This article is part of a series examining the state of higher education in Africa at the end of the 20th century. It tells the dramatic story of how Makerere University in Uganda has addressed the pervasive problem of how to provide quality education at the tertiary level without undue financial dependence on the state. It describes the main reform measures adopted, considers some of the reasons for the success of the chosen measures, identifies remaining issues for attention and looks at the question of sustainability. In the past 7 years, Makerere has moved from the point of collapse to the point where it can aspire to be one of the preeminent capacity-building and intellectual resources in Uganda. Restructuring has had three central and related elements: (1) implementing alternative financing strategies; (2) installing new management structures; and (3) introducing demand-driven courses. In the space of 5 years, Makerere has moved from an institution where none of the students paid fees to one at which more than 70% do. More than 30% of the university's revenue is not internally generated, and the cost to the government has been dramatically reduced, allowing the channeling of more funds to primary education in Uganda. Among the most important contextual factors has been macro economic reform in the country. Inside the university, much of the credit must go to university leadership, which has been imaginative and energetic. Still to be resolved are issues related to the regulatory framework that governs Makerere's relationship to the growing network of private universities in Uganda. The accomplishment of Makerere demonstrates the variety of contextual and institutional factors that are needed for effective management of resources. (Contains 2 tables, 1 figure, and 20 references.) (SLD)
Financing Higher Education in Africa: Makerere, the Quiet Revolution

David Court
FINANCING HIGHER EDUCATION IN AFRICA:
MAKERERE, THE QUIET REVOLUTION

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and
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EXECUTIVE SUMMARY

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

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

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

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

Makerere represents an impressive example of institutional reform that takes advantage of different expressions of market demand. Yet despite undeniable progress towards a new kind of university restructuring remains incomplete. There are limits to the extent that a public institution can allow the market to determine its shape and issues
of equity, efficiency and sustainability remain. Also needed is attention to the regulatory framework which governs Makerere's relationship to the burgeoning network of private universities within a diversified system of higher education.

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

INTRODUCTION

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

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

Such measures are hardly unfamiliar in other parts of the world (Johnstone, 1998), but, occurring together and at such pace, are truly novel in Africa. However, impressive though it is, the process of reform remains partial and incomplete. Externally, it will benefit from planned legislation that gives the university more autonomy and a Higher Education Council that should be a means for ensuring that changes at Makerere take account of developments in other government tertiary level institutions and within the embryonic network of private universities. Internally, financial and administrative rationalization will gain impetus from an anticipated research exercise concerning micro-level change and the development of a more comprehensive institutional data base. Nevertheless, the already accomplished extent of enrollment expansion, privatization, financial reform, academic development, managerial change and general revitalization make a dramatic and instructive story.
This article tells some of that story. The aim is to describe the major changes, assess their significance, analyze their implications and speculate on their causes, in the hope that Makerere will offer examples and inspiration to other African institutions grappling with similar problems. The article begins with a brief historical background. Then it describes Makerere’s reforms and examines their consequences, giving special attention to quality, internal and external efficiency, and equity. A central section identifies some of the reasons for Makerere’s dramatic achievement. There is a brief look at the university’s relationship to the rest of the tertiary system and to other levels, themselves also undergoing major change. The account concludes with a look at the future and the sustainability of the new Makerere.

HISTORICAL BACKGROUND

Documented experience from most parts of the world suggests that public funding can support high quality tertiary education only when the system is relatively small and hence inevitably elitist (Barr, 1998). Large scale, or mass, education at the tertiary level requires significant private supplementation. The challenge, therefore, is to attract private resources while protecting both quality and equity of access. These propositions, true for all countries, have particular resonance in Africa where primary and basic education remain inadequate. From this perspective large scale subsidies for higher education divert resources from the more visible and pressing requirements of other levels. The argument for allocating sizeable public funding for tertiary education, on the grounds that it is a public good and brings significant externalities is important, but has to be weighed in the balance of the full range of needs within the sector as a whole.

In most countries of Africa, the system of higher education inherited at independence, and continued for three decades, had at its apex a single national university catering to a relatively small number of students whose tuition and accommodation were fully covered by the state. Access was based on examination performance, admission related to the requirements of the civil service, and the overwhelmingly youthful and male student body pursued full time degree courses within a rigid term structure, with progress measured and achievement conferred by annual and all-determining examinations. Management was centralized and hierarchical, academic quality high, resources for research and learning abundant, and the tone decidedly elitist. Students contributed little by way of service, and had their study and leisure supported by attendant staff, more numerous than the academic faculty. Universities, except in South Africa, had no tradition of fees or student loans (Coleman and Court 1993).

In direct and indirect ways, universities were subordinated to the state in matters of internal governance, as well as policy, finance and student intake and distribution (Eisemon and Salmi, 1993). For example, in Makerere’s case, two thirds of the members of the University Council, which is the supreme policy making and oversight body, were government nominees,
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including the secretary and chairman. Faculty salaries were pegged to civil service levels and the university could not borrow money or sell assets without Treasury approval (Mwiria, 1999).

