

Financing Higher Education In Ghana; How Fair Is The Determination And Sharing Of Cost?

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Abstract: - Education provides the bases for the development of a nation. It is the major platform for training and equipping members of society to appreciate their environment and acquire the necessary skills and competencies. The skills and competencies help exploit better available resources in more efficient and effective manner to the general good of society. However, there is cost, both explicit and implicit to be borne. This work is directed to find out the bases of determining the cost of education in Ghana and how it is finance. Relevant literature is reviewed to establish the responsibilities of stakeholders in financing education particularly at the tertiary level. It is revealed that Government, the major stakeholder is gradually shirking its responsibility, not only providing funds, but the controlling aspect in policy direction to the detriment of society.

Keywords: - Cost sharing, Fairness, Funding, Higher education.

Originality of the Study

The primary concern of the study is to establish the cost of tertiary education and the level of Government and parents' responsibility in financing education. It is that Government of Ghana is gradually shirking its responsibility of financing and controlling cost of education with educational authorities taking advantage to charge students irresponsibly

Introduction

There has been serious concerns about cost of education in Ghana, to both Government and parents (students) and other stakeholders, which is escalating in recent times in the face of serious economic down turn, dwindling employment opportunities and nose diving income levels. Since independence Government expenditure on education has been on ascendency (Obeng Boampong 2009), a situation which financial and economic experts describe as destabilizing the smooth planning and management of public financial environment for economic progress and development. To help curb this menace of high

government expenditure on education, particularly with higher education, suggestion and policy direction has always been to get parents and students to accept and pay part of the cost, a phenomenon termed cost sharing and cost recovery. However, no attention has been given to knowing and asking question as; what goes into the cost of education? Who determines the cost? Who shares it and on what basis is the cost shared and how is the revenue raised appropriated and disbursed? Is the Government shirking its responsibility of funding education or are the public tertiary institutions now profit making institutions? The fees paid by parents and students form part of public moneys and there should be policy direction on them. Likewise education is the back bone of every society for the training of and investment in human capital assets for national development. It deserves better consideration than any ad hoc approach which cost, if not properly planned, can be devastating and jeopardized the national economic development agenda. This piece will consider purpose and policy direction of education, the cost component and structure, analysis of cost figures and conclusion

Purpose and policy direction of education

Education, in my opinion, is the custody and or documentation and transfer of the experiences and observations made by members of society in their various ways of economic endeavors to serve as spring board and to the benefit of members of society and generations to come. It provides the basis of training and skills development for diverse expertise in order not to leave any sector of the socio-economic environment unattended to. Therefore society or any country should make frantic effort to institutionalize, in a well-structured manner, the various processes and forms of education. This will help establish a clear cut frame work and policy direction for the training and development of the manpower resources of a given society or country for cohesion, orientation and achievement of national goals and objectives.

For this reason the Government of Ghana under the Ministry of Education has established a philosophical stance for education summed up in a mission statement as;

The mission of the Ministry of Education is to provide relevant education to all Ghanaians at all levels to enable them to acquire skills that will assist them to develop their potential, to be productive, to facilitate poverty reduction and to promote socio-economic growth and national development (Education Strategic Plan (ESP) of 2013-2015).

The ESP was developed with reference to official local and international documents on educational and financial policy frameworks and objectives. One such document is the outcome of the Education for All (EFA) World Education Forum in Dakar, April 2000 stating the following goals;

The Six Dakar Goals

1. Expanding and improving comprehensive early childhood care and education, especially for the most vulnerable and disadvantaged children,
2. Ensuring that by 2015 all children, particularly girls, children in difficult circumstances and those belonging to ethnic minorities, have

access to and complete, free and compulsory primary education of good quality,

3. Ensuring that the learning needs of all young people and adults are met through equitable access to appropriate learning and life-skills programs,
4. Achieving a 50% improvement in levels of adult literacy by 2015, especially for women, and equitable access to basic and continuing education for all adults,
5. Eliminating gender disparities in primary and secondary education by 2005, and achieving gender equality in education by 2015, with a focus on ensuring girls' full and equal access to and achievement in basic education of good quality
6. Improving all aspects of the quality of education and ensuring excellence of all so that recognized and measurable learning outcomes are achieved by all, especially in literacy, numeracy and essential life skills

To achieve these goals the various forms of education and their cost should be captured and given attention. In a broader sense education may take different forms as informal, formal and non-formal.

