

# Is there way out of the cash crises?

**L**AST week, University of Nairobi Vice Chancellor, Prof Francis Gichaga said what other university administrators have been shying away from disclosing; that public universities are too broke to pay bills for essential utilities such as telephone and electricity.

Prof Gichaga said the university was operating at a Shs 1 billion deficit.

Following drastic cut on government allocations, increase in student numbers and poor management, Kenya's five public universities have been undergoing a financial crisis that has to an extent affected the quality of academic programmes.

So severe are the financial problems that at one point, vice-chancellors appealed to the government to introduce an education levy targeting private firms. The move was naturally opposed.

The financial crises facing Kenya's five public universities are, however, not different from those that face universities all over Sub-Saharan Africa.

By global standards, African universities are still very young. They have, however, accomplished a lot in the few years they have been around. To start with, the number of the institutions has grown from only six in 1960 to more than 100 today.

Enrolments have also grown dramatically. Research findings show that

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between 1980 and 1990 the population of universities in Sub-Saharan Africa grew by 61 per cent.

Ironically, it is because of this growth in numbers and enrolments that the universities are suffering from a major financial crisis. The situation has been made worse by the decline of economies across the continent.

Faced with these financial problems and the demand by donor agencies that they diversify their revenue basis, the universities have tried a number of strategies to try and stay afloat. In many cases, only modest achievements have been realised mainly due to poor management and lack of an enterprising attitude.

Like most universities in the world, Kenya's institutions now require the students to meet part of their tuition and pay for accommodation expenses.

Before the Government discontinued students' allowances five years ago, a sizeable percentage of universities' budgets was spent on students' services such as allowances, accommodation and subsistence.

The argument that governments and donor agencies put forward when insisting that households support the education of their children was that social returns

from higher education are low and therefore the need to invest more resources in basic education.

Besides, it was argued, fees would ultimately make universities more responsive to students needs by treating them like clients who were paying for some services.

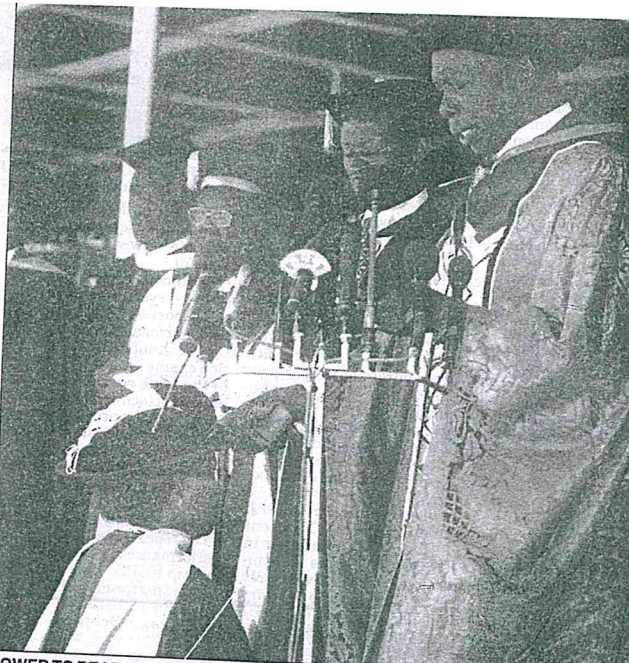
Fees would also be an incentive to students to finish their programmes in time and would not, therefore, take action that would delay completion of their courses. To an extent, this has worked and long closures occasioned by riots are less frequent.

However, in many Sub-Saharan countries, students contribution in fees forms very insignificant proportion of what the institutions require for recurrent and development projects.

Furthermore, in Kenya, the ability on the part of households to contribute to the education of their children has been greatly undermined by poverty.

In the 1997-2000 development plan, the Government says almost all students in public universities require assistance in paying for tuition, accommodation and food.

This is despite the fact that the cost of university education in Kenya is considered low. The Government estimates that a university student needs at least Shs 120,000 a year. Currently, a student is required to contrib-



**POWER TO READ:** President Moi awards a doctorate degree to a Kenyatta University graduate last month. Public universities have not been innovative in devising ways to generate income.

ute Shs 50,000 for tuition, accommodation and subsistence, while the government gives a subsidy of Shs 70,000 to every student. Besides fees by students, over the last five years universities have started income-generating projects to make up for what the State cannot give.

Unfortunately, even for institutions that have formed full-fledged income-generating companies, not much has been achieved. One of the reasons is that universities are not client-oriented and still operate like the civil service.

Further, investment decisions have been poor and even the more than Shs 1 billion credit University Investment Project given by the World Bank four years ago has not redeemed the situation. Some of the universities used the money to buy vehicles of questionable mechanical specifications.

In the last three years, most of the universities have started continuing degree programmes in courses considered popular. Although universities say response has been overwhelming, the success will depend on the labour market's reaction to the students when they finally leave college.

One problem that has continued to stalk local institutions is that the content of degree courses rarely changes and most of the institutions offer courses that were being taught in the 70s even when their usefulness in the labour market is questionable.

This is more important given that relevance and quality of university academic programmes has continued to raise concern since enrolments in the public institutions trebled between 1987 and 1990.

In fact at one time, employ-

ers complained that performance by some graduates in 1990 was wanting.

One area where local universities have fared badly is use of alumni associations in getting financial support for their activities. While this method worked very well in the United States, Australia and the United Kingdom among other countries, in Kenya secondary and primary schools are much better than universities in attracting funding from alumni associations.

A 1994 survey in Africa showed that though 11 of the surveyed universities had alumni associations (or convocations) only universities of Obudu Awolowo, Nsukka and Witwatersrand were active.

Although universities have a great potential to offer consultancy services, very little of that resource is utilised.