a means for government to allocate funds to universities and the universities to internally allocate their funds. However, this system works well where all the variables are stable.

Competition with other Service Providers

The findings of this study reveal that there are competitors with UB, NUL and UNISWA that are chosen by the respective governments to provide services which can be provided by the universities. For example, in Botswana there is some money for government staff training that is allocated to each ministry that is spent elsewhere whereas the university can provide the same services. Similarly, the Government of Lesotho is paying huge amounts of money to train some of its students in South Africa whereas that money could be used to develop NUL to train those students in disciplines that are sought after in South Africa. Similarly, an interviewee argued that there is evidence that Swaziland Government staff attend short courses

in South Africa's institutions of higher learning from time to time. These courses can be provided locally. It is true that in a free-market society there is freedom to choose with whom to enter into business. The governments can choose their service providers. However, concerns from the interviewees are that there is merit in choosing equitably. It is also noted that there are areas where the governments have no control. For example, in his work on the political economy of adult education and development, Youngman (2000) argues that globalisation has made its effect felt in almost every sphere of development without being restricted by national boundaries. There is cross-border economic activity which is supported by World Trade Organisation rules. Service providers may be chosen by clients across borders at will, especially if they are perceived to be significantly cheaper than local ones in their service provision.

Other commentators argue that an increase in private providers of services in higher education is a healthy exercise because it encourages competition and improves efficiency (Zideman and Albrecht, 1995; World Bank, 2000). In this regard, universities are encouraged to develop their services and market them to the governments in order to outdo their competitors. Coincidentally, the National University of Lesotho is expanding its programmes on offer in competition with these private providers of services.

HIV/AIDS Pandemic

One of the challenges that this study found is the prevalence of the HIV/AIDS pandemic in Botswana, Lesotho and Swaziland. The pandemic is a threat to higher education funding because some of the national resources are now directed by the governments towards the battle against HIV/AIDS. As a result of this national commitment, the amount of money targeted by the governments to higher education is insufficient.

Some studies (Booth, 2003; Ntimo-Makara, 2003) have highlighted the spread of the HIV/AIDS pandemic as one of the major latest challenges in the region. The hardest hit groups are the workers and people below the age of thirty, the groups from which students are recruited. This study found that in Botswana and Lesotho, there are efforts by the governments aimed at reducing the rate of future infection with the HIV/AIDS virus through national initiatives. For example, in Botswana, the national budget addresses this issue

through increased allocations to the President's Office. In Lesotho, all government ministries and public enterprises are required to set aside 2% of their annual budget allocation for programmes aimed at combating the pandemic. In Swaziland there are no similar structured programmes in ministries and public enterprises aimed at fighting the HIV/AIDS pandemic yet. Nonetheless, some budgetary allocations to help the ministries of health and education in their fight against HIV/AIDS are made by government annually. The control of the spread of the pandemic needs attention in Swaziland.

University Strategic Plans

All three universities prepared their strategic plans between 2000 and 2004 to take them through the first half of this decade and beyond. Each institution designed its strategic plan to deliver its services to the nation better. It also incorporated strategies to diversify its sources of revenue. All three universities are not implementing those plans for reasons which touch on their relationships with their governments. UB has a problem with the government policy of declaring all unused funds at the end of the financial year which has a bearing on how it will be funded the following year. Thus the former does not see any value in generating money which will be lost to government projects at the end of the year. The NUL's strategic plan was suspended by the Minister of Education after realising that some of the changes that were proposed by the plan, such as merging some faculties and abolishing some of the academic/administrative positions, were violating the University Act and Statutes. Further, the costs of the plan had not been prepared for government to consider the financial implications. UNISWA did not receive funding from the Swaziland Government to implement its strategic plan despite the fact that the latter was consulted in the plan's preparation.

The governments' directives to have their universities reduce dependence on government for funding lack commitment from the former. Prior to the introduction of the strategic plans at the universities, the universities relied on their development plans. The strategic plans were introduced in response to the governments' directives. They marked change in the process of planning. The implementation of change in organisations requires, among other factors; need, clarity, and quality/practicality as Fullan (1991, pp. 69-72) argues:

...implementation is more effective when it is relatively focused or specific needs are specified...while the importance of perceived or felt need is obvious, its role is not all that straightforward...lack of clarity-diffuse goals and unspecified means of implementation-represent a major problem at the implementation stage...inadequate quality and even the simple unavailability of materials and other resources can result when adoption decisions are made on the grounds of political necessity, or even on grounds of perceived need without time for development.

Whereas the need for the strategic plans is evident in the light of inadequate financial resources provided by the governments to the universities, clarity of the means for their implementation and the practicality of such implementation are less obvious. Arguably, the NUL's authorities did not give enough time to consultations with all stakeholders on the formulation of the strategic plan. Had that been done, the need for attending to the statutory implications for the proposed changes would have surfaced at that stage and the budgetary implications for the plan would have been raised at some point. It is also unclear why the government has kept the strategic plan suspended or why the correction of the mistakes at NUL has been delayed for more than three years since the plan's launching in 2002. It would appear that the champions of the plan, the government ministries that work with the university in each of the three countries, did not clarify the entire process beyond the need.

The practicality of implementing the strategic plan at UNISWA is an issue as there are no government funds committed to the strategic plan. Some of the interviewees stated that the Swaziland Government, as the main funder for the university, is expected to make some funds available for the initial phase of the strategic plan. Similarly, UB is caught up in a situation that calls for clarification of the strategic plan's implementation process as far as government's policies are concerned on the revenue generated. Some insight may be gained from a lone voice at UNISWA on the 'imported policies' that are forced upon the institutions by their governments that invites consideration:

As governments we set up certain policies which should guide our development and our priorities in funding. I do realize that a number of these are foreign driven...we take those and put them as our priorities and as our objectives. However, what happens on the ground might not be what those organizations have pushed us to agree to. So, I think there is a big element of that, whereby these noble objectives are set to guide, but on the ground it is not quite that. So, I believe this is one other case where we have put those

objectives but then when you come to the working, you find really that there is not that much commitment or that much conviction that this is a priority. (Interviewee 2A)

According to the above argument, some of these changes are foreign driven and they lack commitment from the national governments. There are international organisations such as the World Bank and UNESCO that introduce them through the national governments. Having brought into the international policies, the governments ought to support the changes that go with them. Warner and Leonard (1997) argue that, "Only one thing is certain: it must have the commitment of management at all levels. If (it is not supported at all levels), it will fail" (p. 9). This commitment requires agreeing to the implementation of the strategic plans with an injection of the necessary funds. It also requires making income generation attractive by addressing contentious policies that make universities lose money that they have generated (Ziderman and Albrecht, 1995).

Declaration of Unused Funds

The Government of Botswana's policy to have all parastatals declare their unused funds at the end of the financial year is contentious at the University of Botswana. This challenge was viewed by interviewees at the University of Botswana as one way to discourage enforcement of internal controls in the management of financial resources. Whereas the primary concern in organizations would be to spend money appropriately on what it was allocated for, there is a need also to save it where possible. The emergence of the requirement to declare unused funds at the University of Botswana serves as a disincentive for some budget holders to spend money wisely. This means that at the end of the year there might be no savings in their departmental votes because they would have spent all the money. An interviewee stated this challenge as follows:

But to a less extent also working with the various budget holders in getting them to use financial resources much more prudently is also a challenge... It is just that it is compounded by the fact that if any departments have a saving, they lose all their money. The university also loses its money to government. That lack of incentive really is a problem... (Interviewee 7B)

The above government policy makes some departments rush to spending as much as they can before the close of the financial year because if they do not, that money becomes part of the

following year's "allocation from government." The departments then lose their money (see further discussion on income generating activities below).

Tension Between the University and Government

The National Development Plan (NDP 9) of Botswana incorporates the establishment of a second university in order to increase access to higher education. This university is scheduled to open its doors to the first intake in 2007. It will be a Science and Technology-based university located in Maun in the Northern part of Botswana. The University of Botswana, on the other hand, prepared its strategic plan, *Shaping Our Future*, envisaging, among other endeavours, to establish new academic programmes that would be responsive to the needs of the country. Among those programmes would be mining engineering, information communication technology and their applications with a possibility of adding others as the need arises. Further, this intention was communicated to the government during the preparation of NDP 9. Despite these efforts, the government is now going to establish a second university offering as its main programmes some of those that are currently offered by UB. The implication is that some of the members of staff in the Faculties of Science and Engineering Technology are likely to join this new university and the allocation of resources to UB is likely to be negatively affected.

An interviewee, arguing from the point of access to higher education, stated that the second university is necessary if you look at the number of qualifying students who end up not getting admitted at the only university because of shortage of space; however, there is an issue to be resolved concerning the focus of this second university:

Now (concerning) the establishment of the second university, we were very much aware of the fact that we need a second university because we receive about seventeen thousand applications...our facilities here can only admit between three to three point five thousand students per year...Now, there is a problem in terms of our positioning ourselves within that university. First of all, that university is envisaged as a Science and Technology university. Now we have a Faculty of Science and a Faculty of Engineering Technology. It is not yet clear whether these will relocate to the Science and Technology University or they will continue to be part of our university. (Interviewee 5B)

The emergence of the second university also brings into question as to how the allocation of

funds will be handled by the newly established Tertiary Education Council (TEC) whose duty will be, among others, to allocate funding to tertiary institutions in Botswana. After interviewing government officials and university officers, there was evidence that there is lack of consultation between the two parties on these issues of national importance (second university and TEC). The interviewees at the university stated that they were consulted by the government when the preparation of NDP 9 was underway. It is only now that the second university will be opened that the government is not forthcoming about the implications of this development.

The establishment of the second university has been viewed as a challenge to the University of Botswana by other scholars. For example, Weeks (2003) notes that a national committee was set up to prepare a national document *Vision for 2016* that would mark fifty years of independence for Botswana. It recommended that the creation of the second university be considered at the end of NDP 9 in 2008. Weeks further notes that the desire for recognition among the people of the Northern part of Botswana would not deter calls for the deferment of the creation of the second university. The findings of this study indicate that it is perhaps more of fulfilment of political promises to the people of the North than an absolute need. This is because the University of Botswana has indicated its intention to move in the direction of mounting programmes similar to those that will be offered by the University of Science and Technology (second university). UB is already offering some of those programmes. The establishment of the second university has a potential for tensions between government and the UB.

The findings also reveal that there are tensions between the University of Swaziland and the Swaziland Government because of unclear practical policies relating to funding the university. As a result, the University of Swaziland has resorted to approaching the Chancellor for funding when the government fails to give it sufficient funds. The Ministry of Education is not happy about this move because it feels that since it is funding the university, it should have control over it. Thus the issue of the university's autonomy is at stake. In both cases there is need for the sources of tension to be given attention by the respective authorities.

Future Funding Strategies for the Universities

Government Funding

The findings revealed that the governments in the three countries are still committed to funding their universities into the future. The poor state of the economy could not permit the interviewees to make projections as to what level of funding could be made to the institutions. In a study that was conducted by Lund (1999) among Commonwealth countries she established that in both developed and developing countries, the level of government funding for universities is anything between 25 and 90% nowadays. A decline in funding from governments and donor/aid agencies is common universally. Universities are now embarking upon alternative ways of generating income. Therefore, the calls from the governments to the universities of Botswana, Lesotho and Swaziland to diversify their funding sources are justified.

Cost Sharing

In an effort to embark on cost-sharing with higher education beneficiaries and as a drive towards cost saving, the governments of the three countries vaguely indicated that students would have to contribute to their higher education (Government of Botswana, 2002; Government of Lesotho, 2003b; Government of Swaziland, 1999b). This point was further confirmed by the interviewees in this study, but it is not yet clear how this policy will be implemented. Cost-sharing in developing countries has for quite sometime been considered to be possible taking into account that most of those students who make it to university are usually members of families that are capable of paying the fees (World Bank, 1994; Zideman and Albrecht, 1995; Lund, 1999; Johnstone, 2006). The World Bank further contends that those who get a higher education qualification can be expected to get higher lifetime earnings. Therefore, they should be made to pay towards their education. Although cost-sharing is to be introduced in 2006 in Botswana, there is no tangible mechanism yet as to how financially poor students will be assisted with their education. Also, there are no means-testing mechanisms in place for discerning those who deserve financial assistance from those who do not, except for reliance on the social welfare system. The Governments of Lesotho and Swaziland have not yet set a date for implementing cost-sharing in higher education.