The informal may take the form of acquiring education through the daily interaction with the environment or society in which we may find ourselves where our parents, relations and other members of society function as the instructors, facilitators and resource persons. That is communal education

Formal education is considered as a system of admitting students with defined entry requirements to a defined and confined place or area where teaching and learning may take place within certain time period, with defined syllabus, rules and regulations to shape and mode the behavior of students.

The non-formal takes a form of periodic organization of targeted and interested persons at their leisure times, as they choose to acquire certain

functional skills to be productive in their social and economic settings.

Any rigid distinction or partitioning of these forms of education may not augur well for the total development of any personality. It will therefore be wrong for anyone to label any traditional home and communal educational system and structure as outmoded. Deliberate attempt orchestrated by some elites who could not get that exposure but have to do with classroom schooling do describe the African fundamental educational practices as outmoded and of no use in our current dispensation. The communal education is still relevant as it is the means member of society acquire knowledge about their socio-cultural environment

Any form of education has economic essence and value to the instructor, facilitator or the resource person on one hand and the learner, trainee, apprentice or the initiate and in all to the general society in diverse ways, therefore there is cost associated with any of the forms and processes of man power training and development. The cost may be either explicit or implicit which may have varying implications on society particularly the trainer and trainee before the person receiving the training or education becomes useful to the society.

Cost component and structure

With the informal sector the child is seen as a valuable asset to the parents, families and the immediate society and therefore there is the need to invest in the child through proper training to familiarize him/herself with the environment and how to exploit it in a dignify and congenial way. The cost of such education and training is the responsibility of the parents, family and society or community at large particularly in our part of the world. Parents have immediate responsibility for the training and development of the young/yawing children in terms of feeding, clothing, shelter and the initial learning process of the child. Parents, relations and society facilitate how children are to acquaint themselves with their new environment in developing charity, common sense in understanding the various units, sections, departments and

faculties and their interrelationships. The benefits and constrains to be expected as children interact with their environment for their progress on the larger scale are guided with principles. Furthermore facilitators of the informal sector engage the young ones in acquiring eating habits, clothing, upkeep including health care and linguistics to develop personal skills. In the process parents, families and the community commit resources of time, financial resources and valuable economic waste consequential from breakages, scrap and spoilt items in the training process, with no direct support from government.

With formal education which involves schooling as an organized institution for carrying out teaching and learning activities great cost is involved in the training and development of the human or man power resources of the society or country. What is the cost here and who bears it?

The Government education strategic plan (ESP) of 2013-2015 which was put in place to ensure quality education identified the financial challenges which needed to be addressed.

The document said among others that - *the education sector will require substantial investments. While, on the average, Government provides 91% of education financing, most of this is absorbed by teachers' salaries, leaving very little funds for non-salary expenditure. This has adversely affected the provision of teaching and learning materials and infrastructure development.*

To establish the cost of formal education, it is important to know the various forms or levels of schooling and education here. We may have regular schooling spanning between a given time frame and this is normally referred to as fulltime schooling with students/pupils not expected to engage in any job or be in employment. There is a part-time schooling or education where students are engaged in a job or in an employment and attend school after work. There is sandwich program where students are grouped at short time periods for intensive learning activities to take place. There is the education by distance and extension where students

stay at their homes, maintain their jobs and engagement. Schooling takes place at the students own pace without regular face to face interaction with teachers, facilitators or resource persons except through the internet. However, provision is made at some times in the training schedule to meet facilitators for tutorials and review of learning materials to help students achieve better understanding of their training objectives. There is another form of education as on the job training and apprenticeship where students receive training and development of skills under the direction of craft master for undefined period of time. The timing may depend on the nature of the job and skills and competencies required to be learnt at the end of the day and the capacity in terms of intelligence and resourcefulness of the trainee and trainer.

