The Civil Society Voice In Education

Financing Higher and Tertiary Education in Zimbabwe: Trends and Prospects for the Future.

Desk Research

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ABSTRACT

It is widely regarded across the globe that higher and tertiary education is the cornerstone for the overall development goals of any nation. The system is established in a manner that allows any nation or state to harness its growth and economic potential through efficient and effective training of human capital. Resultantly, following the denouement of the Second World War in 1945, which substantially decimated infrastructure and human capital, there was a progressive realization that the key to reindustrialization and nation-building rested in the higher and tertiary education sector. Hence, in most countries, people were encouraged to attend higher education institutions through financial support in the form of loans and grants as well as zero-rated institutions. Yet, in Africa, and specifically Zimbabwe, the colonial system, while encouraging enrolment in higher and tertiary education institutions, restricted access to the 'productive' sectors to the white minority while the native blacks were only enrolled in 'blue collar programs'. The education system in Zimbabwe, since 1957 was financed on a cost-sharing basis with costs shared between the student and the public purse. The practice across the majority of the world was premised on public financing. The Zimbabwean system provided student support through loans and grants but the weak loan recovery system made student financing less of a blessing and more of a burden on the national fiscus. The system was eventually abandoned in 2006 and the height of the economic malaise in Zimbabwe. The multi-currency regime adopted in 2009 increased the tuition fees twenty-fold but remained constant until 2019 when the amounts payable became unsustainable. Since then, the tuition fees payable have been reviewed upwards almost after every semester and this has militated against accessibility and affordability of higher and tertiary education. This has necessitated for incessant calls for the development of a higher education financing model that is predictable, sustainable, affordable and responsive to the market demands. This research study sought to bring to understanding the financing of higher and tertiary education in Zimbabwe with a view towards proffering plausible recommendations to achieve to overall goal.

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LIST OF ABBREVIATIONS

C.U.T	Chinhoyi University of Technology
E.S.A.P	Economic Structural Adjustment Program
H.E.	Higher Education
H.I.T	Harare Institute of Technology
H.T.E	Higher and Tertiary Education
H.T.E.Is	Higher and Tertiary Education Institutions
GZU	Great Zimbabwe University
M.S.U	Midlands State University
N.U.S.T	National University of Science and Technology
S.S.A	Sub-Saharan Africa
L.S.U	Lupane State University
U.S.D	United States Dollar
U.Z	University of Zimbabwe
ZINASU	Zimbabwe National Student Union
Z.O.U	Zimbabwe Open University

1.0 Introduction and Background

Across the globe, the financing of higher and tertiary education has been emotive and topical and better described as the proverbial “thorn in the flesh” for many nation states and governments. Literature reveals that following the denouement of the Second World War in 1945, many states and governments turned to higher and tertiary education as the panacea to the pertinent redevelopment and reindustrialisation question. Further, the deliberate and systematic reconfiguration of the HTE sector was attributed to the dynamic change processes emanating from the emergence of globalisation (Wangenge-Ouma, 2008), increased affinity to obtain a higher education qualification, development demands (Johnstone, 2009; World Bank, 2010) as well as demographic change (Mohamedbhai, 2008). Consequently, this paradigm shift culminated in a pressing demand for a shift in the modus operandi, the financing and governance structures of the institutions of higher education institutions across the globe. However, it is widely agreed among scholars that the exponential increase in higher and tertiary education demand was not accompanied by an equally exponential increase in HE financing resulting in a marked decline in HE service delivery quality, efficiency and effectiveness (World Bank 2010, Asian Development Bank, 2009; Mohamedbhai, 2008; The Economist, 2005;). As the financing sources depleted, more institutions shifted their focus to massification more often under the ‘guise’ of universal higher education in a bid to generate adequate revenue to support their activities. It is a truism therefore that the developing world especially in Africa bore the brunt of the gradual depletion of the HE financing sources. This resulted in seemingly perennial student protests[1] across the globe, general degradation of the institutional infrastructure, exodus of qualified technical staff and a general lack of innovation. In response, most nation states turned to a cost-sharing model of financing, an arrangement in which HE would be funded through public and private sources. More recently, in Zimbabwe, the Zimbabwe National Students Union (ZINASU) has continuously petitioned Parliament calling for interventions to ensure that fees adjustments would be reasonable and affordable. The thrust of this research study was to understand higher education financing in Zimbabwe with a view towards coming up with a sustainable model of financing which guarantees affordability, accessibility and quality HE. The focus, in the final is to inform the policy direction pertaining to higher education financing.