Lesotho is faced with a socio-economic problem of poverty. The DFID (2002) observes that

Lesotho is one of the poorest countries in Southern Africa without any mineral resources. It depends on taxes, remittances for immigrant workers in South Africa and lately, sales of its water from the Highlands Water Scheme to South Africa. More than 49% of its population lives below the poverty line or on less than one Dollar a day (World Factbook, 2005). There are few people in Lesotho who can afford to pay for their children to go to university. The dependence on government is going to be with the university and students for a long time. An interviewee re-affirmed this position in the following argument:

Yeah, the economic situation, the poverty, impacts on the country. The university is not an island. It is part and parcel of this society which is poor and even if we were to get out of the government, the fees would have to be paid by the parents. The parents are poor. They won't be able to afford (the fees). It is only few individuals and also those who have some economic strength to warrant paying for their children. (Interviewee 5C)

Cost-sharing has been tried in Kenya, Tanzania, Malawi and Ethiopia, to name a few countries (Oketch, 2003a; 2003b; Ishengoma, 2004). Cases of resistance by students and their parents have been reported. Similarly, Babalola (1998) reports in her study that the Government of Nigeria shelved the introduction of cost-sharing indefinitely because of fear of reprisals from the public and students. The governments of Botswana and Lesotho are offering free education up to the end of secondary school and primary school, respectively. Full university loan/scholarships are given to students. The undertaking by the Government of Botswana to consult extensively with both parents and students on the proposed policy on cost-sharing was necessary because it prepared the parents and students for the change. Its outcome is yet to be known. On the other hand, the Governments of Lesotho and Swaziland have not yet consulted the beneficiaries of higher education and their parents. Cost-sharing is a necessary step in financing higher education (Albrecht and Ziderman, 1993; World Bank, 1994; Sanyal and Martin, 2006a). It needs a development of workable means-testing mechanisms which are not yet available in these three countries.

Student Loans/Grants/Scholarships

All three countries assist students with loans/grants/scholarships, but they have a high failure rate in collecting the loan portion when the beneficiaries are in employment. These findings confirm those of a study by Ziderman and Albrecht (1995) who argue that study loans

recovery failure is common in developing countries. This is attributable to poor government machinery for carrying out the loans collection and high administrative costs. The three governments are not placing this loaned money back into a revolving fund to help future generations. There are the Department of Student Placement and Welfare in Botswana, the Directorate of Manpower Training Secretariat in Lesotho and the Department of Scholarship and Training in Swaziland with the remit to disburse funds to deserving students and to collect the loan portion of the funds from the beneficiaries upon graduation. The government interviewees in each country reported that the governments are addressing this issue by putting together legal instruments that will make it easy to collect the loans. There are moves to make the Department of Student Placement and Welfare a separate entity from the Ministry of Education in Botswana in an attempt to improve its staff's effectiveness in discharging its duties. It is worth noting that socio-economic challenges such as unemployment experienced by a large portion of the population in all three countries and high administrative costs could make the loan recovery process very difficult. South Africa is a good example of where poor loan recovery in hard-pressed communities is taking place (van Harte, 2002).

Increasing student numbers

Many universities the world over rely on increasing student enrolments and adjusting tuition fees upward in order to sustain their activities. Private providers of higher education are an example of institutions that depend on fees even in developing countries (Court, 1999; Oketch, 2003b; 2004). The World Bank (2002b) advocates charging tuition fees and eliminating subsidies for non-instructional costs where these are hitherto not charged to students. It states:

Governments can permit public institutions to establish their own tuition and fees without interference...countries can also eliminate all subsidisation of non-instructional expenditures such as housing and meals. (p. 41)

The governments of Botswana, Lesotho and Swaziland are sponsoring at least 90% of the student population at their universities. The governments have not set a ceiling on the intake that is under government sponsorship. In principle, UB, NUL and UNISWA could increase their intake in order to access more funds through tuition. However, the situation at NUL is such that the institution already has pressure on student numbers. It can not enrol more students than at the current levels without classroom and hostel expansion first.

The infrastructure at NUL is in need of attention. The Government of Lesotho has not allocated funds for capital projects to the university for a long time. An interviewee related the challenge as follows:

We were always submitting annually and we wouldn't get a cent. But this year they are promising. We are not sure if they are serious. We are hoping...They have promised to help us with the construction of some laboratories and an extension of the library... (Interviewee 2C)

The last capital project was sponsored by the World Bank to expand the Faculty of Science between 1991 and 1999. The Government of Lesotho has since acknowledged the need to build more structures on campus in order to help the university increase its intake especially in critical programmes. It has projected to help the university expand its physical facilities in order to increase its intake to at least 10 000 students by 2014 (Government of Lesotho, 2005). Similarly, UNISWA is limited by classroom and hostel space. The teaching facilities have not been expanded in the last ten to fifteen years. UB, on the other hand, enjoys support from its government on the funding of capital projects. It is increasing its student intake to reach its government-driven target of enrolling 15 000 fulltime students by 2010. In fact that target could be reached sooner than 2010. UB's position with respect to increasing student numbers is favoured by a fairly good economy compared with the other two countries. This is accompanied by comprehensive national development plans as discussed above.

Despite these constraints, all three universities have undergone an increase in student intake in the last fifteen years risking some of the dangers that are presented by Saint (2005):

Institutions have often expanded enrolments as budgets decline. This increases the need for academic staff and their hiring crowds (to search for) funding for vital non-salary spending (e.g. teaching materials, textbooks, equipment, and the like). Funding contributions from non-public sources (e.g., the private sector) are rare. Small countries are challenged because they may lack the resources to support the needed array of education and training (programmes)... (p.7)

Table 6.2 below shows the institutions' undergraduate enrolment trends between 2001 and 2005.

Table 6.2 Trends in Student Enrolment at UB, NUL and UNISWA

	2001/02	2002/03	2003/04	2004/05
UB	9 658	10 538	13 104	12 771
NUL	3 167	4 067	4 765	5 140
UNISWA	3 143	3 211	3 521	3 567

Source: UB's Annual Reports (2001/5), University of Swaziland (2006) and National University of Lesotho (2006b)

There are upward annual adjustments effected in fees across the board to cater for inflation at each of these universities. These are within a margin of five to ten percent. They result in small increases in total revenue generated from fees. The findings suggest that an increase in student intake could be undertaken to increase the university revenue once classroom space has been expanded and enough staff have been recruited in order to avoid the quality of the programmes being compromised.

The interviewees on government side in all three countries stated that if the universities were prepared to increase enrolment of local students, the governments would award the students the necessary scholarships. Thus, increasing the university revenue through increased enrolments is limited by space in most cases. Concerted efforts to increase the student enrolments are likely to yield a further increase in revenue from tuition fees (Tables 5.1, 5.2 and 5.3).

Increasing Student Fees

There is a similarity in the desire to increase student fees among the three universities with an intention to recover a figure that approximates the unit cost of education. Whereas the literature (see chapter three) advocates fee increases to meet some of the operational costs, the prospects for this are limited at UB, NUL or UNISWA because of several reasons. The universities are government-owned, making the authorities accountable to their governments. If the fees were increased drastically, the governments would presumably object to the increase. They would probably use either their participation on Council or their annual budget allocation to stop any drastic increase in fees. A high increase in fees would also encourage an

emigration of students to South African universities. At least those students who would afford to pay high fees in South Africa could compare the level of education offered locally and abroad and possibly emigrate. A small group of students from other SADC countries would be discouraged from attending these universities (UB, NUL and UNISWA) because the universities are located in countries with strong monetary currencies in the region.

Consultancies

The universities of Botswana, Lesotho and Swaziland allow their members of staff to take part in consultancy work and externally funded research. There are regulations that govern this process, starting with applying for permission from the appropriate office and ending with payment of a certain percentage of the income to the university. Each university has an office whose duty is to look for opportunities for consultancy work and also identify members of staff who can undertake it. These findings are consistent with those of Butare (2003) at Kigali Institute of Science, Technology and Management, Rwanda and Court (1999) at Makerere University, Uganda that staff members are encouraged to engage in consultancy work to help generate income for the university and also augment their salaries. At both institutions income through consultancies is generated and the dependence on public funds has reduced.

Money is generated by universities from consultancies if appropriate structures have been set up to solicit consultancies and make staff accountable to their employers on their activities. However, this type of income is insecure because it may fluctuate as policy changes are introduced by the institutions and the clients. Further, when new competitors come into the field, they may reduce the income that goes to the university (OECD, 2004). It was evident in this study that a bulk of the consultancy work done by university staff is for government ministries. Therefore, these universities have a challenge to market themselves effectively to the government ministries in order to secure this type of funding on a regular basis.

The location of these three universities with respect to other well-established universities in South Africa is a challenge. Competition against 'giants' in a form of available technological infrastructure and personnel was cited in Botswana and Lesotho as a drawback. The South African universities are attracting bigger funding for consultancies and funded research compared to the universities of Botswana, Lesotho and Swaziland.

Consultancies are taking place in all three universities as a new activity against a national background of a small population, small economy, limited facilities in each case and needless to say, generally inexperienced staff in consultancy work. This is evident in the following extract from an interviewee at the NUL who asserted that:

But in a country like ours, how many consultancies are available. There are not that many. I am not blaming anybody but that is a fact of life. The size of the country itself tells you. There are not that many consultancies. And there are some of these consultancies that are also probably beyond the capabilities of the university. Yes, we are limited. We are constrained in so many ways: manpower constraints and physical constraints. Other resources constraint our ability to compete for some of these consultancies. (Interviewee 3C)

These findings are consistent with the literature on income generating activities in higher education which suggests that staff generally undertakes consultancies as a means of generating income. However, the staff is usually not trained in doing consultancy work. The findings revealed a need for the staff's attitude to change also to embrace income generating activities. This is consistent with the arguments of Warner and Leonard (1997) and Clark (2004) that both administrators and academics should recognise the importance of income generation and participate in it. This is a change in the university's culture. The authors further argue that this new culture requires good staff development. Butare (2003) also makes similar arguments when he says that:

A positive attitude towards income generation has to be developed; the idea that pursuing aggressive income generating activities in an academic setting will compromise the quality of education is not correct. It is actually a wrong conservative attitude. On the contrary, teaching and learning themes should be translated into market commodities and services in order to increase the relevance of the institute's study programs. (p. 10)

This change of culture through staff development remains a challenge at each of the three universities.

Consultancy work by members of staff is prone to abuse as this study established that in all three universities some staff members do not declare their consultancies in order to avoid payment of the 20% or 40% levy to the university. For instance, an interviewee at UB had the

following to say:

Now, you can imagine, with the working conditions that I have just described, some colleagues would be a bit clandestine in a way because they wouldn't reveal what they are doing. They wouldn't declare all the consultancies that they are doing. They would only declare those that they know will get them into trouble... I am also being open here that I know a lot of colleagues will not declare a number of their consultancies because they know that if officially, they are requesting let's say to do two or three, they wouldn't go through. They wouldn't go through because people are going to start asking them, "What about your teaching load? What about your research? What about this?" So, most of them would not declare completely what they are doing. (Interviewee 4B)

All three universities are reportedly dealing with this problem intelligently. For example, a member of staff cannot cite work that he/she has not declared in his/her application for promotion and defaulters can be subjected to disciplinary action.

Philanthropies

In this section attention is paid to resources that are provided by individuals, companies and organisations to the institutions in a form of either gifts or endowments. UB and UNISWA have established a University Foundation each to carry out fundraising activities. This is based on past achievements in the development of these universities. The University of Botswana came about through the fundraising efforts of the first President of the Republic of Botswana, Sir Seretse Khama under the slogan, *One Man One Beast*. The Faculty of Commerce and the Institute of Distance Education buildings at the University of Swaziland were built through fundraising efforts of the then Fundraising Committee. Both universities are approaching industry, individuals and international organisations to contribute funds to their foundations. The money that is being raised through these efforts will be used for student scholarships, endowing chairs in departments and so on. These findings confirm those of Liefner (2003) and Johnstone (1998) that universities in the West are relying on philanthropists for funds and gifts in kind. The purpose of the university foundations in Botswana and Swaziland is also similar to that of the University of Witwatersrand (2001). At the University of Witwatersrand some of the foundation's funds are reportedly used to pay salaries for the best professors, endowing chairs and providing scholarships for some students.

Ziderman and Albrecht (1995) have noted in their study that industry is an area that may be

exploited for donations because it has an interest in matters of national policy and quality of graduates. Another reason for this interest is that some national policies affect the investment climate. Further, industry employs some of the graduates. Although the economy is small in all the participating countries, industry is targeted for future funding by these universities. In its study on "Diversifying the funding of public institutions and introducing incentives for their performance" the World Bank (1994) notes that in small countries with a limited economic base, funding from the lending community could be used to start projects in the institution to generate more money. In due course, the institution or its funded section could be in a position to stand on its own. It is worthy of note that if some companies were willing to donate large sums of money, the money could be invested and the interest used over time for a good course at the university (Warner and Leonard, 1997). However, Prowle and Morgan (2005) contend that endowment funds have as their disadvantage a return on investment which is sensitive to interest rates that tend to fluctuate from time to time. Nevertheless, the three universities state that they have a will to try this route.

