

FUNDS: IT'S GO, OR DIE FOR UNIVERSITIES

Nairobi now depends on private businesses

By KARIUKI WAIHENYA

With funds from the Exchequer diminishing year after year, state universities are now compelled to seek alternative sources of funding, if only for their survival.

Even with the cost-sharing policies introduced in the 1980s aimed at lessening the Government's burden on expenditure in public institutions, universities are still unable to meet their operational costs.

Together with the policies, and parents having to spend huge sums of money on social welfare like health and education, the universities are faced with enormous problems, ranging from lack of basic equipment, deteriorating physical facilities and capital flight.

They have difficulties in meeting even such basic expenses as telephone and electricity bills, purchase of learning material and staff salaries.

Government budgetary figures show that university allocations for development expenditure decreased in the past two years.

The University of Nairobi which is the largest and oldest, received Sh38.7 million last year, and Sh34.4 million this year.

Kenya University got Sh20 million last year and Sh16.7 million this year.

At Egerton, the figure was Sh91.5 million last year while it got Sh23 million this year. Jomo Kenyatta had Sh28 million while this year, it got Sh22.3 million.

Maseno got Sh25.6 million and this year, it received Sh29.4 million. For Moi, the allocation was Sh38.5 million last year, while it is 27.8 million this year.

These figures indicate the allocations have declined substantially, even if the development costs have continued to rise.

Government allocations to the institutions for recurrent expenditures this year, are: Nairobi — Sh1.3 billion, Kenya — Sh772 million, Egerton — 786 million, Jomo Kenyatta — 278 million, Maseno — 399 million and Sh776 million for Moi.

These figures have risen nominally by four per cent each year. Next year however, the treasury, having frozen increases in Government allocations, the figures will remain constant.

University authorities have complained that Government allocations are only enough to pay staff salaries.

Indeed, none of the universities is short of examples of unfinished projects like libraries, laboratories, lecture and accommodation halls. Some of the projects stalled up to seven years ago.

Consequently, not only are students forced to struggle to raise the ever rising tuition and accommodation fees, they also have to

contend with leaking roofs, outdated learning material, shortage of teaching staff and unkempt hostels, among other woes.

Indeed, applications into the state universities dropped by 13 per cent this year.

However, all is not lost! The realisation that the Government may not be able to resume more substantial allocations, has provoked the institutions into reinventing themselves and set up income generating programmes.

These programmes will not only ensure completion of unfinished projects, but also facilitate the institutions' improvement, equal global trends, as well as enhance learning material, infrastructure and high standards.

The universities have, since the beginning of this year, started part-time courses for students and professionals in various fields, and most have proved popular with the working class.

The University of Nairobi is by far, the most well entrenched in the generation of funds.

It has set up a private company to manage its business concerns as well as operations.

The University of Nairobi Enterprise and Services (UNES) was incorporated in May 1996, and started operations in January.

Says its Chairman Profesa James K Kimani: "We intend to strengthen the operations and functions of the income generating activities."

The institution has had old projects that have assisted with supplementary funds. These include the coffee farm in Kabete and an horticultural farm, cafeterias, a bakery and the Chiromo campus.

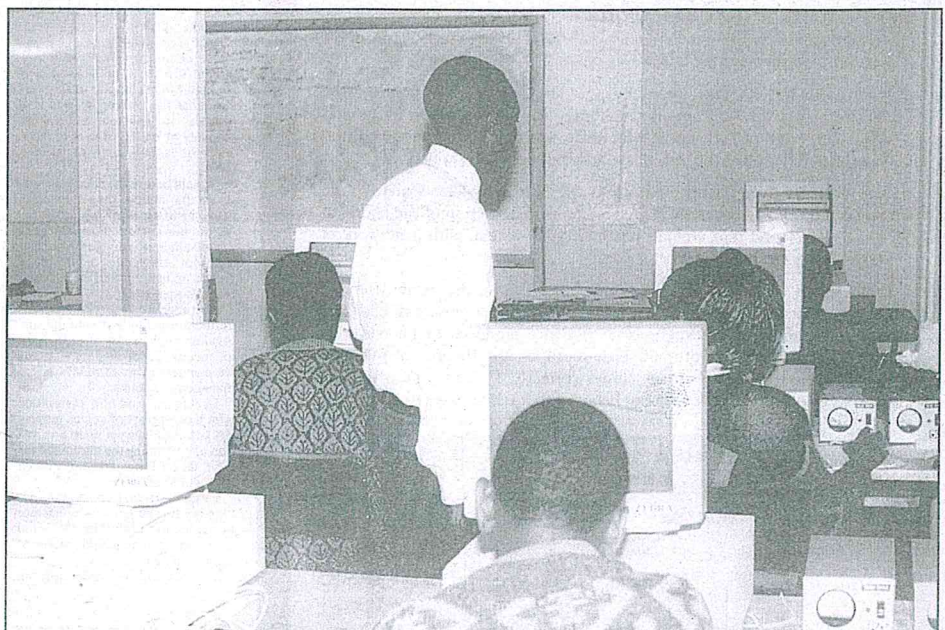
According to Prof Kimani, the institution plans to generate income through bio-technology and bio-chemistry, like in DNA finger printing, research and consultancy, electronics and computer technology. The university also plans to establish a teaching hospital.