The levels of formal education and schooling as summed up by ESP has the levels of; preschool, primary, J.H.S, S.H.S, non-formal, special education, teacher training, technical/vocational training/apprenticeship, tertiary education, management and sub vented agencies and HIV/AIDS management. The cost of the different forms and levels may differ substantially.

The cost of formal education may be identified and classified as:

1. Cost at the government level/ public expenditure
2. Parent /student cost.
3. Opportunity cost.

The costs to the central government which form part of public expenditure include:

1. Cost for providing infrastructure and school buildings, roads, equipment, tools, including teaching and learning materials, utility and personnel emoluments for both teaching and nonteaching staff at the various levels of education.
2. To the parent and student cost of education may include tools and equipment including learning materials, clothing, food and academic charges(fees) determined by government and school activities including

P.T.A dues and extra classes and other forms of charges that may be unilaterally determined by school authorities with or without the consent of parents.

All these costs are forms of investment made in developing the human resources and capacity base of a society or country which should go to the benefit of parents, families and society at large.

For the Government, it believes that there should be private involvement as stated in the education strategic plan of 2013-2015, *the policy to encourage and mobilize non-state resources from the private sector to support education sector development has to be given greater attention. The challenge is how to balance the need for such support and participation from the private sector against the needs of the poor in society who may not be able to afford the fees charged by the private institutions.*

The ironic issue and bone of contention is the charges and fees purported to be a share of the cost of financing education in our society.

What goes into the cost, who determines the cost and how is it shared and at what proportion, how the fund is raised appropriated and disbursed is not known. Is it possible and true that government incur more cost on students?

Really attention is not drawn to cost incurred by parents and guardians in educating their wards, in a society where paper qualification is better appreciated, and not performance (skills and competencies), as means to get employment. This put a lot of pressure on parents and guardians in terms of income and psychological balance to secure for their wards the magic paper (certificate/results slip) of good grades. To be fair to parents and society what goes into total cost of educating a ward should be properly determined and basis for sharing put forward to the understanding of all stakeholders. If this is not done, Ghana as a nation has an opportunity cost to pay which can destroy our society.

On the government side, major cost incurred on education is on infrastructural development, equipment, tools, training and learning materials

and personnel compensation or emoluments. These costs form part of normal public expenditure which is generally paid through public monies received by government in the form of taxes and transfers. This cost of education incurred by government keeps on rising and government in 1970 raise an alarm particularly with tertiary and university education. The issue of government as the sole financier of tertiary education came under the microscope of Dr. Busia's government in 1970 when a committee was set up to advise the government on the future policy direction of the government's financial support to the universities (Appiah Kubi, 2005).

From here the door was opened for discussions on how education in Ghana should be funded with emphasis on tertiary education. In order to solve the financial crisis of higher education, and as part of the second phase of its Economic Recovery Program (1987-89), the government considered several steps towards adjusting the financial structure of higher education. These adjustments included: increasing the role of private higher education institutions; increasing the number of public universities, and introducing cost sharing (Appiah Kubi, 2005).

This forum became prominent in the 1990s when there was a purported assumption of rising cost of education dislocating government fiscal management and initiatives. The past decades saw a relative rise in government's recurrent expenditure on education from 17% in 1981 to 36% and 41% in 1992 and 1994 respectively (Appiah Kubi 2005), Report on National Forum on Funding Tertiary Education, Akosombo, January 27-28 1997).