Alumni

Most universities in North America draw upon the goodwill of their alumni. Universities in India are also fundraising through alumni (Tilak, 1989). NUL once ventured into a successful fundraising through alumni in 1999. The amount of money that was raised was small. The revival of this type of fundraising is limited by lack of human resources. UB and UNISWA are both targeting the alumni through their newly established foundations. This study could not establish how active the alumni are in these two universities because their activities are subsumed under the foundations' activities. The interviewees indicated that the desire to give to the institutions has not yet taken root among the alumni. This may be understood from the context of the poorly performing economy in the region resulting in a shortage of funds that the alumni may contribute to the institutions. An interviewee at NUL explained the situation as follows:

In a country like this where resources are generally limited across board, you have to have alumni who really have made it and have something to spare. Alumni who are prepared to die a little. I must be very careful the way I put it. I am not saying that the alumni are not interested in the university. All alumni are interested in the university. Now how do you ask an alumnus who is living on the fringes to contribute to the alma

mater. (Interviewee 3C)

Judging from the history of these three universities, among their products are graduates who have been in employment for more than three decades. If their success could be measured by their stability in employment, some funds could be generated from their contributions. The findings of this study indicate that there is no perceived urgency among the alumni to contribute even small amounts to their former universities. This could be due to the understanding that their governments are funding the universities without making it obvious that there is a shortfall in the funding figures.

The need to establish a fully-fledged alumni office at NUL calls for exploration because it could stimulate fundraising among alumni. Furthermore, it could serve social purposes which may later translate into making donations to the institution.

Donor/Aid Agency Funds

One of the initial objectives of this study was to investigate how the universities of Botswana, Lesotho and Swaziland are faring in their usage of donor/aid agency funds and their accountability on the same. This was covered under sources of funding. Two issues became evident during the course of this study on how these funds may be acquired. First, most donors/aid agencies prefer to give aid to national governments in which case the latter could decide to allocate some of those funds to education and training under the education sector depending on national priorities. Second, where there are donor funds given to the institutions, most of those funds are specifically set aside for projects. They can not be used in exactly the same way as other funds that are deposited in a pool for the universities' common purposes.

The evidence from this study is that donor/aid agency funds are on the decline and they can not make up even five percent of the total annual revenue at each university. Unfortunately, no figures were provided on these funds for analysis purposes because of the small separate amounts involved and the fact that in some cases the actual funds are kept in the donor/aid agency countries. Only equipment and supplies are sent to the recipient universities. This evidence may be understood through arguments presented by Samoff and Carrol (2002) that

the transformation of higher education in South Africa, a big neighbour in terms of higher education, affects all the three countries where this study was undertaken:

The transformation of higher education in South Africa has had enormous implications not only for that country, but for many countries in Africa-especially those in the SADC region-as South Africa has the largest higher education system in the continent. (p. 15)

Most of the donor/aid agencies that were doing business with South Africa's neighbours during the apartheid era shifted their focus to South Africa in the late 1990s. The end of the apartheid era in South Africa also coincided with the end of communism in Eastern Europe. Thus, donor/aid agency funds are limited to cover all needy countries. The donor/aid agency policies also change emphasis from time to time. For example, the World Bank and UNESCO are at present talking of knowledge-based aid as their area of interest in funding (World Bank, 2000; King and McGrath, 2004). In other words, although ownership of partnership initiatives should fall on the fund recipients, the funding from donor/aid agencies must be negotiated within the policies of the donor/aid agencies (Samoff and Carrol, 2002).

Donor funds have to be sought after, implying that there should be an office designated for such a responsibility at each university. The evidence that was collected in this study suggests that it is the donor/aid agencies that usually identify expertise within the institution or region that they end up supporting. It is still possible to channel that support into the development of higher education as Samoff and Carrol (2002) argue:

External support to higher education is neither conceived nor provided in a vacuum. Context is important in understanding the forms and types of support provided...Accordingly, it is important to review the forms of external support and to explore efforts to design that support to influence African development in general, and higher education in particular. (pp. 16-17)

According to these authors, donor/aid agencies are still open to giving assistance to developing countries. Therefore, this route is still open to the three participating universities.

Income-Generating Activities

The concept of income generating activities is fairly new in higher education. For example, universities in the United Kingdom started experiencing shortages in funding in the 1980s. It

was then that the concept of income generation started to take root (Warner and Leonard, 1997). In sub-Saharan Africa it is something that started in the 1990s (Lund, 1999). According to Warner and Leonard, income generation refers to '*all income over and above the core funding provided by an institution's primary funding body*' (p. 2-3). These authors further point out that in the UK example, income generation would include among its elements '*the recruitment of fee paying students, the operation of full-cost businesses, the full exploitation of physical resources and externally funded research*' (p. 3). Since the universities of Botswana, Lesotho and Swaziland have enjoyed good support from their governments up to the late 1990s, the concept of income generation is less than ten years old in each institution. It is also within that period that the World Bank and other aid agencies started to call upon universities to look for alternative sources of funding. Now, the institutions are urged by their governments to generate income.

The findings are that the universities of Botswana, Lesotho and Swaziland have embarked on income generating activities. Some of these activities are similar and others are different from one another. Income generation in higher education has its challenges, especially with members of staff who are not trained entrepreneurs but are expected to take a lead in this regard (Clark, 2004). This challenge was acknowledged at the University of Swaziland as one interviewee pointed out that it is necessary to change the thinking process among the staff members from a culture of teaching and research to that which incorporates entrepreneurial skills. It is also evident in all three universities that the staff members are learning the skills on the job. Warner and Leonard (1997) argue that:

The answer to (this problem) is staff development, both in formal training programmes and by doubling up experienced and inexperienced staff on appropriate short courses provided for external clients, so that the latter may learn by doing. (p. 5)

Similarly, Thomas (1998b) agrees in his study of two UK universities and universities of Eastern and Central Europe when he points out that one of the implications of reform and change in financial management is a demand for staff development for those people in academic managerial positions in faculties and departments. Staff would have to undergo training in financial management and their appointment into these managerial positions would require academic and managerial capacity for effective management of the academic units.

This point is pertinent to UB, NUL and UNISWA because, at present, the appointment of Deans and Heads of Department is based academic seniority, leadership and excellence, financial managerial capacity is not a clearly stated requirement. The Deans are appointed by the Administrative Staff Appointments and Promotions Committee at UB and the Vice Chancellor at NUL. Deans are elected by staff at UNISWA. The appointment of Heads of Department is through consultation with the academic staff members in the respective departments in all three universities (University of Botswana, 2004a; National University of Lesotho, 2002b; University of Swaziland, 2004a).

As academic departments of these three universities become grounded in generating income, there might be a need to further address issues of budgeting and internal resource allocation at a later stage. According to a study by Pfeffer and Moore (1980) conducted in a large university in the United States of America, departments that attract more financial resources for a university tend to exert power and social influence in decision-making structures. These departments may call for devolution of budgeting and allocation of resources from the central administration to academic departments. This may result in the central administration and young departments losing some of the cross-subsidisation or top-slicing of resources.

A feature that is stated as a concern in the literature on income generation is a position that governments take to further reduce funding to their universities if they are making money. Some authors implore governments not to interfere with the income that is generated by their higher education institutions (Ziderman and Albrecht, 1995; World Bank, 2000; Lund, 1999). As a solution to this problem, Warner and Leonard (1997) have pointed out that in the UK the government of the day made it into law through the Education Reform Act of 1992 that the funding councils would not take into account any funds generated from other sources by the institutions when grants were allocated.

The findings of this study are that there is potential for misunderstanding between the universities and their governments with respect to income locally generated. The Government of Botswana and UB are faced with a government policy that governs the allocation of financial resources to the university in the light of a balance from the previous

year (see section on challenges above). This is perceived by interviewees to affect extra income generated from private sources by the university. Similarly, in Lesotho one interviewee pointed out that there is a law that states that if public institutions want to borrow money to start projects, they should apply to the Minister of Finance and Planning Development. Although NUL has so far managed without suffering the consequences of this legislation, the law is a possible disincentive to income generating activities.

Income generation can be successful if the institution is marketed to the clients or prospective funders (Warner and Leonard, 1997). It is only NUL among the three universities which is marketed by government officials. The Ministry of Education markets this institution internationally where opportunities arise. The suspended University's Strategic Plan is reportedly circulated by the ministry's officials to prospective donors/aid agencies at international conferences and elsewhere. This kind of marketing of the institution appears to be paying off. Some donors/aid agencies are reportedly interested in initiating projects directly with NUL. On the other hand, UB and the UNISWA are not enjoying similar support from their government officials. It is the government interviewees' view in each case that the universities should develop their profiles and market themselves to the public and international organisations. The position taken by the governments in Botswana and Swaziland in this regard is consistent with Warner and Leonard's (1997) argument that:

It is as pointless to try and sell your institution's services to a market which has no interest in them as it is to raise false expectations...most British educational institutions have developed strengths which are congruent with the locality and region in which they are situated. (p. 9)

The programmes that the institutions could offer in order to increase the awareness of the communities towards the funding need would have to be relevant to the communities.

Study Findings in Relation to International Policy

This section briefly brings together the internationally held perceptions of funding higher education and the findings of this study. In pursuing the contribution of education in economic and social development, the World Bank (1994) advocates reduction in public funding allocation for higher education in favour of basic education where rates of return are highest. It also urges governments to move towards cost-sharing with the beneficiaries of

higher education and urges institutions of higher education to engage in cost-recovery and income-generating activities to augment government subsidies. The literature cited in chapter three of this thesis generally supports these policies. In the report of the joint task force of UNESCO and the World Bank, the World Bank (2000) acknowledges that higher education has suffered neglect in terms of funding especially in developing countries. As a result, the lower levels of education, health services, and other national priorities suffer because of poor production from higher education. The World Bank argues that higher education funding should be improved by both international donor agencies and national governments. This policy is further emphasised in the World Bank's (2002b) claims about higher education's value in the construction of knowledge societies. Research and innovations are identified as some of the benefits from higher education. The World Bank is once again urging international donor agencies and national governments to fund higher education without neglecting basic education and other social services.

The above argument is an acknowledgement that higher education funding cannot be neglected for economic and social development to be attained in Africa. Human capital development at advanced level is necessary to ensure that society has the skills to deal with economic, technological, health, political and agricultural issues which are important in development. Due to limited financial resources among most African countries, the World Bank (2002b) and the report of the Commission for Africa (2005) are urging national governments and donor agencies to contribute financially to higher education.

The governments of Botswana, Lesotho and Swaziland have funded their higher education systems throughout the turbulent period of the 1980s to date at a slow increasing rate (see Table 6.1). These governments have also paid attention to the lower levels of education. For example, all three countries have expanded their primary and secondary education systems in the last two decades. There is now free primary and secondary education in Botswana and free primary education in Lesotho in line with the United Nation's (2000) millennium development goals (MDGs). In Swaziland, text books are free at primary school level. However, if these three countries had taken heed of the World Bank's (1994) policy on shifting most of their funding from higher education to basic education, the higher education

systems would most likely have collapsed because these systems are small. They would have not survived without a good level of funding from their governments. Many of the academics would have probably migrated to other countries for better paying jobs. The students would have probably sought to pursue their studies in neighbouring South African universities where there is a wide choice of institutions and programmes. Further, higher education students in all three countries have always participated in cost-sharing through payment for their lodging, meals and tuition through government grants/scholarships. The universities are now engaging in income-generating activities. Thus, this study is a case that shows the difficulty of adopting some of the international policies in full at times. The findings also suggest a context of developing countries where a mixture of funding sources for higher education is being tried (Eicher and Chevaillier, 1993).

Study Findings in Relation to Development in Africa

The World Bank (2000) acknowledges the critical role played by higher education in economic and social development through teacher training and research. The New Economic Partnership for Africa's Development (NEPAD, 2001: p. 1) also outlines the aspirations of African Heads of State with regards to the poor state of economic and social development in Africa. The African leaders acknowledge that time is ripe for Africa to embark on poverty reduction, increasing economic growth and development and participating in world economy and politics. While acknowledging that they have some of the resources to achieve their goals, they appeal to international partners to complement their efforts in transport, energy, water, information communication technology, disease eradication, environmental preservation and regional research capacity. The achievement of these goals requires higher education to provide the necessary manpower and skills.

In addition, the United Kingdom's report of the Commission for Africa (2005) aims at complementing the goals of NEPAD (2001) through capacity building and accountability or good governance. It identifies higher education as one of the channels for achieving these goals. It says:

Weak capacity is a matter of poor systems and incentives, poor information, technical inability, untrained staff and lack of money. We recommend that donors make a major

investment to improve Africa's capacity, starting with its system of higher education, particularly in science and technology. (p.14)

The report further argues as follows:

To ensure that high quality education is delivered, African governments must invest in teacher training, retention of staff and professional development...donors should commit to predictable long-term funding to enable this. (p. 71)

The findings suggest that the recommendations of the World Bank (2002b) and the report of the Commission for Africa (2005) on increasing donor agency and government funding for higher education in developing countries are appropriate for Botswana, Lesotho and Swaziland where higher education requires further development. This would help in further expanding access for students from disadvantaged communities, stimulating research and developing programmes in applied disciplines to address issues of poverty, access to primary education, disease, and creation of global partnership for development, to name a few (United Nations, 2000). UB, NUL and UNISWA have the capacity to manage international assistance.