[1] Examples of Student protests against fees increases include: the 2010 United Kingdom Student Protests, 2015-2016 FeesMustFall protests in South Africa, the 2021 Juilliard School protests in the USA, 2022 University of Zimbabwe protests.

2.0 Research Objectives

The objectives of the research were:

1. To define and map the higher education sector in Zimbabwe.
2. To understand the financing of higher and tertiary education in Zimbabwe.
3. To understand the challenges of financing the sector in Zimbabwe.
4. To proffer plausible recommendations to ameliorate or mitigate the challenges observed.

3.0 Scope and Setting of the Research

The research was limited to the public higher and tertiary education institutions in Zimbabwe. This delimitation was motivated by the observation that these public institutions enrol the majority of students in the higher and tertiary education sector. Further, these institutions are also publicly funded.

4.0 Methodology

The research was purely a desk research study. Evidence was gathered through a critical review of literature pertaining to higher and tertiary education financing in Zimbabwe. Literature on the fiscal allocations to the line Ministry responsible for higher education was gathered from the National Budget statements. The literature gathered was corroborated by a case study analysis from both the African and European contexts. The researcher presented the findings using the thematic approach.

5.0 Literature Review

5.1 Higher and Tertiary Education Financing

Omari (1991) opines that historically and across the globe, higher education was viewed as a great asset and a conduit through which persons and ultimately societies can increase wealth. Consequently, there was substantial investment in higher education with a view that the products would a highly skilled and capacitated human capital base as well as by-products such as innovations and research products. There was therefore no need for any specific measures directly to recover the investment made in higher education from students or from any non-governmental sources (Tilak, 2004). As mentioned earlier, in most jurisdictions the state was an active player in the financing of the system. The state would either fund the whole higher education value chain or subsidise students through loans and grants (Asian Development Bank, 2009; Tilak, 2004; World Bank, 2010). Consequently, various schools of thought seek to bring to understanding the philosophy behind the financing of higher education. The socialist/welfare approach assumes that the state plays a fundamental role in the provision of higher education through subsidies and financing support to the institutions. The rights-based approach connotes that education is a basic right, which is inalienable and thus states should strive to ensure that everyone should gain access to institutions of higher learning through the support of the state. The market approach makes a case for the privatisation in part or in full of higher education. This philosophy provides that students as beneficiaries of the education system should co-fund higher education. Impliedly, the financing of the sector will be on a cost-sharing basis.

Globally, as the world grapples with a protracted decline in earnings and revenue, Governments have begun to reform the hitherto financing models that were heavily reliant on the national fiscus. This has seen the introduction of, in most jurisdictions, of the cost-sharing model, which essentially entails "the introduction of shared responsibilities of higher education expenses between governments and the beneficiaries (that is, students and their families)" (Johnstone, 2003; 2006). This move away from the socialist approach to the capitalist approach to financing has faced resistance from various actors in the sector. Yet, for Zimbabwe, which has been financed through cost-sharing faces the daunting task of reforming the cost-sharing model to make it more sustainable and affordable to the majority of Zimbabweans.

5.2 Higher and Tertiary Education Financing in Zimbabwe

Historically, the financing of HTE in Zimbabwe was modelled on a cost-sharing basis. This financing model divides the burden of funding between the Government and student/parents or guardians. Thus, the research revealed three distinct periods of HTE financing in Zimbabwe. The first period was the colonial period between 1957 and 1979, the second period would be the first decade of independence, the third period was the second decade of independence and the last period is from 2000 to date.

5.2.1 First Period - 1957 to 1979

This period saw the establishment of the University College of Rhodesia and Nyasaland *(present day University of Zimbabwe)*. However, it is a truism that University education for Africans was optional and the educational policies were "deeply racist and colonial" (Austin 1975, Mandaza 1986). Mandaza (1986) further opines that there was dual-curricula for education with that for Africans focusing on agriculture, building and carpentry to prepare them for manual labour. Very few Africans thus had access to HTE, which was largely financed on a cost-sharing basis. The Government provided student support students through grants and loans (75% loan and 25% grant) but these were again based on racial lines with the natives getting far much less than the white counterparts. The loans would be repaid on completion and the graduate would be bonded to the civil service for a specified period of time. The private sector also actively supported higher education by offering scholarships which were targeted at specific faculties and research initiatives (agriculture, sciences, health). These included, *inter alia,* the Bata Bursary, Three Further Scholarship and the Lever Brothers Fellowship.