To show its commitment on reducing cost of education and promoting cost sharing, the government decreased its expenditure on tertiary education. Starting 1996 there was a short fall of 26.3% or 16 billion cedis, with government providing only 73.7 % of the total amount needed to fund tertiary education. In 1997, the amount provided was 61.5% of the total amount required resulting in a deficit of 38.5%. The deficit however, rose to 40% in 1999 (Appiah Kubi, 2005). This indeed, paved the way for the introduction of cost

sharing in 1997 through the adoption of the Akosombo Accord that divided responsibility for university funding between the government (responsible for 70 percent of total funding) and for three sources (30 percent) including university internal revenue-generation, private donations and student tuition fees. The consequences are that parents becomes disillusioned of their ago to get their wards in the universities Johnstone (2004). In 1998, the government decided that it could no longer continue with periodical subventions and grants to cover the payment of students' residential and academic user fees because of budgetary constraints and therefore asked students to pay the fees in respect of the usage of residential and academic facilities (Appiah Kubi, 2005).

Taking the utilities and maintenance cost which led themselves for sharing between government and parents /guardians paid as fees/charges, how are these determined and controlled to ensure efficiency and effectiveness of the processes of educational activities? If the issues of cost content, management and control of activities, their cost and income raised to finance such cost are not guided by a properly thought of policy framework, public officers may diabolically orchestrate artificial programmes and costs which can be manipulated for their benefit. If such costs are passed on to parents in such an inefficient and ineffective mode of operations then greater burden is pushed to and absorbed by parents and guardians who in turn may invent any means to get such cost shifted and shoulder by the larger society as opportunity costs to the country. At all the levels of education such ugly face of diabolic activities and inefficiencies may be seen. At the primary and secondary levels authorities have varying means of creating cost canters or units in the academic environment and processes like clothing, footwear, entertainment, extra classes, computer training, exams fees, sports and festivals, canteen and what have you. The situation is even worse in the private schools where proprietors charge fees for their infrastructural development. These are evidenced by bills submitted to parents and guardians before the beginning of any new academic session. At tertiary

level where part time, sandwich, distance learning and open school programs are prominent fees are fixed in such a way that one wonders as to how school authorities make their decisions and if they take consideration of the incomes levels of student(matured) and parents in the country.

Looking at a minimum wage in the average of GH¢6 a day, GH¢180 a month and GH¢2, 160 per annum, this should tell what people will do in the society to get their fees paid, with serious economic implications. In a country where private enterprise and entrepreneurial skills is not cherished

Estimated Cost of financing the ESP, 2003 – 2015

Subsector/Division/Level of Education	Projected Cost (Millions of cedi's)				
	2003	2004	2005	2010	2015
Preschool	194 078	199 686	205 409	252 869	328 478
Primary	1 374 814	1 537 402	1 604 818	1 693 239	1 937 975
Junior secondary	763 508	831 336	868 579	997 145	1 271 414
Senior secondary	505 602	551 788	574 634	735 887	999 116
Non-Formal Education	37 748	39 635	41 617	53 115	67 790
Special Education	15 453	21 642	24 567	31 635	43 617
Teacher Training	108 435	111 622	117 104	30 388	143 620
TVET	64 637	48 561	53 317	110 631	166 271
Tertiary education	451 758	458 532	477 872	630 483	817 049
Management and Sub-vented agencies	7 559	25 852	22 239	22 687	22 427
HIV/AIDS Management	500	1 000	1 000	1 000	1 000

Education Strategic Plan, Volume 1

Summary of total recurrent spending by level	Summary of total recurrent spending by level				
	2003	2004	2005	2010	2015
Preschool	167 635	173 244	178 967	209 269	277 806
Primary	1 067 233	1 178 840	1 245 347	1 501 826	1 745 874
Junior secondary	697 134	738 165	775 280	898 469	1 121 904
Senior secondary	405 891	428 677	451 523	567 012	787 870
Non-formal Education	37 748	39 635	41 617	53 115	67 790
Special Education	12 953	14 248	15 673	25 242	40 653
Teacher Training	104 435	109 657	115 140	127 124	140 355
Technical Education/Vocational training/Apprenticeship	43 237	47 561	52 317	84 257	135 697
Tertiary education	381 758	405 732	430 572	568 683	752 449
HIV/AIDs Management	500	500	500	500	500
Total recurrent spending on education	918 525	3 136 260	3 306 935	4 035 498	5 070 898