The World Bank (2002b) notes that in the past, middle income countries tended to benefit from donor funds more than poor countries. This was motivated by a desire to ensure that those funds were managed efficiently. The World Bank recommends that small developing countries collaborate in research and areas of academic excellence. The collaboration would strengthen their application for donor funding. The collaboration of UB, NUL and UNISWA may be possible especially in research and developing areas of academic excellence. This would coincide with academic programme diversification. For example, UB has diversified and expanded its programmes offerings to postgraduate level. NUL is developing programmes in applied disciplines. Another option could be forging links with some developed South African universities that are geographically nearer to them than their sister universities. This could enable the three universities access some of the latest technology in teaching and research.

Conclusion

This chapter presented the analysis and discussion of the findings of this study in the light of relevant literature. On the question of sources of funding there are similarities in all three universities in the sense that higher education is perceived as a vehicle for human resource

development in terms of training and skills development for the workforce. This is supported by the human capital theory. Further, higher education serves to meet many societal needs such as access to education and producing an educated society, among others, in accordance with the social capital theory. Therefore, the governments of Botswana, Lesotho and Swaziland are the main funders for their universities. They are followed by the universities' sources which are tuition fees, residence fees including meals and other smaller sources. The three institutions have similar key players in the budgeting and spending monitoring processes. Accountability for the funds allocated to the universities is a statutory requirement. Each of these universities is complying with that requirement. However, the speed at which this is happening at NUL is a cause for concern.

There are similarities in the way future funding strategies are perceived by the interviewees at each of the universities and in government ministries. Reliance on governments as main sources of funding is likely to carry on into the future. There are initiatives also to diversify the sources of funding through income generating activities and philanthropists' goodwill. This is despite challenges that are facing these institutions. There is general consistency between the literature and these findings.

Although the use of Information Communication Technology (ICT) as a tool for teaching and financial management falls outside the scope of this study, it is worth pointing out that its development or expansion calls for attention in all three institutions. Training of staff in its use calls for attention also. This could help address some of the funding needs through teaching, research, development of academic links with international organisations and improved financial management, to name a few. A summary table of the findings is presented in Appendix H.

The next chapter presents the conclusions of this study, recommendations for further research and my personal reflection on the engagement in the study.

CHAPTER SEVEN

CONCLUSIONS

This chapter presents a summary of this research. It begins with a reminder to the reader as to what the study's purpose was and how this was accomplished. This process is accomplished by walking the reader through a summary of the thesis. A summary of the main research findings follows thereafter. Implications for further research are identified and presented as recommendations. They are based on what transpired as potential new knowledge areas that were not tapped through this work. Claims about this study together with a statement on what contribution has been made to the body of knowledge are also presented. Finally, the chapter ends with a reflection on the entire research exercise.

A Summary of the Thesis

It is worth recalling that the study sought to explore the perceptions of university academics and administrators and government officials of financing higher education in Botswana, Lesotho and Swaziland. The introductory chapter presented the research problem statement as follows:

The current and future strategies for financing higher education in the small Commonwealth states of Botswana, Lesotho and Swaziland: a comparative study of the perceptions of university academics and administrators and government officials.

The achievement of this goal called for certain stages to be fulfilled. The study was undertaken as a process, beginning with how funding for the institutions is conducted and ending with future strategies for funding. The internal management of the financial resources and challenges facing the universities in these three countries were deliberately incorporated into the study to make it complete. There were secondary research questions that facilitated the entire research process. They will be restated below when a summary of the main research findings is presented.

Chapter One presented the social and economic contexts of Botswana, Lesotho and Swaziland. This was extended to cover the educational systems and the administrative and academic organisational structures in the three universities studied. Decision-making processes as a

function of committees in each of the universities were discussed. Some advantages and disadvantages of this type of decision-making were noted briefly.

Chapter Two established the theoretical framework that served as a guide to the thesis. The framework drew upon the complementary perspectives of human capital and social capital theories. These were helpful as reference was made to them regularly by either the literature or interviewees and documents. Reference to them was also made during the data analysis phase where appropriate. The reader will recall that there was no intention to either prove or disprove the theories of human capital and social capital. Rather they were used as an analytic guide only. In short, they provided an answer to a legitimate question, "Why should stakeholders finance higher education?" This was especially the case when looking at the contribution that higher education makes to economic and social development in society.

Chapter Three was on the literature review. Its purpose was to give further guidance to the development of this thesis through establishing the evidence for its significance and the intellectual traditions that are useful discourse of financing higher education. Most of the literature reviewed was on sub-Saharan African higher education because of its relevance to this study. There were some gaps in the literature. For example, material on funded research was scarce. Financing of higher education in Botswana, Lesotho and Swaziland had not been given much attention which emphasized for me the original nature of the research and its potential contribution to knowledge. The literature also guided me in formulating the research sub-questions.

Chapter Four set out the research methodology and methods according to the requirements of the research questions. The investigation of the research problem employed a qualitative research methodology based on the ontological and epistemological underpinnings of this study. This was primarily a belief in the social construction of reality about the phenomenon in question. Semi-structured interviews and document analysis were employed as data collection instruments. This approach was appropriate for the study because the interviewees were accorded a chance to express their perceptions of funding in these three institutions

rather than responding to questionnaires with a selection among response items already predetermined at the design stage as would have been the case in a quantitative study.

The research fieldwork was undertaken in the Ministries of Education and Finance and universities in all three countries. Adequate answers to the questions were obtained because the interview guides were designed such that questions were selected and administered to different interviewees depending on their duties (see appendices A to E). This allowed for a wide collection of information within a strictly limited time. Although documents containing financial information are classified as confidential material in many organisations, the interviewees were permitted to share this information with me as much as necessary.

Chapter Five presented the raw data obtained by this study. It is made up of evidence from the field in a form of interview data extracts and document quotations. The data are presented under each appropriate university in response to a research question posed. This was intended to help the reader make his/her own judgement on the validity of the data.

Chapter Six was on the analyses of the findings and it drew out their implications where possible. The origin of the universities of Botswana, Lesotho and Swaziland as 'branches' of the former combined University of Botswana, Lesotho and Swaziland together with the latter's British colonial origin influence the many similarities in the way things are done in these universities. The similarities enabled the researcher to summarise them under each theme and highlight whatever issues seemed to be peculiar to each institution. However, such peculiarities were few. The research problem statement has been addressed in that the research questions were adequately answered. The findings were discussed in the light of available literature.

Chapter Seven, the present chapter, contains the summary and conclusions of the study. Suggestions for further research are also presented and the thesis concludes with a personal reflection by the researcher.

A Summary of findings

Based on the findings and discussions presented in Chapters Five and Six, respectively, I believe that the conclusions presented below are a fair assessment of the situation in Botswana, Lesotho and Swaziland. I hope they will be of benefit to policy-makers both in government and at the universities concerned. A summary of those findings follows as issues relating to the specific research questions posed (in *italics*).

Sources of Funding

This section presents the sources of funding, how the funding is obtained from the main source and what policies are supported by the main source through funding the national university. The research sub-question for this section is: *How do the three universities acquire their financial resources?*

The main sources of funding for the universities of Botswana, Lesotho and Swaziland are their governments. The government contribution through subvention makes about 54% at the University of Botswana, 68% at the National University of Lesotho and 64% at the University of Swaziland of the institution's total annual revenue. The government's annual contribution is increasing slowly in monetary terms in each case because the rate of increase is effectively declining. As a result, the government subsidy as a portion of the institution's budget is decreasing in each case. The range of contribution by the three governments (54 to 68%) is significantly different from the 95% figure cited in the literature as a common occurrence in sub-Saharan Africa. Each of the universities negotiates its budget with its government at the end of the previous financial year. The government allocation tends to reflect historical trends (World Bank, 1994; Prowle and Morgan, 2005; Sanyal and Martin, 2006a). These findings reflect a significant difference from what generally happens in sub-Saharan Africa.

The governments' commitment to funding their universities is an historical practice. The purpose is to train the required human resources for all sectors of the economy and to provide access to higher education to improve the standard of living of the countries' citizens. Thus the theoretical concepts of human capital and social capital are applied through state policy.

The second most important source of funding for these universities is student fees. The University Council in each case sets the student fees annually. Most students get assistance from their governments by obtaining study loans/scholarships to pay for tuition, board and meals. Others have private sponsors. A small portion of each institution's revenue is made up of bank interest on saved funds. The remainder of the revenue is generated from other sources. These include donor/aid agency funds, service fees and income generating activities.

It is only the University of Botswana among the three institutions that is receiving continual government funding for capital projects. The other two have not enjoyed that privilege from their governments of late because of the weak economy and general shortage of government funds.

Generally, the governments of Botswana, Lesotho and Swaziland are financially supportive of their universities.

Management of Financial Resources

This section is on how the financial resources are managed at each of the three universities. The research sub-question for this section is: *How do the universities manage their funds in terms of internal policy and practice?*

The finances at the universities of Botswana, Lesotho and Swaziland are managed in accordance with the provisions of the University Act. The Act establishes a University Council as the body responsible for the overall governance of the university. The statutes provide for the mechanism as to how this should happen. The management of finances is centralised in the Finance Office in each of these universities. The budgeting process is the responsibility of this office and the budget holders who are the Faculty Deans and Heads of Department.

Internal allocation of funds is done centrally by a Finance Committee of Council. The faculties and departments are consulted first when the government allocation is less than what was requested. Thereafter the Finance Committee allocates the funds equitably. The

allocation strictly follows the structure of estimates submitted to government. The internal allocation process allows for cross-subsidisation of departments to an extent.

Spending control measures on the institutional funds are enforced by both the Finance Office and the budget holders. The institutions are accountable to their councils and the governments for their funds. They prepare audited financial statements for scrutiny by Council and Parliament as required by the statutes. A separate accounting process is carried out for donor/aid agency funds. The main sources of funds, the governments are generally happy with the way the universities are accounting for their funds through audited financial statements. However, the National University of Lesotho is faced with a challenge which calls for the attention of the policy-makers. The preparation of audited financial statements lags behind by a few years in some cases.

Challenges Facing the Universities

This section focuses on issues that might explain why there is a perceived shortage of financial resources from the main source, the governments, to the institutions. The research sub-question for this section is: *What challenges are facing the universities with respect to funding?*

The main challenge that is facing all three universities is that the government funding is inadequate to cater for all the needs of each institution. Based on the fact that the proportion of the revenue that is contributed by government is decreasing in each case, there is evidence that the financial resources are dwindling. The universities are competing against emerging national needs and priorities for the government resources. These are the HIV/AIDS pandemic, poverty, unemployment and illiteracy. There are other challenges internal to the government ministries and universities. For example, there are poor student loan collection systems in all three countries. The governments are less successful in collecting all the money from former students who were assisted with loans in the past. As a result, the governments are currently working on legal instruments that will make the loan recovery easy. The inefficiency of the current loan collection systems is depriving the governments of additional resources that could be injected back to higher education.

Competition against other service providers is a challenge that is facing all three universities. The National University of Lesotho is losing some students to South Africa because of an unavailability of some specific programmes of study sought by students. The University of Botswana and the University of Swaziland are losing some money paid by their governments to private institutions for developing some relevant training courses for their staff. The challenge is for each of these universities to develop these courses for the students and the civil service in order to compete for some of the money for training. .

There is non-implementation of the universities' strategic plans in all cases which is an unfortunate coincidence. In each case the action of the national government has caused the implementation of the strategic plan to delay. These universities can not achieve their set goals including that of generating additional funds because of this situation. In Botswana, there is an unresolved issue between the university and the government whereby the latter wants the figure on the balance of funds made from all sources to be declared by the former at the end of each financial year. In Lesotho, the strategic plan document lacks the budget portion for its implementation. The plan proposes a new organisational structure which has implications for the University Act. In Swaziland, the government does not provide the university with the required funds for the implementation of its strategic plan.

The forthcoming second university in Botswana poses a challenge because there are fears that funding from government will be shared between the University of Botswana (UB) and this second university. Further, the emergence of this new institution has implications for UB's Faculties of Science and Engineering and Technology in terms of staff members who might wish to join it and programmes that it might duplicate. The latter is a challenge because in its strategic plan the University of Botswana has indicated its wish to develop further in Science, Engineering and Technology.

In Botswana and Swaziland, there are some tensions between the universities on one hand and their governments on the other hand. The declaration of unused funds at the end of the year is an issue in Botswana. The avenue of approaching the Chancellor for additional funding in Swaziland is a potential source of tension. The National University of Lesotho's failure to

produce audited financial statements to its stakeholders in a timely fashion is a drawback in the management of the institution and it calls for immediate attention.

Future Funding Strategies

This section focuses on ways of diversifying funding at each of the institutions studied. Therefore, the research sub-question is: *What innovations could be implemented at each university in order to improve and broaden the current strategies for funding?*

The universities of Botswana, Lesotho and Swaziland are already engaged in strategies to broaden their financial base. The governments are also trying to address those areas that have a bearing on how the universities are funded. They are committed to providing future funding for their universities. Providing university students with scholarships/loans for their education has always been a government policy in all three countries from the establishment of the former University of Bechuanaland, Basutoland and Swaziland. This policy in each of these countries is going to undergo a review shortly. The Government of Botswana is going to make students pay directly for part of their education with effect from 2006 as a way to make them participate in the funding of their education. The Government of Swaziland is considering terminating some of the allowances that are paid to students in the near future. The Government of Lesotho has set a limit on the amount it will pay to the university with effect from 2005 with the provision that the rest will be raised through cost-sharing (Government of Lesotho, 2005). The loan collection mechanisms in Botswana and Swaziland are undergoing some improvements in order to make it easier for employers and loan recipients to pay the loan. This will help improve the government revenue base.