Universities in Africa have had great difficulty extricating themselves from this model. Perhaps the most serious attempt occurred in the 1970s, when the University of Dar es Salaam, Tanzania, set out to create a university of service. The idea of a development university, derived from the thinking of Julius Nyerere, accepted the premise of privilege but linked it to the responsibility of service. This was done through compulsory national service before admission, bonded internships after completion, and a university curriculum which supplemented technical content with courses intended to impart an understanding of development and the formation of nationalistic and altruistic attitudes (Court, 1990). While the state received an economic return in the form of below-market rates of payment for a period after graduation, it also covered all costs of education and subsistence for full time university students.

Few universities attempted, and none succeeded, in redistributing the cost of tertiary education to providers other than the government. Countries that tried to introduce cost-sharing faced violent confrontations with students, usually because the change was sudden and without adequate explanation. These confrontations tended to persuade nervous governments to return to the status quo. Thus, state subsidies remained constant, student numbers increased disproportionately, plant deteriorated, morale plummeted, faculty departed, the quality of teaching sank and research all but disappeared. Universities remained costly residential units with insufficient accommodation for burgeoning enrolments. Kenya, with its easing of access requirements in 1990, and massive, sudden expansion of student numbers, is a classic example of this familiar syndrome.

Makerere was just beginning to respond to the challenge of rapidly expanding enrolment at the primary and secondary levels when Uganda was plunged into its ‘time of troubles’. The 1970s and 80s was a period of tyranny and depredation under Amin and Obote that threatened the very existence of the university along with much else. By 1990, Makerere exhibited in extreme form the resource constraints facing universities throughout Africa. No new physical structures had been built and no maintenance carried out in twenty years. Journal subscriptions had declined to zero, as had chemicals for science laboratories. Supplies of electricity and water were spasmodic, cooking and sewage facilities were stretched to their limit. Faculty members received the equivalent of $30 per month and were forced by this so-called “leaving” wage to depart the country or seek any available paid employment for most of their day (Hyuha,1998). Student numbers remained low, the government subsidy small and research output minimal. A “pillage” or survival culture prevailed which put at risk to private theft any saleable and removable item, from computers and telephones to electric wires and door fixtures — and sometimes the doors themselves! In a situation of limited transport, few if any working telephones, and the absence of needed equipment and stationery, it is remarkable that the university managed to remain open throughout this period.

When a new and reforming government took over, Uganda’s impoverished state precluded substantial increase in public support. Yet the
mentality, prevailing since the university’s establishment in 1922, that the government should cover all costs and control all policy, persisted. An attempt to introduce cost-sharing in 1990 met with demonstrations, a boycott of classes, the death of two students and the closure of the university for the first time in its history. When it re-opened the following year, a “needy students” scheme, based on the principle that poorer students could contribute to the cost of their education through service to the university, foundered on student resistance and the difficulty of identifying who were the truly needy.

THE QUIET REVOLUTION

It has been claimed that trying to change a university is like trying to move a cathedral (Coombe, 1991). Yet, in the space of seven years Makerere transformed its system of financing and management, divested itself of assumptions and attitudes that had held sway for seventy years and turned an institution on the verge of collapse to one which again sets an example for the rest of the continent.

Restructuring at Makerere has had three key interrelated thrusts:

- implementing alternative financing strategies;
- introducing demand-driven courses;
- installing new management structures.

Inside the university the most significant effects of these measures have been the diversification of income sources, the more complete utilization of facilities; managerial devolution and greater autonomy from government. Outside, the main result has been to facilitate efforts of government to re-allocate the educational budget between different levels of the system.

1. Alternative Financing Strategies

Makerere diversified its financial base and reduced its reliance on government in the following ways:

a) Encouraging privately sponsored students.

The first step towards privatization occurred when the Institute of Adult and Continuing Education inaugurated a self-sponsored external degree program in 1992. The faculties of Law and Commerce initiated privately sponsored evening courses the following year. (Ssekama, 1998). In 1994, the University Council accepted the principle that faculties with places remaining after the prescribed government intake could fill them with private students. One year later it sanctioned evening courses for all faculties. Within three years privately sponsored students exceeded the number supported by government. The dramatic progression is shown in Figure 1. Since the 1992-93 academic year, the number of government sponsored students admitted each year has remained steady at approximately 2,000 per year while the number of privately sponsored students has risen from a total of 176 (mostly graduate students) in 1992-93 to over 8,000 in 1998-99. Overall, enrolment has more than doubled, with privately sponsored students accounting for over 50 percent of this total and constituting 80 percent of new admissions (Table 1).
Figure 1: Makerere University Admissions Statistics for Private and Government Sponsored Students

![Graph showing admissions statistics for private and government sponsored students from 1992/93 to 1998/99. The graph indicates a steady increase in admissions over the years, with a notable increase in 1997/98 and 1998/99.]