5.2.2 First Decade of Independence - 1980 to 1990

The Government of the neonate Zimbabwe inherited the financing model for higher education, based on loans and grants. This policy was in part reflective of the socialist and nationalist socio-politico-economic development discourse extant at the time and eloquently proscribed in the Growth with Equity (1981), the three year National Transitional Development Plan (1982-83), the first Five Year Development Plan (1985-1990) documents. This period was also defined by the progressive realisation that the success of the nation building and development drive rested on an effective, efficient and responsive education system. Resultantly, there was an exponential increase in enrolment students at the University and a distention of the education budget. The Government retained the loans and grants system of student funding which was pegged at a 50% loan and 50% grant. The loan was repayable at 5% interest per annum over three to five years.

5.2.3 Second Decade of Independence – 1990 to 2000

The second decade was defined by the Economic Structural Adjustment Program (ESAP) which necessitated the rolling-back of state frontiers in the economy and the adoption of capitalism in the economy. Essentially, the ESAPs culminated in "trade liberalization, reduction of the budget deficit, budget cuts to social services (including education and health) and food subsidies; deregulation of prices, wages, transport and investment; and commercialization and improved efficiency of the parastatal sector" (Chihombori 2013: 119). Consequently, student financing was revised to 75% loans and 25% grants. This, in 1998, was further revised to 80% loans and 20% grants in 1998. This was in part attributed to the poor loan recovery mechanisms that were in place. The Means-Test loan mechanism was also established, which provided loans to students who could not afford to pay their tuition. The loans were disbursed through the CBZ and the loans payable to the applicant were based on the gross income of the parent/guardian.

5.2.4 The Third and Fourth Decades of Independence - 2000 to 2022

The third and fourth decades of independence saw periods of protracted economic malaise whichmilitated against the higher education financing in Zimbabwe. In 2001, the Government attempted to privatise student financing by introducing bank guaranteed loans (Chihombori 2013). However, most banks declined to participate in the loan scheme. The Higher Education Bond was floated in 2001, to raise Z$1.3 billion to finance loans for students at 10% returns but was rejected by the market. The grant-funding scheme, which was said to be "placing a heavy burden on the state and limiting the scope of student funding" was abolished in 2002 (Ministry of Higher and Tertiary Education, 2004: 13). This was also accompanied by the privatisation of other ancillary services such as food and accommodation in institutions of higher and tertiary learning. The loan scheme was abolished in 2006 following the rapid decline of the economy and was replaced by the Cadetship Grant Scheme which paid tuition fees for students who could not pay fees for themselves.

Fast-forward to 2018, the Government introduced the Education 5.0 philosophy, which established innovation hubs and industrial parks in institutions of higher and tertiary learning. The thrust of this philosophy was to ensure that HTEIs would focus on research and development with the purpose of commercialising research products and generating revenue from the research and innovation products. The loan schemes were reintroduced, yet, evidence suggests that there is little uptake of the scheme. The students, as evidenced by petitions submitted to Parliament pointed out that the repayment periods were unsustainable. Additionally, following numerous engagements between Government and the higher and tertiary education sector, students on work-related learning programmes (attachment) were asked to pay 60% of their tuition fees as opposed to the 100% they paid prior. This development was hoped to enhance access and quality of the work-related learning. The Ministry of Higher and Tertiary Education, Innovation, Science and Technology Development presupposed that the 60% fees would assist institutions to effectively carry out the student assessment activities which, under normal circumstances is carried out twice during the learning period. However, the volatile economic environment has made difficult for institutions and beneficiaries to predict the fees payable per semester. Consequently, every upward review of fees has been met with resistance and protests from students and stakeholders alleging that the charges were unaffordable. Yet, institution leaders have argued that the fees payable while seemingly unaffordable, have militated against their ability to provide quality services to the beneficiaries.

Hence, there is a conundrum between affordability and the need to provide quality services and it is one that a sustainable model of financing can address.