All three universities have embarked on income generating activities. They allow their staff to conduct consultancies and funded research. They are all leasing properties to reputable organisations. These properties range from residential houses to shopping units. Furthermore, some short-term courses are being developed for clients. The University of Botswana and the University of Swaziland have established foundations to help with their fundraising endeavours. There are other activities that are in the pipeline such as commercialisation of farms at NUL and UNISWA and an expansion of the property portfolio at NUL. The National University of Lesotho has embarked on introducing programmes that are technologically

relevant to the needs of Lesotho. It hopes that more Basotho students might choose to study in Lesotho and improve the financial position of the university through the payment of fees. The University of Botswana and the University of Swaziland have each established a university foundation to harness funding from industry and other private sources. Each of these universities is considering establishing a university press.

In summary, this study has established that both human capital and social capital theories play an important role in economic and social development of Botswana, Lesotho and Swaziland through higher education. The governments and universities are making efforts to provide funding to higher education through traditional methods and income generating activities. The universities have established workable financial management procedures. The funding strategies are consistent with international policy on funding higher education.

Final Remarks

The thesis is an empirical qualitative study and its goals and objectives were achieved. It is based on perceptions of the academics and administrators of the universities studied and those of the government officials. The perceptions are supported by documents in some cases. I personally carried out the investigation as I visited the institutions and government ministries in Botswana, Lesotho and Swaziland. Interviews were conducted on site and documents collected. Original tapes and transcripts have been retained for verification. The literature was carefully selected to provide background information on what other researchers have contributed under each theme. It was appropriately acknowledged within the limits of copyright laws. The work represents what I could manage within the limited time and financial resources.

The work presented in this thesis is original. It has not been carried out before in Botswana, Lesotho and Swaziland to the extent that I have done. Its originality emanates from the fact that the interviewees had not been approached to participate in a study on financing higher education to the extent that this research has done. This piece of work is a new contribution to knowledge in funding higher education in the Botswana, Lesotho and Swaziland context. It adds onto what others have done elsewhere in this area of knowledge.

I previously stated in the introductory chapter that Botswana, Lesotho and Swaziland did not feature prominently in the funding of higher education discourse. There are some similarities with the literature and peculiarities that this study has found that make these countries to be noted in this discourse. For example, the governments of the three countries have always provided their university students with study loans since independence. This method falls short of being cost-sharing because the students do not make a direct contribution in funding their higher education. The government contribution to the higher education budget is significantly lower than that of many developing countries. These two claims have not been made for other small Commonwealth or developing countries. Furthermore, they can not be generalised to other countries of similar socio-economic contexts to that of Botswana, Lesotho and Swaziland.

As financing higher education is getting attention in Botswana, Lesotho and Swaziland, this thesis might contribute to the development of new policies or the strengthening of the existing ones. It can serve as a resource to policy makers when they want to know about the perceptions of university administrators and academics and government officials of funding higher education in these three Commonwealth countries.

This piece of work has been carefully researched and presented. It is organised in chapters that try to answer all questions pertaining to the entire study as it was framed in the problem statement. Thus, it is organised in style that is appropriate to a doctoral thesis. Arguments have been carefully presented and substantiated with facts. It is written to publishable standard by following the Harvard style of writing for publishing academic work. All cited materials have been carefully referenced.

The study was limited to the above, owing to many factors. There are observable gaps both in the literature and practice that call for further research on the financing of higher education especially in developing countries. These are given below.

Further Research Topics

1. There is a need to investigate the climate that is created by both developing and developed country governments to encourage the private sector and philanthropic

organisations to take part in financing higher education. Incentives that are put in place by governments to encourage participation of the private and philanthropic organisations and individuals could be given attention.

2. A study to investigate the factors that can promote high participation of former study loan recipients in repaying the funds that are due to government to strengthen cost-sharing in higher education could be undertaken. The literature only states this as a problem area facing governments. Solutions to the problem need to be found.
3. There is a need for further research on the process of financial management in higher education in both developed and developing countries. Methods of internal financial allocation, spending control measures and accountability deserve attention internationally.
4. The collaboration of small universities with either big universities or among themselves in a poor regional economic climate and beyond to harness funding through research and otherwise calls for investigation.
5. There is a need to investigate regional inter-university collaboration with an intention to reduce unit costs through sharing human and material resources, especially among members with similar higher education systems such as members of the Association of Commonwealth Universities (ACU).
6. A comprehensive investigation of both input and output based-funding models as opposed to block grants funding needs to be undertaken to determine their suitability in developing countries.
7. The extent of preparedness for change among governments and universities as moves towards income diversification in higher education intensify need investigation.

8. Perceptions of parents, students, non-governmental organisations and industry regarding the future funding of universities in the Southern Africa region need to be investigated as an extension of this study.
9. There is a need to conduct research on how governments in developing countries could participate in funding higher education research separately from block grant funding for university operations.

Personal Reflections

The research process has been a learning curve for me. It has enhanced my experience in research. When I thought about the research problem, I made up my mind that I would gather the perceptions of those people who were involved in the financing of the universities I wanted to study. I naively assumed that it would be easy. The challenges that I faced enriched my awareness about the research process. The negotiation of access at times is difficult, especially if you are dealing with executives of organisations. However, the interviewees were very supportive of this study. Some of them directed me to sources of information I would not have known they existed.

Handling the literature was difficult at first because the material seemed not to be readily available as I expected it. I had to search as many available sources as possible. Once found, it was a challenge as to what to select as appropriate literature for my study. In some instances, authors would assume a basic level of understanding of the discourse in economics of education. I also found that deciding on what constituted a gap in the literature was not easy. Coming up with researchable questions was just as difficult. Crossing that bridge was a learning experience.

Initially, I intended to cover four countries during this study. I decided to drop the University of Namibia from the list of universities to be studied because of Namibia's different education system from that of Botswana, Lesotho and Swaziland. There would have been more expenses incurred also during the study fieldwork because of distances from one university to another. The remaining three countries were studied under difficult financial conditions. Nevertheless, I desire to cover Namibia in the near future.

Since I have come this far with this study, I would like to encourage others to be involved in research. Funding education is generally an under-researched topic in sub-Saharan Africa. The sky is the limit.

REFERENCES

- Abagi, O. (1996). *Revitalising Financing of Higher Education in Kenya: Resource Utilisation in Public Universities*. Available at <http://www.aau.org/studyprogram/pdfiles/abagi.pdf> [Accessed on 19/12/2005].
- Aina, O. I. (2002). Alternative modes of financing higher education in Nigeria and implications for university governance. *African Development*, 27(1&2), 236-262.
- Akinkugbe, O. (2000). Higher education financing and equality of educational opportunities in Swaziland. *International Journal of Social Economics*, 27(11), 1074-1097.
- Albrecht, D. and Ziderman, A. (1993) Student loans: an effective instrument for cost recovery in higher education. *The World Bank Observer*, 8(1), 71- 90.
- Allen, M. (1988). *The Goals of Universities*. Philadelphia: The Society for Research into Higher Education & Open University Press.
- Altbach, P. G. (2005). Contradictions of academic development: exploiting the professoriate and weakening the university. *International Higher Education*. Available at http://www.bc.edu/bc_org/avp/soe/cihe/newsletter/News39/text001.htm [Accessed on 29/12/2005]
- Appleton, S. (2001). *Education Incomes and Poverty in Uganda in the 1990s*. Centre for Research in Economic Development and International Trade, University of Nottingham.
- Association of Commonwealth Universities (2002). *Academic Update: Information and News on Working in the Academic World*. London: Association of Commonwealth Universities. Available at www.acu.ac.uk/adverts/academic_update [Accessed on 27/04/2004]
- Association of Commonwealth Universities (2004). *The Bulletin*. London: Storm Media Print Ltd.
- Atkinson, P. and Coffey, A. (1997). Analysing documents, in D. Silverman (ed.) *Qualitative Research: Theory, Method and Practice* (pp. 56-75). London: SAGE Publications.
- Babalola, J. B. (1998). Cost and financing of university education in Nigeria. *Higher Education*, 36, 43-66.
- Banya, K. and Elu, J. (2001). World Bank and financing higher education in Sub-Saharan Africa. *Higher Education*, 42, 1-34.

- Barr, N. (2003). Alternative funding resources for higher education, in C. R. Belfield and H. M. Levin (eds.) *The Economics of Higher Education* (pp. 534-544). Cheltenham: Edward Elgar Publishing Limited.
- Belfield, C. R. (2000). *Economic Principles for Education*. Cheltenham: Edward Elgar Publishing Limited.
- Berger, R. M. and Patcher, M. A. (1994). Research ethics, in N. Bennet, R. Glatter and R. Levacic (eds.) *Improving Educational Management through Research and Consultancy* (pp. 93-98). London: The Open University Press.
- Birdsall, N. (2003). Public spending on higher education, in C. R. Belfield and H. M. Levin (eds.) *The Economics of Higher Education* (pp. 201-213). Cheltenham : Edward Elgar Publishing Limited.
- Blaxter, L., Hughes, C. and Tight, M. (2001). *How to Research*. Buckingham: Open University Press.
- Bollag, B. (2003). *Improving Tertiary Education in Sub-Saharan Africa: Things that Work*. A report of a regional conference held in Accra, Ghana on September 22-25, 2003. Available at <http://www.worldbank.org> [Accessed on 16/10/04].
- Booth, M. Z. (2003). Swaziland, in D. Teferra and P. G. Altbach (eds.) *African Higher Education: An International Reference Handbook* (pp. 574-582). Indiana: Indiana University Press.
- Borg, W. R. and Gall, M. D. (1989). *Educational Research: an Introduction*. New York: Longman.
- Boshoff, N. and Mouton, J. (2003). Science policy indicators, in HSRC (ed.) *Human Resource Development Review* (pp. 208-233). Cape Town: HSRC Press.
- Bourdieu, P. (1997). The forms of capital, in A. H. Halsey, H. Lauder, P. Brown and A. S. Wells (eds.) *Education: Culture, Economy, and Society* (pp. 46-58). Oxford: Oxford University Press.
- Bray, M. (1999). Methodology and focus in comparative education, in M. Bray and R. Koo (eds.) *Education and society in Hong Kong and Macau: Comparative Perspectives on Continuity and Change* (pp. 209-223). The University of Hong Kong: Comparative Education Research Centre.

- Bray, M. and Thomas, R. M. (1995). Levels of comparison in educational studies: different insights from different literature and the value of multilevel analyses. *Harvard Educational Review*, 65(3), 472-490.
- British Educational Research Association (2004). *Revised Ethical Guidelines for Educational Research*. Nottingham: BERA.
- Brock-Utne, B. (2003). *Formulating Higher Education Policies in Africa-the Pressure from External Forces and The Neoliberal Agenda*. Available at [http://www.siu.no/vev.nsf/d48a0ecf27ae054dc1256f630063e8df7/91f5ca696697acc3c1256dc5003e1cc8/\\$FILE/pres_b_utne.pdf](http://www.siu.no/vev.nsf/d48a0ecf27ae054dc1256f630063e8df7/91f5ca696697acc3c1256dc5003e1cc8/$FILE/pres_b_utne.pdf) [Accessed on 25.08.2005].
- Bryne, M. M. (2001). Evaluating the findings of qualitative research. *AORN Journal*, 1-4. Available on <http://www.aorn.org/journal/marrc.htm> [Accessed on 27/01/2005].
- Bull, C. (2005). *Managing Intellectual Assets at Universities*. Available at <http://www.managingip.com/default.asp?Page=20&F=F&action=Report&CountryID=99-27K> [Accessed on 10/02/2006].
- Butare, A. (2003). *Income Generating Activities in Higher Education: The Case of Kigali Institute of Science, Technology and Management (KIST)*. Paper presented at the Regional Training Conference on Improving Tertiary Education in Sub-Saharan Africa: Things that Work, held in Accra, on September 23-25.
- Caraca, J., Conceicao, P., and Heitor, M. V. (1998). A contribution towards a methodology for university public funding. *Higher Education Policy*, 11, 37-57.
- Canagarajah, S., Mazumdar, D, and Ye, X. (1998). *The Structure and Determinants of Inequality and Poverty Reduction in Ghana, 1988-92*. Washington, DC: World Bank.
- CDEST (2002). *Guidelines for the Preparation of Annual Financial Statements for the 2002 Reporting Period by Australian Higher Education Institutions*. Canberra: Government Printers.
- Clark, B. R. (2004). Delineating the character of the entrepreneurial university. *Higher Education Policy*, 17, 355-370.
- Cohen, L., Manion, L. and Morrison, K. (2000). *Research Methods in Education*. London: RoutledgeFalmer.