Source: Academic Registrar's Department

Table 1: Makerere University Statistics of Undergraduate Students

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of A-Level Candidates</th>
<th>Eligible A-Level Applicants</th>
<th>Admission Figures</th>
<th>Enrollment</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Government</td>
<td>Private</td>
</tr>
<tr>
<td>1992/93</td>
<td>16690</td>
<td>6451</td>
<td>2038</td>
<td>176</td>
</tr>
<tr>
<td>1993/94</td>
<td>19601</td>
<td>7947</td>
<td>2299</td>
<td>1062</td>
</tr>
<tr>
<td>1994/95</td>
<td>21337</td>
<td>7472</td>
<td>2146</td>
<td>1106</td>
</tr>
<tr>
<td>1995/96</td>
<td>21704</td>
<td>9332</td>
<td>2280</td>
<td>2521</td>
</tr>
<tr>
<td>1996/97</td>
<td>24176</td>
<td>11011</td>
<td>2273</td>
<td>5631</td>
</tr>
<tr>
<td>1997/98</td>
<td>24639</td>
<td>13057</td>
<td>2330</td>
<td>5919</td>
</tr>
<tr>
<td>1998/99</td>
<td>28189</td>
<td>15630</td>
<td>2042</td>
<td>4159</td>
</tr>
</tbody>
</table>

Source: Makerere University, Office of the Academic Registrar.

b) Commercializing service units and enforcing user fees.

Units previously subsidized from central university funds have been contracted out to private management. Notable examples here are the bookshop, which brought a return to the university of 6 million shillings in 1997, and the bakery which provides bread to the student halls of residence. Other formerly subsidized units, such as the guest house and printing shop, are now run by the university on commercial basis. Previously diverse non-tuition user fees were often waived in the past and are now strictly applied and constitute an additional source of revenue for the institution.
c) Institutionalizing consultancy arrangements.

While demand for consultants from East Africa universities has grown greatly in the past ten years and individual staff members have profited, few universities have been able to put in place a system that retains some of the profit for the institution that houses the consultants and provides their overheads. Makerere is making the attempt through the establishment of the Makerere University Consultancy Bureau, a limited liability company with 51% of shares owned by Makerere staff as individuals and 49% by the university as an entity. The bureau engages in merchandizing and provides consultant service lines in business, organizational development, water and sanitation, and public health. It also maintains a data base that is used to link consultant skills to task requirements.

2. Demand-Driven Academic Reforms.

The most effective way of attracting private students is to provide courses for which individuals, families and companies are willing to pay. The change in the student body since 1993 has been intertwined with an explosion of new degree and diploma courses. The university now offers bachelors degrees in business administration, nursing, tourism, urban planning, biomedical laboratory technology and many pursuits not previously available or contemplated. Their practical and professional career purpose suggests than an estimate of demand rather than a prescription of supply is influencing the academic curriculum. However, demand is not confined to the vocational and the practical; bachelors degrees with specializations in drama, music and dance can also be pursued through evening courses.

Another way to encourage self-sponsorship as well as utilize available facilities is to offer courses during evenings and weekends when working people can attend. Private students at Makerere can pursue degrees either in the day or in the evening, although some courses are offered only in the evening. Eclecticism of course offering and flexibility of timing are long established features of systems in the USA and elsewhere, but for Uganda and old Oxbridge practice they represent departures from tradition — departures that in an earlier era, and until very recently, seemed impossible.

3. Decentralized and Participatory Management

Rapid expansion of enrolments and major alterations in funding patterns have been linked to radical changes in administration and management. Makerere was quick to recognize the need for administrative re-structuring and began with the formulation of a comprehensive strategic plan which saw the key to revitalization as “improved funding and restructuring of governance to cultivate an innovative and entrepreneurial approach at all levels” (Tibarimbasa, 1998). The plan’s basic objective is to bring about academic development by appropriate use of the best institutional and organizational opportunities. More specifically, the plan set out an agenda for enhancing academic development, research planning and staffing; rationalizing the use of space and the development of physical facilities; increasing and diversifying financial resources and restructuring management in a manner that increases autonomy and internal decentralization.
The university has pursued this agenda diligently and already conducted an internal implementation review (Makerere, Strategic Plan 1996/97-1998/99). As previously discussed, there has been a significant increase in, and diversification of, financial resources. The introduction of evening classes has ensured more intensive use of space. In keeping with both steps a semester system has been introduced which permits greater flexibility in the timing of teaching and learning for students and staff.

Of utmost importance, restructuring has brought the university greater autonomy in relation to the government which has been combined with a devolution of internal authority. Makerere has made significant steps away from hierarchical top-down management towards more inclusive representation and authority. The Council, formerly composed primarily of appointees from government, now includes students, senior academics and administrative staff as well as representatives from business. With the demise of a centrally planned budget, the University Secretary has lost exclusive financial authority. Faculties now determine their own development through financial committees that receive a portion of earned revenue and decide on its allocation and distribution. Consultative and participatory management maximizes the involvement of different segments of the university community. A new openness shows itself in a weekly newsletter, that keeps the entire university body updated as events occur, as well as tri-monthly consultative meetings of deans, directors and administration where each group reports its activities (Mwiria, 1998).