6.0 Research Findings

6.1 Cost-Sharing Model

Higher and Tertiary Education financing in Zimbabwe is based on a cost-sharing model. Thus, while the global shift is towards cost-sharing, Zimbabwe's presents a unique case were the cost-sharing model requires remodelling to match the dynamic economic environment. Impliedly, based on the observation that students are the beneficiaries of the sector, they should also fund part of their studies while the Government provides support for other services. Students thus have to pay tuition, accommodation and other ancillary fees while the Government funds the operations of the institution. More recently, the Government reintroduced the loan-scheme which is funded and supported by the CBZ while other private players such as EduLoan have also provided funds for higher education. However, students opine that the loan repayment periods are unsustainable as well as based on the gross income on a payslip. The students argued that their parents/guardians could not provide payslips as they are either unemployed or in informal employment.

6.2 Accessibility and Student Welfare

Following the attainment of independence, the Government anchored national development on an efficient, effective and responsive higher education sector. In that regard, there was a substantial investment in education characterised by the disbursement of funds to support education in Zimbabwe. The policy thrust also pursued the drive towards universal higher education through providing loans and grants to students. This worked to open up the frontiers to access higher education while simultaneously decolonising the education sector. Until 2009, the higher education sector was largely accessible but this was offset by the adoption of the multi-currency regime, which, as Chihombori (2013) observed increased tuition fees twenty-fold and led to a 25% drop in enrolment. The World Bank (2020) further asserts that close to 70% of the sampled dropouts cited cost of tuition as one of the major drivers for dropping out. This trend has continued in leaps and bounds and was exacerbated by the exponential increase in the cost of accommodation around higher education institutions.

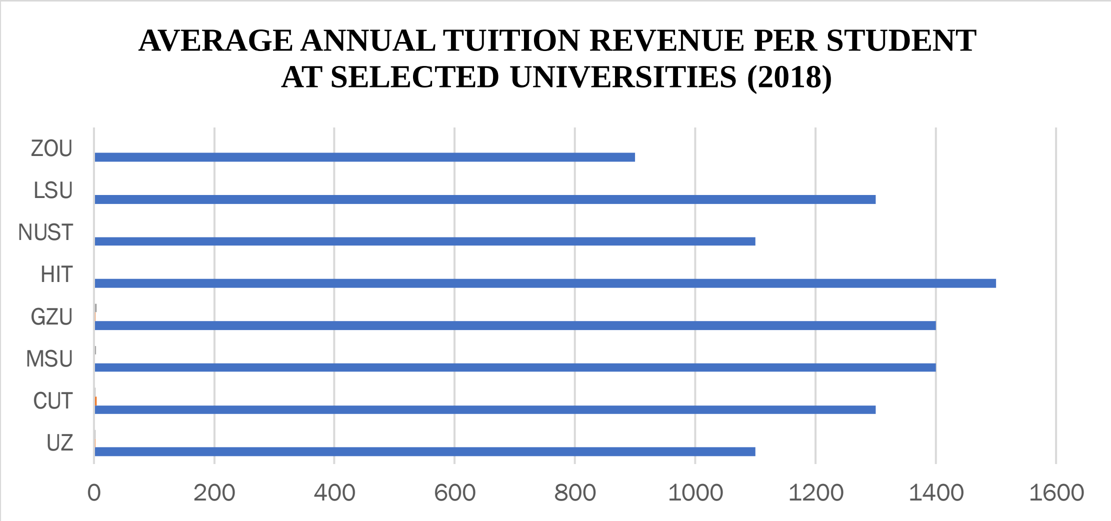
Further, the research revealed that an estimated 62% of Zimbabwe's population is under 25 years of age while the gross enrolment rate is at 8.5%. This is indicative of a high affinity to hold post-secondary education qualification among the Zimbabwean youth. However, while this gross enrolment rate is relatively high among other sub-Saharan countries, it still falls short of Kenya, South Africa and Botswana with enrolment rates of 11.7%, 20.5% and 23.4% respectively. It was also revealed that the majority (90%) of those who enrol in HTEIs, enrol in public institutions which are fairly affordable when compared to private institutions but beyond the reach of many, in absolute terms.