- Coleman, J. S. (1997). Social capital in the creation of human capital, in A. H. Halsey, H. Lauder, P. Brown and A. S. Wells (eds.) *Education: Culture, Economy, and Society* (pp. 80-95). Oxford: Oxford University Press.
- Coleman, J. and Court, D. (1993). *University Development in the Third World: The Rockefeller Foundation Experience*. Oxford: Pergamon Press.
- Commission for Africa (2005). *Our Common Interest: Report of the Commission for Africa*. Available at <http://www.commissionforafrica.org/english/report/introduction.htm> [Accessed on 26/04/2006].
- Cote, S. (2001). The contribution of human and social capital. *Isuma: Canadian Journal of Policy Research*, 2(1), 1-14.
- Court, D. (1999). Financing Higher Education in Africa: Makerere, The Quiet Revolution. *Human Development Education Series*. Washington, D.C.: The World Bank.
- Creswell, J. (1998). *Qualitative Inquiry and Research Design: Choosing Among Five Traditions*. London: SAGE Publications.
- Department of International Development (DFID) (2002). *Southern Africa Regional Strategy Paper*. Available on <http://www.reliefweb.int/library/documents/2002/dfid-sareg-31oct.pdf> [Accessed on 16/05/2005].
- Dickson, H. (1999). *Resource Allocation in Universities: A Guide to some Alternative Methods*. London: CHEMS.
- Dore, R. K. (1994). *Why Visiting Sociologists Fail?* Brighton: Institute of Development Studies, University of Sussex.
- Easterby-Smith, M. (1994). *Evaluating Management Development, Training and Education*. Aldershot: Gower.
- Eichelberger, R. T. (1989). *Disciplined Inquiry: Understanding and Doing Educational Research*. New York: Longman.
- Eicher, J. C. and Chevaillier, T. (1993). Rethinking the financing of post-compulsory education. *International Journal of Educational Research*, 19(5), 445-519.
- Fagerlind, I. and Saha, L. J. (1983) *Education and National Development: a Comparative Perspective*. Oxford: Pergamon Press.
- Finnie, R., (2002), Student loans, student financial aid and post-secondary education in Canada, *Journal of Higher Education Policy and Management*, 24(2), 155-170.

- Fitzsimons, P. (1999). *Human Capital Theory and Education*. Available at <http://www.vusst.hr/ENCYCLOPAEDIA/humancapital.htm> [Accessed on 25/07/2005].
- Fullan, M. G. (1991). *The New Meaning of Educational Change*. London: Cassell Educational Limited.
- Geertz, C. (1973). *The Interpretation of Cultures*. New York: Basic Books, Inc., Publishers.
- Gill T. K., and Gill, S. S. (2000). Financial management of universities in developing countries. *Higher Education Policy*, 13(2), 125-130.
- Girdwood, A. (1999). *Tertiary Education Policy in Ghana: An Assessment, 1988-1998*. Washington, D.C.: The World Bank.
- Government of Botswana (1994). *The Revised National Policy on Education*. Gaborone: Government Printer.
- Government of Botswana (1997). *Vision 2016: A Long Term Vision for Botswana*. Gaborone: Botswana Government Press.
- Government of Botswana (2002). *Presentation Speech on Draft National Development Plan 9: 2003/2004-2008/2009*. Available at <http://www.gov.bw/government/doc/NDP9.doc> [Accessed on 25/10/2004].
- Government of Botswana (2003). *Budget Speech 2003*. Available at <http://www.gov.bw/speeches/budget.pdf> [Accessed on 05/07/06].
- Government of Canada (2001). How human capital and social capital contribute to economic growth and well-being-highlights of an HRDC/OECD symposium. *Applied Research Bulletin*, 7(1), 13-16.
- Government of Lesotho (2003a). *Budget Speech to Parliament for 2003/2004*. Available at <http://www.lesotho.gov.ls/speeches/gspeech.htm> [Accessed on 05/08/2005]
- Government of Lesotho (2003b). *A Statement by the Honourable Minister of Finance and Development Planning: Government Policy for Loan Bursaries to Post-High School Students Effective From 1st August, 2003*. Available at <http://www.lesotho.gov.ls/articles/2003/Statement> [Accessed on 08/04/2004].
- Government of Lesotho (2005). *Lesotho Education Sector Strategic Plan: 2005-2015*. Maseru: Government Printers.
- Government of South Africa (1997). *Draft White Paper on Higher Education: A Programme for Higher Education Transformation*. Available at

http://www.polity.org.za/html/govdocs/white_papers/educwp3.html?rebookmark=1
[Accessed on 02/01/2005].

- Government of Swaziland (1998). *National Development Strategy for Swaziland*. Mbabane: Government Printers.
- Government of Swaziland (1999a). *Public Enterprises Unit Act*. Mbabane: Government Printers.
- Government of Swaziland (1999b). *National Education Policy*. Available at <http://www.gov.sz/home.asp?pid=4108>. Accessed on 21/10/2004.
- Government of Swaziland. (2003). *Budget Speech 2003*. Available at <http://www.gov.sz/home.asp?pid=2412> [Accessed on 18/04/06].
- Government of Swaziland (2005). *The Scholarship Award Bill*. Mbabane: Government Printers.
- Grootaert, C., Narayan, D., Jones, V. N. and Woolcock, M. (2004). *Measuring Social Capital: An Integrated Questionnaire*. Washington, DC: World Bank.
- Grootaert, C., Oh, G. and Swamy, (1999). *Social Capital and Development Outcomes in Burkina Faso*. Working Paper 7. Washington, DC: World Bank .
- Grootaert, C. and van Bastelaer, T. (2002). *Understanding and Measuring Social Capital: A Synthesis of Findings and Recommendations from the Social Capital Initiative*. Forum series on the role of institutions in promoting economic growth held in Washington, D. C. on 11 January.
- Gross, E. and Grambsch, P. V. (1968). *University Goals and Academic Power*. Washington, DC: American Council on Education.
- HEFCE (1998). *Effective Financial Management in Higher Education: A Guide for Governors, Heads of Institution and Senior Managers*. Available at http://www.hefce.ac.uk/pubs/hefce/1998/98_29.htm [Accessed on 23/02/2006].
- Heyneman, S. P. (2001). *Measuring the influence of education on social cohesion*. A paper presented to the Oxford International Conference on education and development. Available at http://www.worldbank.org/eapsocial/asemsocial/files/846_Education_and_Social_Cohesion.pdf. [Accessed on 16.09.2005].

- Ingalls, W. B. (1995). Building consensus for change: developing an administrative and management structure in a Southern African University. *Higher Education*, 29(3), 275-285.
- IMF (2003). *Preliminary Conclusions of the 2003 Article IV Swaziland Consultation Mission*. World Bank: Washington. Available at <http://www.imf.org/external/np/sec/pn/2004>. [Accessed on 28/10/2004].
- IMF (2004). *Country Information*. Available at <http://www.imf.org/external/index.htm> [Accessed on 28/10/04].
- International Association of Universities. (2003). *Educational System in Botswana*. Available at www.unesco.org/iau/cd-data/bw.rtf [Accessed on 03.05.2004]
- International Association of Universities. (2003). *Educational System in Lesotho*. Available at www.unesco.org/iau/cd-data/ls.rtf [Accessed on 03.05.2004]
- Ishengoma, J. (2002). Financing Higher Education in Post-Apartheid South Africa: Trends, Developments, and Challenges Ahead. Available at http://www.gse.baffalo.edu/org/inthigheredfinance/textForSite/S_Africa_Johnson.doc.pdf [Accessed on 30/12/2004].
- Ishengoma, J. (2004). Cost Sharing in Higher Education in Tanzania: Fact or Fiction? *Journal of Higher Education in Africa*, 2(2), 101-134.
- Jarvie, I. C. (1964). *The Revolution in Anthropology*. London: Routledge and Kegan Paul.
- Jarzabkowski, P. (2002). Centralised or decentralised: strategic implications of resource allocation models. *Higher Education Quarterly*, 56(1), 5-32.
- Johnson, H. G. (1968). Towards a generalized capital accumulation approach to economic development, in M. Blaug (ed.), *The Economics of Education: Selected Readings* (pp. 34-44). Harmondsworth: Penguin.
- Johnstone, D. B. (1998) *The Financing and Management of Higher Education: A Status Report on Worldwide Reforms*. Washington, DC: World Bank.
- Johnstone, D. B. (2003a). The economics and politics of cost sharing in higher education: comparative perspectives. *Economics of Education Review*, 23, 403-410.
- Johnstone, D. B. (2003b). Higher education finance and accessibility: tuition fees and student loans in Sub Saharan Africa. A case study prepared for a regional training

- conference on *Improving Tertiary Education in Sub-Saharan Africa: Things that Work* held in Accra, September 23-25.
- Johnstone, B. (2006). Higher Education: Accessibility and Financial Viability: The Role of Student Loans, in Guni Series (ed.) *Higher Education in the World 2006: The Financing of Universities* (pp. 84-101). Houndmills: Palgrave Macmillan.
- Kearns, A. (2004). *Social Capital, Regeneration and Urban Policy*. Available at <http://www.bristol.ac.uk/sps/cnrpapersword/cnr15pap.doc> [Accessed on 23/09/2005].
- King, K. (1971). *Pan-Africanism and Education: A Study of the Race Philanthropy and Education in the Southern States of America and East Africa*. Oxford: Clarendon Press.
- King, K. (1991). *Aid and Education in the Developing World: The Role of the Donor Agencies in Educational Analysis*. Harlow: Longman Group (FE) Ltd.
- King, K. (1999) Aid to South Africa: the case of the reluctant recipient, in K. King and L. Buchert (eds.) *Changing International Aid to Education*. Paris: UNESCO.
- King, K. (2002). Banking on knowledge: the new knowledge projects of the World Bank. *Compare: A Journal of Comparative Education*, 32(3), 311-326.
- King, K. and McGrath, S. (2004). *Knowledge for Development? Comparing British, Japanese, Swedish and World Bank Aid*. London: Zed Books.
- King, R. (2004). Understanding the growth of private higher education, in S. Cripps (ed.) *The Bulletin* (pp. 17). London: Association of Commonwealth Universities.
- Kirby-Harris, R. (2003). Universities responding to policy: organisational change at the University of Namibia. *Higher Education*, 45, 353-374.
- Kirk, J. and Miller, M. L. (1986). *Reliability and Validity in Qualitative Research*. London: SAGE Publications.
- Knack, S. (1999). *Social Capital, Growth and Poverty: A survey of Cross-Country Evidence*. Washington, DC: World Bank.
- Kraak, A. (2001). Policy-ambiguity and slippage: higher education under the new state, 1994-2001. A paper presented at the conference on *Globalisation and Higher Education: Views from the South* held in Cape Town, South Africa.
- Kuhn, T. (1962). *The Structure of Scientific Revolutions*. Chicago: University of Chicago Press.

- Kvale, S. (1996). *Interviews: Introduction to Qualitative Research Interviewing*. London: SAGE Publications.
- Liang, X. (2004). *Uganda Tertiary Education Sector Report*. The World Bank. Available at [http://www-wds.worldbank.org/servlet/WDSCContentServer/WDSP/IB/2005/07/05/000090341_20050705142853/Rendered/PDF/328070UG0Tertiary0education\)AFHDno150.pdf](http://www-wds.worldbank.org/servlet/WDSCContentServer/WDSP/IB/2005/07/05/000090341_20050705142853/Rendered/PDF/328070UG0Tertiary0education)AFHDno150.pdf) [Accessed on 04/02/2006]
- Landman, J. P. (2004). Social capital: a building block in creating a better global future. *Foresight*, 6(1), 38-46.
- Liefner, I. (2003). Funding, resource allocation, and performance in higher education systems. *Higher Education Policy*, 46, 469-489.
- Lincoln, Y. S. and Guba, E. G. (1985). *Naturalistic Inquiry*. London: SAGE Publications.
- Liverpool, L. S. O., Eseyin, E. G. and Opara, E. I. (1996). *Modelling for Resource Allocation to Departments and Faculties in African Universities*. Available at <http://www.aau.org/studyprogram/pdfiles/liverpoo.pdf> [Accessed on 17.12.2005].
- Lund, H. (1999). *Making and Saving Money: Income Generation and Cost Saving in Higher Education*. London: The Commonwealth Higher Education Management Service.
- Magagula, C. (1990). *Implementing Educational Policies in Swaziland*. Washington, DC: World Bank.
- Mansfield, E. and Lee, J. (1996). The modern university: contributor to industrial innovation and recipient of industrial R&D support. *Research Policy*, 25(7), 1047-1058.
- Marret, C. and Harvey, C. (1998). Inventory and report on teacher education materials and programmes in the Commonwealth Caribbean. *The Commonwealth of Learning*, 1-7. Available at <http://www.col.org/consultancies/98CaribInventory.htm> [Accessed on 14/11/2005].
- Marshall, C. and Rossman, G. B. (1999). *Designing Qualitative Research*. London: SAGE Publications.
- Mason, J. (2002). *Qualitative Researching*. London: SAGE Publications.
- Martinussen, J. (1997). *Society, State and Market: A Guide to Competing Theories of Development*. London: Zed Books Ltd.