4. The Impact of Financial and Administrative Reforms

a) Disposable income

The main effect of financial reform and revenue diversification has been to reduce dependence on government and to increase the proportion of fungible resources within the university. For the past seven years, the government allocation to the university for recurrent revenue has been around half the university’s request. This year it amounted to 45%. The university has obtained the balance from private sources. Revenue gained from private students rose from 4 to 10 billion shillings in the three year period 1995/96 to 1996/97. As shown in table 2, the government subvention to Makerere remained relatively constant in absolute terms, but declined markedly as a per capita contribution. Today, over 30 percent of the university’s revenue comes from internally generated non-government sources (Table 3).

Table 2: Makerere University: Internally Generated Funds as a Proportion of Government Funding 1995 – 1998 (1 US $ = 1200 UGS)

<table>
<thead>
<tr>
<th>Year</th>
<th>Government Funding</th>
<th>Internally Generated Funds</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1995/96</td>
<td>20,328,433,000</td>
<td>4,080,059,201</td>
<td>24,408,492,201</td>
</tr>
<tr>
<td>1996/97</td>
<td>20,942,394,000</td>
<td>5,071,166,775</td>
<td>26,013,558,775</td>
</tr>
<tr>
<td>1998/99</td>
<td>22,541,938,000</td>
<td>10,350,055,000</td>
<td>32,891,993,000</td>
</tr>
</tbody>
</table>

Source, Makerere University, Office of the Academic Registrar
The availability of funds which are not derived from government has enabled the university to move from a situation of hand-to-mouth dependency to one where autonomous initiative, planning and allocation are possible. Funds gained from non-government sources have been allocated according to prescribed ratios to library enrichment, faculty development, staff salary supplementation and building maintenance, including some construction (Ssebuwufu, 1998).

The most important impact of increased institutional income has been on staff salary structures and incentive schemes. Professors can now earn over $1,300 per month with the possibility of added supplementation on an hourly basis from evening classes. The consequence has been to staunch the exodus of academic staff and remove their need to undertake a range of activities outside the university. It has also made possible the introduction of a performance based incentive structure in which staff remuneration and contracts are determined on the basis of past performance measured against previously agreed objectives. At the same time the value-for-money demands of those who pay fees have raised standards of teaching as well as staff and student accountability. This, in turn, has boosted staff morale and improved the intellectual climate. Once again academics are being paid to do what they were trained for, in a place dedicated to this purpose.

More generally, the power of privatization engendered by fee-paying students has spread an entrepreneurial ethos within and beyond the university. Their willingness to provide services and take up trade to meet their costs has washed away the former hand-out, dependent mentality. The long standing expectation of state financing has disappeared.

b) Budgetary re-allocations within the educational sector

One important effect of revenue diversification has been to facilitate the reallocation of government funding across levels of the education sector. As a result of the Government's support to the Universal Primary Education policy, public funds for higher education have been decreasing, as compared with public funds for primary education. Table 2 and figure 2 show that public recurrent funds for primary education have more than doubled, in constant prices, since 1995/96, while public recurrent funds for higher education have decreased by 7 percent in the same period. The share of primary education in total recurrent revenue for the sector has increased from 52 percent to 68 percent since 1995 while at the same time the share for tertiary education has decreased from 28 percent to 16 percent.

Table 3: Public Funding (recurrent) of the Education Sector in Constant Prices 1995/96=100

<table>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary</td>
<td>53,047</td>
<td>89,033</td>
<td>110,229</td>
<td>124,659</td>
<td>117,339</td>
</tr>
<tr>
<td>Secondary</td>
<td>20,700</td>
<td>26,698</td>
<td>28,643</td>
<td>27,960</td>
<td>27,366</td>
</tr>
<tr>
<td>Tertiary</td>
<td>29,300</td>
<td>31,349</td>
<td>28,902</td>
<td>28,230</td>
<td>27,574</td>
</tr>
</tbody>
</table>

Source: World Bank calculation from Macroeconomic Program.
Although Makerere's agenda is unfinished the university has accomplished unprecedented reform in a very short space of time. The level and pace of accomplishment beg a series of questions. Why has it worked so well in Uganda? Other universities have strategic plans and several are embarked on a reform agenda, (Association of African Universities, 1997) but nowhere else has reform been so rapid and comprehensive. What accounts for Makerere's commitment and ability to implement its plans? Why has privatization not led to graft and corruption? Why were university and government authorities willing to devolve power and control? Where does the money come from? In short, what has made the difference and can it be sustained? There is no single factor explanation for the accomplishment, and the reasons have to be sought in the interplay between a supportive external environment and an innovative institutional context.