Pertaining to student welfare, Chihombori (2013) notes that the constriction of the budgetary support from the national fiscus to the education sector not only affected enrolment and program completion but also extended to the welfare of students. Across most institutions, the diet changed drastically, while dining services were privatised as in the case with MSU and UZ. This situation was compounded by the high cost of student accommodation within and without the HTEIs.

6.3 Affordability vs Quality

The research revealed that higher education in Zimbabwe was relatively expensive as compared to other institutions in the region and this has become a deterrent to access for vulnerable persons of the society. This situation was worsened by the lack of viable financing model for HTE, despite the various initiatives such as the Cadetship Grant Scheme, the CBZ loan facility as well as other education loan schemes from private players. In addition, the volatile economy has made it difficult to predict the fees payable per semester and this has been characterised by upward adjustment of fees every semester. However, the research also revealed that there is a dilemma between the need to ensure that higher education remains affordable and accessible to many while also ensuring that the institutions are fully equipped to provide quality higher and tertiary education services. The research also observed that the adoption of the multi-currency regime brought with it a 20-fold increase in tuition fees but this remained stable and predictable in the long-run. Figure 6 below presents the average annual tuition fees paid per student enrolled in different public institutions in Zimbabwe. An analysis of the graph highlights that when compared to the average earnings of persons in Zimbabwe, the fees are relatively beyond the reach of most people. It was further observed that the Government regulated tuition fees for institutions of higher and tertiary levies. The institutions were allowed to set their own fees for levies and other ancillary payments as per their demands. Resultantly, in some institutions, it was observed that the tuition levels were too low to allow for significant growth and development of an institution (Chinyoka and Mutambara 2020). This thus buttresses the assertion that currently, there is a dilemma between affordability and quality higher and tertiary education in Zimbabwe.

Figure 6.1: Average Annual Tuition Revenue Per Student (2018)

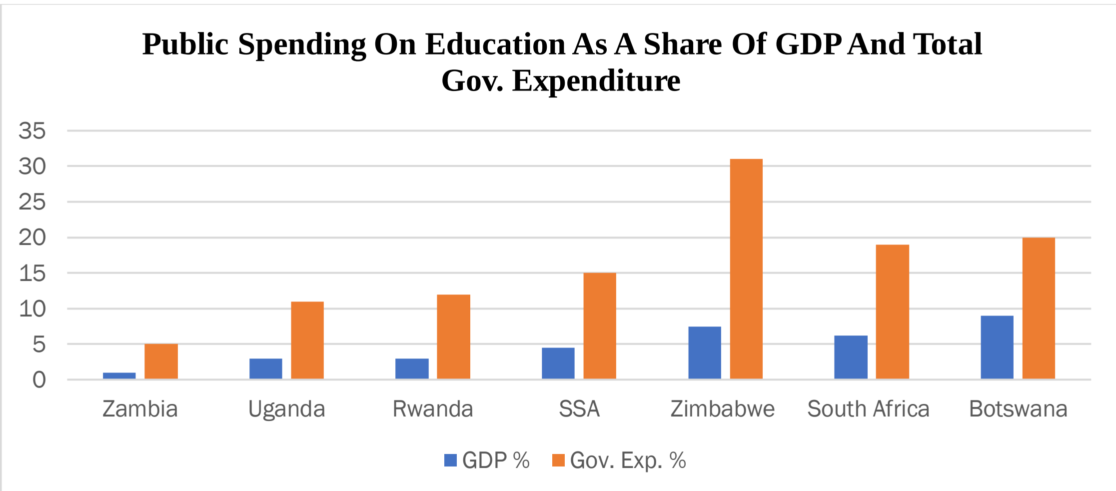


Adapted from World Bank (2020)

6.4 Fiscal Support to Higher and Tertiary Education Institutions

The research revealed that the since independence, the Government has deliberately invested in financing higher and tertiary education based on the observation that the anchor of national development rested on a responsive system. Despite the economic challenges, public sector spending in education has remained high within the African region averaging an estimated 30% and an estimated spending of 15% for higher and tertiary education. Fig 6.1 below presents a comparative analysis of public spending for education among African countries.