Says the UNES boss: "We have the space and the human capital for that. Infact, the institution has the highest concentration of medical specialists in the region."

The dental hospital opposite Nairobi Hospital, is already doing specialised dental procedures at a cost, and a pharmacy centre at the Faculty of Pharmacy will open soon to provide specialised drugs like in a referral hospital.

UNES also aims at establishing a link between the university and the industries, as well as a research, or industrial park. Also in the pipeline, is investment in real estate and management through the department of architecture.

"We are exploring ways of publishing educational material — both for the University and other school levels. Indeed, our



A computer class in session at the Egerton University's Computer Training Centre at the Nakuru ASK Showground. This is one of the units set up to generate income for the university. (Picture by JOSEPH KIHERRI)

Kenyatta's treasure hunt in academic programmes

By WAHOMBE THUKU

Of the Sh5 billion allocated to public universities for recurrent expenditure this year, Kenya University received Sh772.5 million, and only Sh16.7 million for its development expenditure.

However, the Ministry of Education still demands that these institutions seek alternative means of earning income.

Soon after the Government's budget was presented in parliament in June, the Ministry wrote to the universities requesting their plans of action and proposals for meeting their financial obligations.

Kenya University sent back a list of projects, some already in operation.

According to the university's Director of Income Generating Services Board, Professor Douglas Nderitu, it has 15 income generating projects including fees from the more than 4,000 undergraduate students.

The projects, six of which are classified as academic, and nine non-academic, fetch a gross income of Sh120 million.

Seven others are planned for the future to generate at least Sh11.6 million per year.

Among the current academic projects, are the newly established African Virtual University Project (AVU), in which studies are received on the internet.

The Sh22.3 million World Bank project started last year and has fetched Sh7.7 million, a figure expected to reach Sh9.3 million by the year 2,000, says Prof Nderitu.

Others are a one year Post Graduate Diploma in Education which fetched a gross income of Sh15 million last year, and a computer centre.

The other project is a newly started international summer programme that runs during the long vacations.

The programme that has been in operation for one year, has so far involved more than 40 students from various universities in the USA.

Prof Nderitu said the programme which spent Sh150,000, had a return of Sh3.1 million directly charged on the students.

Projects rated as non academic are a restaurant at its Science Complex, a students recreation centre, boardroom services and a newly established cultural centre.

The board has also converted four university kitchens into in-

come generating units. Prof Nderitu says last year, the messes fetched a gross income of Sh5 million.

However, performance in the university's catering units is set to go down than up, since most students prefer cooking their own food in their rooms.

The seven proposed projects are, a slaughter house, a bakery, farming, poultry, piggery, laundry and a science workshop.

The projects are estimated to cost Sh19 million but are expected to net Sh10 million per year, for the next three years.

If well run, Prof Nderitu says, these projects could generate more than the 21 per cent annual profit earned from the university's deposits in fixed accounts.

"This is the idea the board has tried to sell to the university since its establishment in May 1996," he says.

The board has 12 members, under the chairmanship of the Vice Chancellor, Professor George Eshiwani.

However, several factors hinder their accomplishment.

One of these is the fact that the university can not lease out most of its facilities for utilization due to legalities that govern the property.

Such property is the more than 1,000 acres of land which only a quarter is in use.

To resolve the problem, the Board has proposed the establishment of an independent trust to oversee the leasing and utilization on behalf of the university.

Prof Nderitu says the proposal has already passed the University Council's finance committee.

The university has also set up consultancy services for its academic staff, under the Bureau of Training Consultancy.

For all services offered by the staff, the university gets an agreed percentage as commission.

The latest was a consultant research on visual impairment in the country, offered to the United Nations last year.

Among all the established income generating projects, the university is required to take 30 per cent of the net income, and the rest to remain with the responsible faculties and departments.

"The idea is to ensure that the university earns as much as possible without exploiting the staff involved," says Prof Nderitu.

In addition, the board has also started minor activities, such as sale of waste paper to paper dealers and other indoor and office services.