1. The Virtue of Necessity

It could be argued that in 1990 the impoverished state of the Uganda exchequer left the government with no alternative than to provide the university the latitude to seek diversified sources of revenue. Similarly, the devastated condition of the university created a climate where any change was likely to be viewed as an improvement. Clearly, however, other factors were involved.
2. Macro Economic Reforms and Economic Growth

One of the most important of these factors has been the economic reform that has taken place in Uganda since around 1990 and the growth that has followed. The fact that Uganda has been the most consistent economic performer in Africa during the 1990s goes some way to explaining what has been possible in education and other social sectors. The government under President Museveni has established a record of sustained economic growth of 6.6 percent in the past decade and more than 8.0 percent in the last three years. Fiscal policy has been tight and has included import liberalization, the opening of export marketing to competition, foreign exchange liberalization, privatization of public enterprises financial sector reform and the reduction in the size of the civil service. In this context entrepreneurial activity has flourished and has spawned energetic innovation. Real incomes have grown markedly and people with more resources have been willing to spend more on education including the university level.

3. Political Stability, Trust, Autonomy

Although, until recently political change was lagging behind economic reform, it accelerated during the promulgation of the new constitution in 1995, followed by presidential and parliamentary elections. Political stability has strengthened the government's willingness to respect university autonomy and, beyond this, the manifest commitment of the President and the Minister of Education have supported Makerere's innovation. Indeed it possible to perceive an informal compact between the government and the university. This was evident as early as 1992 when, in a commencement address at Makerere, President Yoweri Museveni announced that he planned to step down as the University's Chancellor. He went on to say that the government was willing to respond positively to demands from the public universities for greater autonomy, providing that they recognized in future that they would have greater responsibility for raising funds to support academic instruction (Eisemon, 1992). Reform is feasible where there is a degree of mutual trust between government and university as has been the case in Uganda.

4. Local Government Reform and Decentralization

In a context of political stability and economic growth a national process of decentralization and local government reform has been an important factor in bringing funds to local government and income to local communities. This in turn has enabled both local government and communities to sponsor students. Some of the ostensibly "private" students are not private, in the sense of being supported by their parents or employers, but are sponsored by local government or through a process of community collaboration sometimes involving churches or NGOs. Such students are often bonded to a diverse set of constituents and exemplifying the scope of current "privatization".

5. Institutional leadership

Inside the university, the "inevitability" factor was at play in the sense that the university had to find a way of increasing faculty salaries in order to retain any kind of commitment and restore morale for a group who had been
surviving by means of a diverse range of non academic activities. But it required a supportive external environment and internal initiative to make it happen and, fortunately, both were present. Much of the reform accomplishment which has been described can be ascribed to the commitment, energy and imagination of the university leadership during the past seven years. As a result of government support, the university management—notably the Vice Chancellor, Secretary and Development Officer—had greater autonomy than ever before to make structural decisions affecting the institution, including the ability to raise funds from private sources. It had the incentive to do this and the wisdom to recognize that many of the changes could only take root through a consultative policy-making process and an inclusive and participatory system of governance. The two most important philosophical factors which fuelled reforms were a powerful belief among the leadership, and everyone involved, in a market orientation and a similarly strong faith in the benefits that professional and participatory, management would bring to academic as well as other institutions.

6. Ownership

A consultative, inclusive and participatory approach to the idea and tasks of reform led to a gradual, phased and comprehensible process within the university. Reforms, while urgent and radical, were not sprung upon the public or the university in a sudden unexplained manner, as a diktat from above in apparent response to external pressure. Rather, they occurred in a long process of negotiation, consultation and explanation both within the university and outside it.

As a result, and critically important for the success of Makerere's reforms, has been an almost palpable sense across all strata of the university that the process which is affecting the whole community is owned and led by the institution itself. The strategic plan and package of reforms which Makerere is applying are not unlike ideas which have been disseminated by the World Bank and popularized through the Higher Education Working Group of the Association for the Development of African Education. In other places where such ideas have been imposed from outside they have led to resistance and rebuff. Makerere has made the ideas her own and applied them in her own way. The university has had some support from donor agencies throughout the reform period. This was useful initially for much need construction and the provision of equipment and, more recently, for the funding of pockets of research, but it has not been central or instrumental in determining the reform process.

ISSUES AND UNFINISHED BUSINESS

1. The Limits of Privatization

Makerere represents an impressive example of institutional reform that takes advantage of different expressions of market demand. Yet, despite undeniable progress towards a new kind of university, restructuring remains incomplete. Privatization has not been uniform across faculties and departments. It has been most evident in Commerce, Law, Education and the
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Humanities, which can be taught at night and lead the way in financial productivity, and most difficult to effect in Medicine and the Sciences which, with their need for laboratory space and experiments, have been financially less productive. This raises the issue of possible cross subsidization, so that faculties which bring in relatively greater resources can support others that produce less. At the moment, the privatization program allows faculties to retain 45% of their earned income, but what may be necessary is an institutional framework with the flexibility to permit faculties and courses achieving a substantial surplus to cross subsidize those which are no less important to the university and the nation but are constrained in their ability to produce revenue.