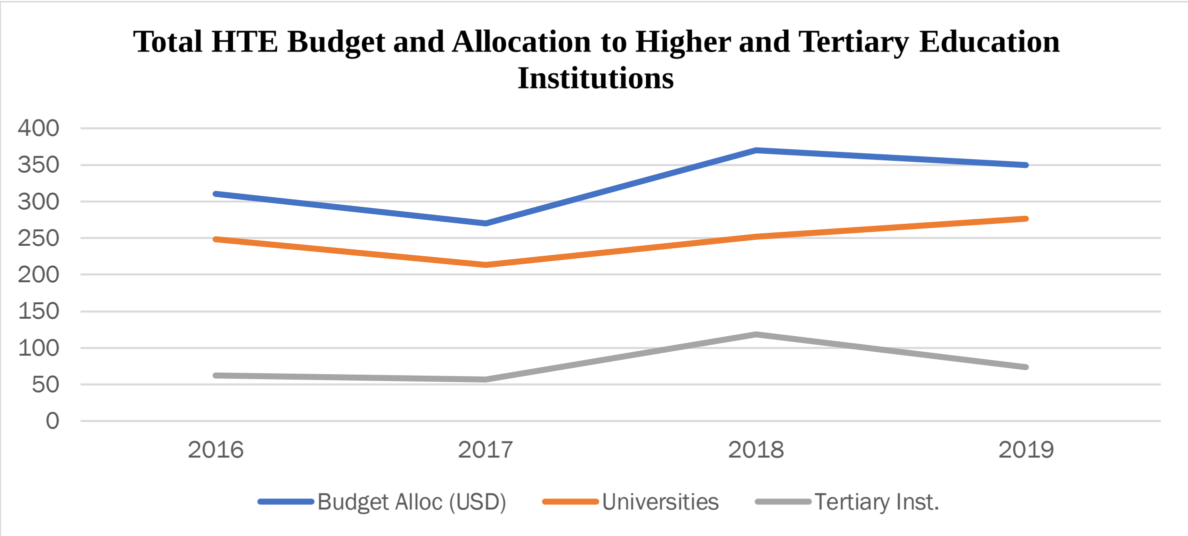
Figure 6.2: Public Spending on Education as a Share of GDP and Total Government Expenditure



Adapted from World Bank (2020)

The research also revealed that the economic challenges had greatly affected public spending on higher and tertiary education in Zimbabwe. This had led to fluctuations in funding, oscillating around USD$300 million to USD$350 million per year. Fig. 6.2 below presents a graph showing the fiscal allocation to HTEIs between 2016 and 2019 denominated in USD$. Figure 6.2 presents the total budget allocation to HTEIs between 2016 and 2019 denominated in USD$. An analysis of the allocation trends reveals that HEIs receive the bulk of the budget which oscillates around 80% with the exception of 2018 when the institutions received 68% of the budget. In contradistinction, TEIs receive an average of 20% of the budget allocation with the exception of 2018 when the institutions received 32% of the budget.

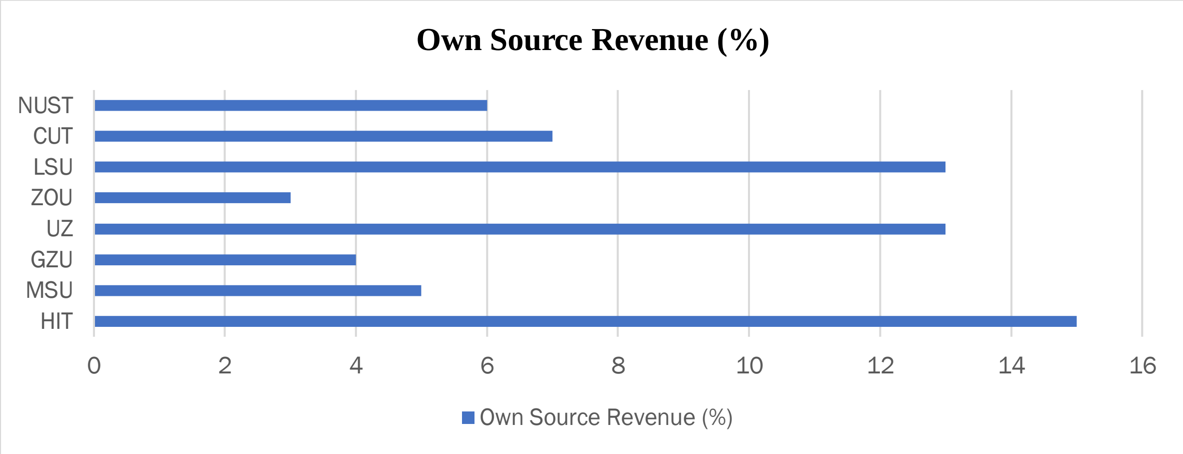
Figure 6.3: Total Budget and Allocations to Higher and Tertiary Education Institutions (2016 - 2019)