- Maykut, P. and Morehouse, R. (1994). *Beginning Qualitative Research: a Philosophical Guide*, London: The Falmer Press.
- Mbeki, T. (2004). *Inaugural Lecture at the Association of Commonwealth Universities/Mandela-Rhodes Foundation and the African Leadership Award*, held in Cape Town on November 4.
- Medical University of Carolina. (2003). *Internal Audit*. Available at <http://www.musc.edu/internalaudit/IA%20Charter.htm> [Accessed on 21/02/2006].
- Merisotis, J. P. (2003). *Higher Education Funding in Ethiopia: An Assessment and Guidance for Next Steps*. Washington, D. C.: World Bank. Available at Http://www.worldbank.org/afr/teia/pdfs/merisotis_ethiopia.pdf [Accessed on 21/12/2005].
- Mertens, D. M. (1998) *Research Methods in Education and Psychology: Integrating Diversity with Quantitative and Qualitative Approaches*. London: SAGE Publications.
- Miles, M. S. and Huberman, A. M. (1994). *Qualitative Data Analysis: An Expanded sourcebook*. Thousand Oaks, CA: SAGE Publications.
- Miller, J. And Glassner, B. (1997). The 'inside' and 'outside': finding realities in interviews, in D. Silverman (ed.) *Qualitative Research: Theory, Method and Practice*, London: SAGE Publications.
- Mitter, W. (1997) Challenges to Comparative Education: between retrospect and expectation. *International Review of Education*, 43(5-6), 401-412.
- Moore, P. (1982). New models for funding universities, in A. Moris and J. Sizer (eds.) *Resources and Higher Education* (pp. 112-123). Surrey: Society for Research into Higher Education.
- Morgan, W. J. (2005). Local knowledge and globalization: are they compatible? in C. Cullingford and S. Gunn (eds.) *Globalization, Education and Culture Shock* (pp. 35-47). London: Ashgate.
- Mouly, G. J. (1978) *Educational Research: The Art and Science of Investigation*. Boston: Allyn Bacon.
- Mwinzi, D. (2002). The impact of cost-sharing policy on the living conditions of students in Kenyan public universities: the case of Nairobi and Moi Universities. A paper presented at the 28th annual international symposium sponsored by Council for the

- Development of Social Science Research in Africa (CODESRIA), Dakar and Centre of African Studies University of Illinois in Dakar, Senegal, 25th-27th April.
- Narayan, D. (1997). *Voices of the Poor: Poverty and Social Capital in Tanzania*. Washington, DC: World Bank.
- Narayan, D. and Pritchett, L. (1999). Cents and Sociability: Household Income and Social Capital in Rural Tanzania. *Economic Development and Cultural Change*, 47(4), 871-897.
- National Research Foundation (2005). *The NRF Profile*. Available at <http://www.nrf.ac.za> [Accessed on 12/04/2006].
- National University of Lesotho (2002a). *National University of Lesotho Strategic Plan*. Roma: NUL.
- National University of Lesotho (2002b). *National University of Lesotho Calendar 2002/3-2005/6*. Roma: University Printers.
- National University of Lesotho (2006a). *Extracts from the 2000/2001-2004/2005 Financial Statements*. Roma: NUL.
- National University of Lesotho (2006b). *Extracts from the NUL annual Statistical Bulletin: 2003-2004*. Roma: NUL.
- NEPAD (2001). The New Partnership for Africa's Development. Available at <http://www.nepad.org/2005/files/documents/inbrief.pdf> [Accessed on 20/06/2006].
- Newman, J. H. (1960). *The Idea of a University*. New York: Holt, Rinehart and Winston.
- Ntimo-Makara, M. (2003). Lesotho, in D. Teferra and P. G. Altbach (eds.) *African Higher Education: An International Reference Handbook* (pp. 372-380). Indiana: Indiana University Press.
- Ntshoe, I. M. (2003). The political economy of access and equitable allocation of resources to higher education. *International Journal of Educational Development*, 23, 381-398.
- Ntshoe, I. M. (2004). Higher education and training policy and practice in South Africa: impacts of global privatisation, quasi-marketisation and new managerialism. *International Journal of Educational Development*, 24, 137-154.
- Oakley, A. (2000). *Experiments in Knowing: Gender and Method in Social Sciences*. Cambridge: Polity Press.
- Odebiyi, A. I. and Aina, O. I. (1999). *Alternative Modes of Financing Higher Education in*

- Nigeria and Implications for University Governance*. Available at <http://www.aau.org/studyprogram/notpub/odebaina.pdf> [Accessed on 17.12.2005].
- OECD (2004). *On the Edge: Securing a Sustainable Future for Higher Education*. Report of the OECD/IMHE_HEFCE project on financial management and governance of higher education institutions. Paris: OECD Publications.
- Oketch, M. O. (2003a). Market model of financing higher education in Sub Saharan Africa: examples from Kenya. *Higher Education Policy*, 16, 313-332.
- Oketch, M. O. (2003b). Affording the unaffordable: cost sharing in higher education in sub-Saharan Africa. *Peabody Journal of Education*, 78(3), 88-106.
- Oketch, M. O. (2004). The emergence of private university education in Kenya: trends, prospects, and challenges. *International Journal of Educational Development*, 24, 119-136.
- (2000). *Oxford Advanced Learner's Dictionary*. Oxford: University Press.
- Pfeffer, J. and Moore, W. L. (1980). Power in university budgeting: a replication and extension. *Administrative Science Quarterly*, 25, 637-653.
- Platt, J. (1981). Evidence and proof in documentary research: some specific problems of documentary research. *Sociological Review*, 29(1), 31-52.
- Powers, J. B. (2004). R&D funding sources and university technology transfer: what is stimulating universities to be entrepreneurial? *Research in Higher Education*, 45(1), 1-23.
- Prowle, M. and Morgan, E. (2005). *Financial Management and Control in Higher Education*. London: RoutledgeFalmer.
- Psacharopoulos, G. (1986). *Financing Education in Developing Countries: An Exploration of Policy Options*. World Bank: Washington, D. C.
- Psacharopoulos, G. and Woodhall, M. (1985). *Education for Development: An Analysis of Investment Choices*. London: Oxford University Press.
- Putnam, R. D. (1995). Bowling alone: America's declining social capital. *Journal of Democracy*, 1, 65-78. Available at <http://xroads.virginia.edu/~HYPER/DETOC/assoc/bowling.html> [Accessed on 02/09/2005].

- Pyle, J. L. and Forrant, R. (2002). Globalization, universities and human development: a framework for understanding the issues, in J. L. Pyle and R. Forrant (eds.) *Globalisation, Universities and Issues of Sustainable Development* (pp. 3-28). Cheltenham: Edward Elgar.
- Raines, J. P. and Leathers, C. G. (2003). *The Economic Institutions of Higher Education*. Cheltenham: Edward Elgar Publishing Limited.
- Raivola, R. (1985). What is comparison? Methodological and philosophical considerations. *Comparative Education Review*, 29(3), 362-374.
- Rapley, T. J. (2001). The artfulness of open-ended interviews: some considerations on analysing interviews. *Qualitative Research*, 1(3), 303-323.
- Ritzen, J. (2000). *Social Cohesion, Public Policy, and Economic Growth: Implications for OECD Countries*. Available at <http://www.oecd.org/dataoecd/25/2/2825690.pdf> [Accessed on 09/10/2005].
- Robson, C. (2002). *Real World Research*. Oxford: Blackwell Publishing.
- Robst, J. (2003). Cost Efficiency in Public Higher Education Institutions, in C. R. Belfield and H. M. Levin (eds.) *The Economics of Higher Education* (pp. 447-467). Cheltenham: Edward Elgar Publishing Limited.
- Rust, V. D., Soumare, A., Pescador, O. and Shibuya, M. (1999). Research strategies in comparative education. *Comparative Education Review*, 43(1), 86-111.
- SADC (1997). *Protocol on Education and Training*. Gaborone: Associated Printers.
- Saint, W. (1992). *Universities in Africa: Strategies for Stabilization and Revitalization*. Washington, DC: World Bank.
- Saint, W. (2005). Who understands African agriculture? Too few! A paper on *Skills Development for Rural People: A Renewed Challenge* prepared for the Working Group for International Cooperation in Skills Development debates held in Rome on November 10-11, 2005.
- Saint, W., Hartnett, T. A. and Strassner, E. (2004). Higher education in Nigeria: A Status report. *World Education News and Reviews*. Available at: http://www.gse.buffalo.edu/org/inthigheredfinance/region_africa_Kenya.html [Accessed on 13/11/2004]

- Salmi, J. and Hauptman, A. M. (2006). Resource allocation mechanisms in tertiary education: a typology and an assessment, in Guni Series (ed.) *Higher Education in the World 2006: The Financing of Universities* (pp. 60-81). Houndmills: Palgrave Macmillan.
- Samoff, J. (2003). From funding projects to supporting sectors? Observation on the aid relationship in Burkina Faso. *International Journal of Educational Development*, 24(4), 397-427.
- Samoff, J. and Carrol, B. (2002). *The Promise of Partnership and Continuities of Dependence: External Support to Higher Education in Africa*. A paper presented at the 45th annual meeting of the African Studies Association, Washington, on 5-8 December.
- Sanyal, B. K. and Martin, M. (2006a). Financing higher education: international perspectives, in Guni Series (ed.) *Higher Education in the World 2006: The Financing of Universities* (pp. 3-19). Houndmills: Palgrave Macmillan.
- Sanyal, B. K. and Martin, M. (2006b). Financial reforms in higher education in Uganda: the case of the Makerere University, Africa, in Guni Series (ed.) *Higher Education in the World 2006: The Financing of Universities* (pp. 166-167). Houndmills: Palgrave Macmillan.
- Sawyer, A. (2004). Challenges facing African universities: selected issues. *African Studies Review*, 47(1), 1-60.
- Schuller, T. (2001). The complementary roles of human and social capital. *Isuma: Canadian Journal of Policy Research*, 2(1), 18-24.
- Schultz, T. W. (1968a). Investment in human capital, in M. Blaug (ed.) *The Economics of Education: Selected Readings* (pp. 13-33). Harmondworth: Penguin.
- Schultz, T. W. (1968b). The concept of human capital, in M. Blaug (ed.) *The Economics of Education: Selected Readings* (pp. 58-64). Harmondworth: Penguin.
- Schultz, T. W. (1971). *Investment in Human Capital*. The Free Press: New York.
- SIPA (2006). *Swaziland Investment Promotion Authority: Latest News*. Available at <http://www.sipa.org.sz/news.php> [Accessed on 06.04.2006].
- Silverman, D. (2000). *Doing Qualitative Research*. London: SAGE Publications.

- Ssebuwufu, P. J. M. (2003). *Cooperation in Higher Education: Visions, Models and Experiences: What Works*. A paper presented at the Norwegian Council for Higher Education/SIU Conference held in Os, Norway, on 6-7 October.
- Steyn, C. (2004). *Changing Nature of Research and Development Inputs in the South African Higher Education Sector: Findings from the National and Experimental Development Strategy*. Available at http://www.hsr.ac.za/research/output/outputDocuments/3457_Steyn_Changingnatureofresearchanddevelopmentinputs.pdf [Accessed on 28/02/2006].
- Teferra, D. (2006). Financing higher education in Sub-Saharan Africa, in Guni Series (ed.) *Higher Education in the World 2006: The Financing of Universities* (pp. 153-164). Houndmills: Palgrave Macmillan.
- Teferra, D. and Altbach, P. G. (2004). African higher education: challenges for the 21st century. *Higher Education*, 47, 21-54.
- Teichler, U. (1996). Comparative higher education: potentials and limits. *Higher Education*, 32, 431-465.
- Tekleselassie, A. A. (2001). *Cost Sharing in Higher Education in Ethiopia: Demystifying the Myth*. Available at: http://www.gse.buffalo.edu/org/inthigheredfinance/publications_Thio_CstShrg.htm [Accessed on 25/11/2004].
- Thomas, H. G. (1998a). Developing a strategic plan: a case study from the National University of Lesotho. *Higher Education Policy*, 11(2), 235-243.
- Thomas, H. G. (1998b). Reform and change in financial management: the need for an holistic approach. *Higher Education Management*, 10(2), 95-106.
- Tilak, J. B. G. (1989). *Education and Its Relation to Economic Growth, Poverty and Income Distribution: Past Evidence and Further Analysis*. Washington, DC: World Bank.
- Tilak, J. B. G. (2002) *Building Human Capital in East Asia: What Others can Learn*. Washington, DC: World Bank.
- UIS (2005). *World Education Indicators*. Available at <http://www.uis.unesco.org/profiles/selectCountry-en.aspx> [Accessed on 19/03/2006].