Rationalization of resources has not been systematic because Makerere lacks the necessary data base for complex planning involving calculations concerning the use of space and time, job specifications, salary structures and financial diversity. The university is developing an integrated data base on staff and students. It ultimately will expand this into a full management information system, but its establishment requires time.

A thornier issue concerns balancing public and private funds. Despite the benefits of privatization, the state cannot abdicate from involvement in the university. State funding places higher education within national educational and development policies and helps to ensure attention to equity. Therefore, to reinforce the expectation that Makerere is to serve social and national purposes and contribute those courses which, left to itself, the market will not demand, the state has to retain some measure of control over the university and a significant portion of its funding. Identifying how the university can best contribute to the public good, and deciding the extent to which these public externalities will be funded by the state, pose a challenge and a dilemma. On the one hand, the government needs to establish legal incentives for the private sector to contribute to higher education. On the other hand, it needs to provide an incentive so that its own Ministry of Education maintains its critical government contribution at the tertiary level and avoids the temptation to reduce this, or re-allocate it to other levels, as the private input intensifies.

2. Quality: Teaching and Research

Despite manifest improvement in facilities and faculty motivation, questions remain about the long term impact of reform upon the quality of learning, and future of research. Without expansion of facilities and staff, the pressure of numbers on physical and human resources will inexorably depress educational quality. On the one hand, the reports of external examiners, the university's traditional mechanism for quality monitoring, have not shown serious declines in standards across faculties. However, the data for repetition and wastage in some faculties are less reassuring. Within core faculties — arts, science, social science and education — drop-out and repetition, although increasing numerically, have remained relatively constant as a proportion of expanding enrolments (Makerere, Strategic Plan p.39). However, within the more technical faculties — medicine, statistics, commerce and law — drop-out and repetition now occur with disproportionate frequency. Other signs suggest that enrolment expansion is beginning to outrun the university's physical, teaching and management capacities: still limited journal
subscriptions and library purchases, aging laboratory and workshop capacity, outdated equipment, constrained computer access and depressed research output.

It is difficult, if not premature, to reach a conclusion about the effect of privatization and reform upon the volume and quality of research output. The overall revitalization of the university and the payment of a living wage to faculty increases the opportunity for research. On the other hand the intensifying incentive system, associated with privatization, encourages the allocation of more time to teaching and little for research. Faculties vary in their research output, with Agriculture being prominent in its productivity and the Makerere Institute of Social Research putting out some publications that suggest a return to its former glory. In general, research funding remains mainly, although not exclusively, a donor domain. Because of its integral relationship to the quality of teaching and graduate programs and the general academic reputation of the university the state of research has to be a concern of the university and increasing research output and quality will undoubtedly be an urgent objective of the coming years.

3. Internal Efficiency

On the basis of the 1996 Strategic Plan and subsequent first annual review, Makerere has made some impressive improvements in internal efficiency, primarily through administrative decentralization and more intensive utilization of space. Particularly important here is the use of university facilities for evening classes which is when most of the private students are taught for their degree. The introduction of the flexible semester system is expected to reduce wastage though fewer drop outs, re-sits or failures. Advances are anticipated in the use of space, funding formulas and further privatization. A study is about to commence that will assess the scope for greater rationalization of jobs and reductions in bureaucracy. It will re-examine the organization and structure of the university and undertake job evaluations and design based on workload and responsibility both at the center and in constituent units. It will identify and recommend additional services that should be divested through privatization or commercialization. Its guidance should lead to further restructuring and renewed concentration on academic development.

4. External Efficiency

In another study the Planning Department is looking at the employment trajectory of graduates. Early returns give some grounds for optimism about Makerere’s contribution to the economy, although the speed with which graduates are getting a permanent job shows a decline, and science graduates remain in short supply as compared with those from the arts and social sciences (Mayanja and Nakayiwa, 1997). However, more detailed monitoring and analysis are needed before definitive conclusions can be reached about the university’s external efficiency. Such analysis will need to compare the relative performance of different faculties, males and females, public and private students as well as the comparative performance of Makerere itself in relation to other tertiary level professional institutions.
5. Equity

a) Admission.

Historically, access to government places at Makerere was highly competitive — to the disadvantage of students from low income backgrounds. With entry to state funded positions based almost entirely on “A” level results, successful candidates tended to come from the higher quality, more expensive secondary schools — schools beyond the economic reach of many (Mayanja, 1998). Opening Makerere to private students seems likely to have further eroded economic equity. Critics note that many who have qualified academically have been unable to afford the fees and in consequence claim that economic privilege of the Makerere student body has increased. On the other hand, a recent study found that 40% of the student body come from peasant backgrounds.

b) Regions.

Regional inequalities are less dramatic than economic ones. Because high quality secondary schools are located in each region, student enrolments bear some relationship to regional proportions of the national population. However, the image is by no means a mirror one, with the North under-represented and the Central Region, including Kampala, substantially over-represented in a pattern of regional variation compounded by differential income levels and school fee structures.

c) Gender.