Adapted from World Bank (2020)

Research also revealed that the institutions were also funded through their own sources of revenue and these accounted for an estimated 4% to 15% of their total revenue. These funds were generated through various income generating activities such as sales in university canteens as is the case with the Midlands State University. Chihombori (2013) observes that from 1999, the Government allowed institutions to retain the fees paid by students. However, as mentioned earlier, the fees payable were set by the Government through the Ministry while institutions pegged the ancillary fees payable. Consequently, Chihombori (2013) opined that the fees structure was predominantly based on political rather than economic fundamentals and this had a negative impact on the sustainability of the fees structure. Fig. 6.4 below details the own source revenue generated by institutions of higher education.

Figure 6.4: Own-Source Revenue as a Percentage of Total Revenue for Selected Universities



Adapted from World Bank (2020)

Research, Development and Innovation

The research revealed that HTEIs in Zimbabwe are also financed through domestic and international revenue directed towards research, development and innovation. The bulk of the research financing was harnessed from external sources between 2016 and 2019 but following the reconfiguration of the HTE systems and processes (Education 5.0), there has been a considerable increase in public spending towards research, development and innovation. Estimates reveal that institutions, particularly, higher education institutions receive about USD$3 - $4 million annually as support for research and innovation from both domestic and external sources

7.0 Conclusion and Recommendations

7.1 Cost-Sharing Model

Ideally, financing should be a mix of public and private funds. Institutions should thus engage private sector actors to unlock funding for programmes. The cost-sharing model should therefore address the pressing need to diversify higher education revenue, concerns about equity, and considerations of efficiency. In some countries, equity considerations are made where by students who can afford pay a higher percentage of the tuition while Government covers the remainder. For those who evidently cannot afford to pay, Government may assist through loans and means-tested grants.

7.2 Diversification of Sources of Funds

HTEIs should move away from the traditional financing models that relied heavily public financing. Focus should be commercialising operations in the Innovation Hubs and Industrial Parks.

7.3 Establishment of Endowment Funds

HTEIs can establish these funds which charitable organisations, alumni can deposit funds to support the institution's activities. The institutions should thus work towards compiling a comprehensive list of university alumni who can then assist in raising funds. This will stimulate educational philanthropy.

7.4 Development of a Formula for Fees Adjustment

The Ministry responsible for HTE should develop a formula that addresses the review or adjustment of fees payable to these institutions. The amount payable by the student should be predictable as derived from the formula but also reflective of the economic environment. Essentially, the formula for the adjustment of fees should strike a balance between affordability, accessibility and quality of education.

7.5 Strengthening of the Negotiating Forum

There is need to strengthen the negotiating forum in which issues of adjustment of fees and welfare of students are discussed. This forum must be transparent, objective and provide a conducive environment for negotiation. Again, the negotiations must be guided by the cardinal principle of striking a balance between affordability and quality of education.

7.6 Means – Tested Grants

The Ministry responsible for HTE must establish means-tested grants targeted at the most vulnerable persons who are pursuing programmes of national strategic importance. However, as a move away from when they were previously implemented, there must be stringent measures to prevent possible abuse and manipulation.

7.7 Competitive Funds

The Ministry responsible for HTE should establish competitive funds to support and encourage research and development among institutions of higher and tertiary learning. Using this model, institutions submit proposals for research and development of prototypes directed at issues of national strategic importance. Funds will be disbursed to institutions that provide the most plausible business proposal. This initiative can be scaled up to regional and international levels, thus attracting the much-needed financing from the international community.

8.0 Conclusion

In the ultimate abridgement, the research revealed the state of financing of higher and tertiary education in Zimbabwe which has, since the colonial period has been modelled on a cost-sharing basis. This model, which is increasingly becoming global practice places Zimbabwe in a unique position where it is urgent and imperative that the cost-sharing model be remodelled to meet and reflect the modern economic demands. It is therefore imperative that Government and the various stakeholders work together towards developing a sustainable education financing model.

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