- United Nations (2000). *Resolution Adopted by the General Assembly: 55/2. United Nations Millennium Declaration*. Available at <http://www.un.org/millennium/declaration/ares552e.htm> [Accessed on 07/07/2006].
- University of Botswana. (1999). *University of Botswana Development Plan*. Gaborone: Printing & Publishing Botswana.
- University of Botswana (2002). *University of Botswana Annual Financial Statements*. Gaborone: UB.
- University of Botswana (2003). *University of Botswana Annual Financial Statements*. Gaborone: UB.
- University of Botswana (2004a). *University of Botswana Calendar 2004-2005*. Gaborone: Printing & Publishing Botswana.
- University of Botswana (2004b). *Annual Report*. Gaborone: Tiger Design and Graphics.
- University of Botswana (2004c). *Shaping Our Future*. Available at http://www.ub.bw/about/documents/shaping_our_future.pdf [Accessed on 23/03/2005].
- University of Botswana (2004d). *Vision, Mission and Values Statement*. Available at <http://www.ub.bw/about/vision.cmf> [Accessed on 23/10/2004].
- University of Botswana (2004e). *University of Botswana Annual Financial Statements*. Gaborone: UB.
- University of Botswana (2005). *University of Botswana Annual Financial Statements*. Gaborone: UB.
- University of Swaziland (2000). *University of Swaziland Strategic Plan 1999/2000-2004/2005*. Kwaluseni: UNISWA.
- University of Swaziland (2002). *University of Swaziland Financial Statements*. Kwaluseni: UNISWA.
- University of Swaziland (2003). *University of Swaziland Financial Statements*. Kwaluseni: UNISWA.
- University of Swaziland (2004a). *University of Swaziland Calendar*. Mbabane: Art Printers.
- University of Swaziland (2004b). *UNISWA Foundation*. Kwaluseni: UNISWA.
- University of Swaziland (2004c). *Minutes of the General Services Committee*. Kwaluseni: UNISWA.

- University of Swaziland (2004d). *University of Swaziland Financial Statements*. Kwaluseni: UNISWA.
- University of Swaziland (2005). *University of Swaziland Financial Statements*. Kwaluseni: UNISWA.
- University of Swaziland (2006). *Extracts from Yearbook: 2002-2005*. Kwaluseni: UNISWA.
- University of the Witwatersrand (2001). *Witwatersrand Foundation*. Available at: <http://www.wits.ac.za/foundation/donations.htm> [Accessed on 13/11/2004].
- van Harte, M. (2002). *Can Student Loan Schemes Ensure Access to Higher Education: South Africa's Experience*. Available at http://www.gse.baffalo.edu/org/inthigheredfinance/publications_SASLoans.html [Accessed on 07/02/2006].
- Varghese, N. V. (2001). *The Limits to Diversification of Sources of Funding in Higher Education*. Paris: International Institute for Educational Planning.
- Walford, G. (2001). *Doing Qualitative Educational Research: A Personal Guide to the Research Process*. London: Continuum.
- Warner, D. and Leonard, C. (1997). *The Income Generation Handbook*. Buckingham: SRHE and Open University Press.
- Watson, K. (2001). Comparative education research: the need for reconceptualisation and fresh insights, in K. Watson (ed.) *Doing Comparative Education Research: Issues and Problems* (pp. 23-42). Oxford: Symposium Books.
- Wasser, H. and Picken, R. (1998). Changing circumstances in funding public universities: a comparative view. *Higher Education Policy*, 11(1), 29-35.
- Weeks, S. G. (2003). Botswana, in D. Teferra and P. G. Altbach (eds.) *African Higher Education: An International Reference Handbook* (pp. 182-194). Indiana: Indiana University Press.
- Wield, D. (1997). Coordination of donors in African universities. *Higher Education Policy*, 10(1), 41-54.
- Wikipedia (2005). *Guanxi*. Available at <http://en.wikipedia.org/wiki/Guanxi> [Accessed on 10/11/2005].

- Woodhall, M. (1997). Human capital concepts, in A. H. Halsey, H. Lauder, P. Brown and A. S. Wells (eds.) *Education: Culture, Economy, and Society* (pp. 219-223). Oxford: Oxford University Press.
- Woodhall, M. (2006). Financing higher education: the role of tuition fees, in Guni Series (ed.) *Higher Education in the World 2006: The Financing of Universities* (pp. 122-130). Houndmills: Palgrave Macmillan.
- Woolcock, M. (2001) The place of social capital in understanding social and economic outcomes. *Isuma: Canadian Journal of Policy Research*, (2)1, 11-17.
- Woolcock, M. and Narayan, D. (2000). Social capital: implications for development theory, research and policy. *The World Bank Research Observer*, 15(2), 225-249.
- World Bank (1986). *Financing Education in Developing Countries*. Washington, DC: World Bank.
- World Bank (1994). *Higher Education. The Lessons of Experience*. Washington, DC: World Bank.
- World Bank (2000). *Higher Education in Developing Countries: Peril and Promise*. Washington, DC: World Bank.
- World Bank (2002a). *Social Capital and Education*. Available at <http://www1.worldbank.org/prem/poverty/scapital/topic/edu2.htm> [Accessed on 09/09/2005].
- World Bank (2002b). *Constructing Knowledge societies: New Challenges for Tertiary Education*. Washington, DC: World Bank
- World Bank (2003). *Lifelong Learning in Global Knowledge Economy: Challenges for Developing Countries*. Washington, DC: World Bank.
- World Factbook (2005). *The World Factbook*. Available at <http://www.odci.gov/cia/publications/factbookgeos/bc.html> [Accessed on 06/08/2005].
- Xiao, J. and Lo, L. N. K. (2003). Human capital development in Shanghai: lessons and prospects. *International Journal of Educational Development*, 23(4), 411-427.
- Yin, R. K. (1994) *Case Study Research: Design and Methods*, London: SAGE Publications.
- York, M. and Thomas, L. (2003) Improving the retention of students from lower socio-economic groups. *Journal of Higher Education Policy and Management* 25(1), 63-74.

Youngman, F. (2000). *The Political Economy of Adult Education and Development*.
London: Zed Books Ltd.

Ziderman, A. and Albrecht, D. (1995). *Financing Universities in Developing Countries*.
London: Falmer Press.

APPENDICES

A. UNIVERSITY BURSARS/DIRECTORS OF FINANCIAL SERVICES

Semi-Structured Interview Guide

Sources of Funding: How do the three universities acquire their financial resources?

- What are the sources of funding for your university?
- What proportion does each of these sources make into the university's total revenue?

Management of Financial Resources: How do the universities manage their funds in terms of internal policy and practice?

- How does the university initiate the process of acquiring funds from time to time?
- How does the university allocate funds to its faculties, departments and units?
- What specific spending control measures does the university apply to the faculties, departments and units?
- To what extent do the funders/financiers require the university to account for the funds?
- What measures is the university applying in the training of its staff and acquisition of appropriate technology in the administration of finances?

Challenges: What challenges are facing the universities with respect to funding?

- How would you describe the trend in the allocation of funds from sources in the last five years?
- What specific internal and external challenges is the university facing in the area of funding?

Addressing the Challenges: What innovations could be implemented at each university in order to improve and broaden the current strategies for funding?

- What other non-traditional sources of funding is the university exploring or already implementing in order to broaden its financial base?

B. UNIVERSITY REGISTRARS/DIRECTOR OF LEGAL SERVICES

Semi-Structured Interview Guide

Sources of Funding: How do the three universities acquire their financial resources?

- Which organ of your university is responsible for finances and how do other organs of the university relate to it?
- What are the sources of funding for the university?
- Are there any specific goals that the funders/financiers are supporting through the funds they make available to the university?

Management of Financial Resources: How do the universities manage their funds in terms of internal policy and practice?

- How does the university initiate the process of acquiring funds from time to time?
- How does the university allocate funds to its faculties, departments and units?
- What spending control measures does the university apply in the faculties, departments and units?
- To what extent do the funders/financiers require the university to account for its funds?

Challenges: What challenges are facing the universities with respect to funding?

- How would you describe the trend in the allocation of funds from sources in the last five years?
- What specific internal and external challenges is the university facing in the area of funding?

Addressing the Challenges: What innovations could be implemented at each university in order to improve and broaden the present strategies for funding?

- What is the overall long-term university goal with respect to funding?
- To what extent is the government encouraging initiatives aimed at broadening the financial base of the university?

- What other non-traditional sources of funding is the university exploring or already implementing to broaden its financial base?

C. UNIVERSITY VICE CHANCELLORS

Semi-Structured Interview Guide

Sources of Funding: How do the three universities acquire their financial resources?

- What are the sources of funding for your university?
- Are there any specific goals that the funders/financiers are supporting through the funds to the university?

Management of Financial Resources: How do the universities manage their funds in terms of internal policy and practice?

- How does the university allocate funds to its faculties, departments and units?
- What spending control measures does the university apply to the faculties, departments and units?
- To what extent do the financiers require the university to account for the funds?

Challenges: What challenges are facing the universities with respect to funding?

- What specific internal and external challenges is the university facing in the area of funding?

Addressing the Challenges: What innovations could be implemented at each university in order to improve and broaden the present strategies for funding?

- What is the overall long-term university goal with respect to funding?
- To what extent is the government encouraging initiatives aimed at broadening the financial base of the university?
- What other non-traditional sources of funding is the university exploring or already implementing?

D. UNIVERSITY ACADEMICS: DEANS

Semi-Structured Interview Guide

Sources of Funding: How do the three universities acquire their financial resources?

- Which organ of the university is responsible for finances and how do other organs of the university relate to it?
- Are there any key players in the process of budgeting and what are their specific roles?

Management of Financial Resources: How do the universities manage their funds in terms of internal policy and practice?

- Are there any rules and procedures set out by the financiers on how the funds they contribute should be used?
- How does the university allocate funds to its faculties, departments and units?
- What spending control measures does the university apply to the faculties, departments and units?

Challenges: What challenges are facing the universities with respect to funding?

- What specific internal and external challenges is the university facing in the area of funding?

Addressing the Challenges: What innovations could be implemented at each university in order to improve and broaden the present strategies for funding?

- To what extent is the government encouraging initiatives aimed at broadening the financial base at the university?
- What other non-traditional sources of funding is the university exploring or already implementing?

E. GOVERNMENT OFFICIALS: PERMANENT SECRETARIES

Semi-Structured Interview Guide

Sources of Funding: How do the three universities acquire their financial resources?

- What is government's policy with respect to giving financial support to your national university?
- How does the government financially support the university?

Management of Financial Resources: How do the universities manage their funds in terms of internal policy and practice?

- Are there any rules and procedures that are set out by the government on how the funds at the university are to be managed and utilised?
- To what extent does the university account to government for the funds it receives?

Challenges: What challenges are facing the universities with respect to funding?

- What challenges is the university facing in the area of funding?
- What are foreseeable future changes in the government's financing of the university?

Addressing the Challenges: What innovations could be implemented at government level and each university in order to improve and broaden the present strategies for funding?

- What future funding strategies is the government exploring in order to improve funding for the university?
- To what extent is the government encouraging university initiatives in order to broaden the university's financial base?

F. DOCUMENTS COLLECTED

- Audited financial statements of UB, NUL and UNISWA.
- University Calendars of UB, NUL and UNISWA.
- Vice Chancellor's reports for UB and NUL.
- Terms of reference for the university foundations of UB and UNISWA.
- Guidelines governing the award of post secondary sponsorship in all three countries.
- Higher Education Act, 2004 of Lesotho.
- Others that have been referenced in the thesis.

G. CURRENCIES

Country Unit Currency	One US Dollar Equivalence
Botswana (Pula)	P 5.35
Lesotho (Maloti)	M 6.10
South Africa (Rand)	R 6.10
Swaziland (Emalangeni)	E 6.10
United Kingdom (Pound Sterling)	£ 0.58
United States of America (Dollar)	\$ 1.00

Source: Adapted from MBendi Information for Africa (Available at <http://www.mbendi.co.za/cyexch.htm> Accessed on 27/02/2006)

II. SUMMARY OF FINDINGS

	UB	NUL	UNISWA
Sources of Funding			
Government	✓	✓	✓
Student fees (tuition & residence)	✓	✓	✓
Rent income	✓	✓	✓
Bank interest	✓	✓	✓
Bookshop sales	–	–	✓
Amortisation of capital funds	✓	–	–
Management of Financial Resources			
Central budgeting	✓	✓	✓
Central internal allocation of funds	✓	✓	✓
Centralised pending controls	✓	✓	✓
Accountability to funders	✓	✓	✓
Challenges Facing the Universities			
Accountability	–	✓	–
Competition with service providers	✓	✓	✓
HIV/AIDS pandemic	✓	✓	✓
Increasing student fees	✓	✓	✓
Donor/aid agency fatigue	✓	✓	✓
Declaration of unused funds	✓	–	–
Second university	✓	–	–
Tertiary Education Council	✓	–	–
Production of audited statements	–	✓	–
Approaching Chancellor for funding	–	–	✓
Future Funding Strategies			
Government subsidy	✓	✓	✓
Cost-sharing	✓	✓	✓
Improved student loan recovery	✓	✓	✓
Increasing student numbers	✓	✓	✓
Increasing student fees	✓	✓	✓
Consultancies	✓	✓	✓
Philanthropies	✓	✓	✓
Alumni	✓	✓	✓
Donor/aid agency funds	✓	✓	✓
Various income generating activities	✓	✓	✓