Gender inequity has lessened in the past ten years. In 1990/91 women constituted 27% of Makerere’s total student intake. The following year saw the introduction of a weighted bonus measure to the admission scores of women, and female participation gradually increased to the current level of 34% of total enrolment. However, significant variation remains in access to the more competitive faculties with female participation in 1997 being medicine 30%, commerce 27% and agriculture, veterinary medicine and the natural sciences 26%. Female faculty members currently occupy 23% of the established academic posts (Makerere, Strategic Plan)

6. Sustainability

Although the broad process of institutional reform is still in progress the outside observer wonders whether the pace and scale of reform that has accompanied privatization at Makerere over the past three years can be sustained. Part of the answer must lie in the unpredictable trajectory of future economic growth. At the same time, and more generally, a slowing down of reform seems almost inevitable. There is likely to be some degree of exhaustion from the sheer pace of change on the part of the university leadership and a feeling of the need for consolidation. For students, the novelty of change may wear off as the comparison with the awfulness of the earlier period fades and new cohorts no longer remember those times. Communities which have sponsored students may be less able to continue, and a degree of disillusionment may set in, as those sponsored are inevitably
unable to fulfil the many expectations which accompanied their promotion to the university.

Sustainability requires attention to equity, and a funding system is needed which further reduces the inequalities in allocations of limited resources and valuable places. Among ideas being put forward within Makerere are the introduction of an “equity based subsidy” and the systematic redistribution of revenue from commercial sources to needy students, a practice with which the university already has experience. Beyond these two steps, if the earlier characterization is correct, it seems likely that the long term financial future of Makerere will depend upon the development of a major student loan scheme which will require a high level of political commitment and managerial finesse and may be the next great educational challenge for the country.

The consolidation of reform also requires a regulatory system which externally provides a legal framework for the tertiary education sector as a whole and internally consists of statutes providing the procedural framework within the university. Together they permit and regulate the exercise of the university’s autonomy in the management of change. Expressing this autonomy within new forms of devolution is no easy task, requiring, as it does, major changes in managerial structure and behavior. It entails the development of negotiating skills on the part of faculty and administration that can be applied to the adjudication of turf battles which are an inevitable concomitant of change. This in turn may lead to a complete redefinition of the role and responsibilities of management and re-conceptualization of the administrative process itself.

Central to this restructuring exercise, to internal efficiency, to maintaining momentum and to sustainability itself is the development of a management information system that generates the information required by the university for its own governance, as well as data useful to donors, the government and other partners. Putting in place such a system for the monitoring of university activities and the charting of institutional change, requires a high level of institutional sophistication and, for it to be effective, it has to consist of several critical factors. These include: clear data categories incorporating resources and results; the integration of related databases, the linking of data requirements to institutional plans; a clear relationship to institutional performance in the realization of its goals and the flexibility to answer unanticipated questions. Putting such a system in place means assessing the quality and purpose of current data collection, identifying gaps and integrating them into a single system, deciding associated information technology requirements, training staff and ensuring that the products of the MIS system have a legitimate institutional mission statement and strategic plan to which they can constantly be related. Finally, monitoring and updating the system require a strong in-house capacity for institutional research and planning, which is rare at any university. Some of the ingredients for the system are in place at Makerere but sustained attention to its installation are a remaining challenge to the institution.

THE FUTURE: MAKERERE IN A DIVERSIFIED SYSTEM

The implementation of the current drive towards universal primary education and the consequent expansion of secondary education will intensify demand for places at tertiary level institutions in the next five years. While Makerere will continue to take the leading academic qualifiers, and produce
the bulk of graduates entering the labor market, other institutions will contribute. Particularly important here is the embryonic network of private universities. (Kajubi, 1998). Seven are already established and functioning: Uganda Martyrs at Nkozi, Nkumba, Bugema, the Uganda Christian University, the Islamic University at Mbale, Ndeje and Musa Body. Two more (Busoga and Kabale) have been licensed, and others seem likely to emerge.

These universities are important because they narrow, to some extent, the tertiary equity gap, offering placement to students of high potential but low income, and to girls. They also meet the needs of those wishing to pursue courses that are non-conventional, non-academic or geared to local economic needs and employment opportunities. The new private universities have proved themselves flexible, unencumbered by a particular academic tradition, creative, experimental, responsive and inclusive. They can set an example for Makerere and others. For example, Uganda Martyrs University already has a more participatory structure than Makerere and hosts a Center for Ethics and Integrity which can speak to the current concern about civil corruption. In short, reform at Makerere can flourish in a context of multiple universities because of the stimulating effect of competition.

What is beginning to emerge is a single system of tertiary education based on the distinctive contribution and comparative advantage of constituent universities. The government is moving to create the legal framework for such a system. The new Universities and Other Institutions of Higher Education Bill is expected to become law this year. It will streamline the process of institutional development by defining the conditions under which all tertiary institutions operate, thereby providing a vehicle for government control over the process and direction of tertiary level change. This relationship between government and the universities that is now emerging is one characterized by a larger role for the state in the supervision of an increasingly diversified system, accompanied by diminished government involvement in university governance, management and financing.

A new National Council of Higher Education will be brought into being by the act and provide a means for the representation of all relevant constituencies contributing to the process of change. Composition, with an elected chair, will include representatives of all universities, commerce, industry and the public as well as the Ministry of Education. It will lay down the framework for the operation of all institutions of higher education and will specify financial monitoring and regulatory mechanisms. It also will be responsible for quality assurance and set and implement accreditation procedures and authenticate certification. This last is particularly important in a context where institutions are emerging in advance of any standard-setting mechanism and where a credible organization to regulate this proliferation is urgently needed (Lejeune, 1999).

While the government is addressing some of the systemic issues in higher education, and Makerere doing likewise with the institutional ones which it confronts, much remains to be done regarding the place of higher education within Uganda's broader Education Strategic Investment Plan. The stated purpose of the ESIP in respect to higher education is to ensure that "many more Ugandans will obtain worthwhile high educational qualifications
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at lower unit cost” (Government of Uganda, 1998). The plan anticipates the investment of $66 million in higher education over the next three years. Details remain to be worked out and await the formation of the National Council for Higher Education and the Master Plan for Higher Education. At present, policy remains a set of broad intentions. The most prominent include:

- greater operational autonomy for higher educational institutions, especially in relation to financial and revenue policy;
- block grants for institutions eligible for public subsidies, on a progressively declining basis related to performance measured by agreed indicators (including unit cost per student and facility utilization);
- an expectation that institutions will reduce their unit costs through the expansion of evening and vacation programs and delivery of distance education.

The Higher Education Master Plan will prescribe attention to subsidies for the alleviation of disparities; introduction of co-financing; streamlined approval mechanisms for new institutions; expansion of open and distance modalities; and consideration of the role of educational institutions such as colleges of agriculture which are the responsibility of ministries other than education.

Detailed consideration of how to implement these broad intentions is required. In the meantime what is interesting is the extent of the progress which Makerere has been able to make in advance of the new legal measures and sector policies. However, these are now urgently necessary so that review tasks and further steps in implementation can occur within a recognized policy framework for the tertiary sector as a whole. There is a strong desire at Makerere to complete the present administrative restructuring so that reforms can take root and the focus shift to academic improvement. To this end, a study to consider micro-level measures of internal change has been proposed by the Ministry of Public Service with the support of the Ministry of Education.

CONCLUSION: MOVING THE CATEHDRAL

Makerere has made a pre-eminent contribution to graduate education and training and the preparation of leaders in business, the professions and government. It now also has direct recent experience with a reform process. Because the university is grappling with many of the financial constraints faced by other tertiary institutions they should be able to learn much from it’s experience. Beyond this the significance of what Makerere has achieved in the past five years surely has lessons for other universities in Africa that face similar resource constraints. While illustrating the importance of a supportive political and economic environment, the Makerere experience has demonstrated the variety of institutional factors that go into a management structure suited to ensuring efficiency and effectiveness in the use of resources. For example it has shown that:
• A measure of autonomy from government in both policy and funding is an essential pre-requisite for the development of alternative financing arrangements and the retention of funds derived from these sources. It also makes it possible for the university to shape personnel policies (salaries and recruitment) and hive off responsibility for the provision of non academic support services.

• Once some institutional autonomy is achieved responsibility for budgeting and income generation needs to be devolved to faculties, within a formula that permits cross faculty subsidization.

• Transparency in the allocation of generated funds needs to be maximized so that benefits can be shared in a manner that satisfies the majority and meets the needs of the institution as a whole.

• A widely accepted mission statement, strategic plan and an integrated management information system are central to the reform process.

• Training in financial management, for administrative and academic staff is also very important.

• A performance based personnel structure is desirable, as long as it is flexible enough to ensure equity and does not treat performance and income generation as synonymous.

• Potential for cost saving can be found in cooperation between diverse national and private universities as well as in regional collaboration.

• At the end of the day, the imperatives of academic quality and equity require that, in a partnership involving public and private resources, the government retain ultimate responsibility for ensuring equitable access to knowledge creation and dissemination which constitute the raison d'etre of the university and the ultimate rationale for managerial reforms.

The overarching importance of these developments lies in the realm of the symbolic and the psychological, in the sense that changes long thought to be unattainable and even unmentionable in several African countries, have been achieved in Uganda and a new mindset established. Makerere has demonstrated that:
• It is possible to bring a complex academic institution from the brink of physical and academic collapse to the point where it can again aspire to become the pre-eminent intellectual and capacity building resource in Uganda and the wider region.

• Expansion and the maintenance of quality can be achieved simultaneously.

• These things can be done in the face of scarce and declining resources.

• The principle that the state alone must provide higher education for its citizens, which has dominated since the establishment of Makerere and for which two students died in 1990, has been abandoned without further complaint.

Meanwhile at Makerere the struggle continues, the accomplishment is incomplete and the outcome is unknown. However, in its own quiet revolution, one university has shown that it is possible to move the cathedral!
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