Recurrent spending on Education as % of GDP	5.8%	6.0%	6.0%	5.7%	5.6%
Recurrent spending on Primary Education as % of GDP	2.1%	2.2%	2.3%	2.1%	1.9%

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Summary of Capital Investment Costs by Level (Millions of Cedi's)					
	2003	2004	2005	2010	2015
Pre-School	26 442	26 442	26 442	43 600	50 673
Primary	307 582	358 562	359 471	191 412	192 101
JSS	66 374	93 171	93 300	98 676	149 510
SSS	99 711	123 111	123 111	168 875	211 246
TVET	21 400	1 000	1 000	26 374	30 574
Teacher Education	4 000	1 964	1 964	3 264	3 264
Special Education	2 500	7 393	8 893	6 393	2 964
Tertiary	70 000	52 800	47 300	61 800	64 600
Other (Management, Sub-vented Agencies, Capacity Building etc.)	7 559				
HIV/AIDS management	0	25 852	22 239	22 687	22 427
		500	500	500	500
Total (Millions of Cedi's)	605 568	690 797	684 220	623 582	727 860

Funding Gap in the financing of the Education Sector	Cost and resource availability (in millions of CEDIS)				
	2003	2004	2005	2010	2015
Recurrent cost	2 918 025	3 136 260	3 306 935	4 035 498	5 070 898
Capital cost	605 568	690 797	684 220	623 582	727 860
Total cost	3 523 593	3 827 057	3 991 155	4 659 080	5 798 757

Recurrent Resource Envelope	2 704 601	2 786 886	2 923 885	3 753 779	4 726 092
Capital Resource Envelope	600 242	497 261	522 558	615 455	775 183
Total Resource envelope	3 304 843	3 284 147	3 446 442	4 369 234	5 501 275

Funding gap = domestic resource envelope - total cost (in millions of CEDIS)					
Recurrent account	- 213 425	- 349 374	- 383 050	- 281 719	- 344 806
Capital account	- 5 326	- 193 536	- 161 663	- 8 127	47 323
Total gap	- 218 750	- 542 910	- 544 713	- 289 846	- 297 483

% Distribution of total costs (recurrent + capital)					
	2003	2004	2005	2010	2015
Preschool	5.5%	5.2%	5.1%	5.4%	5.7%
Primary	39.0%	40.2%	40.2%	36.3%	33.4%
Junior secondary	21.7%	21.7%	21.8%	21.4%	21.9%
Senior secondary	14.3%	14.4%	14.4%	15.8%	17.2%
Non-formal Education	1.1%	1.0%	1.0%	1.1%	1.2%
Special Education	0.4%	0.6%	0.6%	0.7%	0.8%
Teacher Training	3.1%	2.9%	2.9%	2.8%	2.5%
Technical Education/Vocational training/Apprenticeship	1.8%	1.3%	1.3%	2.4%	2.9%
Tertiary education	12.8%	12.0%	12.0%	13.5%	14.1%
Tertiary education	0.2%	0.7%	0.6%	0.5%	0.4%
Management and Sub vented agencies	0.01%	0.03%	0.03%	0.02%	0.02%
HIV/AIDS Management					
Total	100%	100%	100%	100%	100%

The enrolment levels for the different levels per the ESP are given as in 2001/2002

LEVEL	NUMBER OF STUDENTS	PUBLIC	PRIVATE
1. Pre-school	702,304	457,597	244,707
2. Primary	2,586,434	2,113,749	472,655
3. J.H.S	865,636	741,895	123,741
4. S.H.S		249,992	-
5. TVET		17,439	
6. Teacher Training		18,766	
7. Tertiary: Universities (5)	19,686	40,673	920
Polytechnic (10)		18,459	
8. Non Formal		196,170	
9. Special Education		3,807	

If we take the ESP the estimated total cost for tertiary education in 2003 was given as ₵451,758,000,000 or GH₵ 45,175,800 and for 2015 would be ₵817,049,000,000 or GH₵81,704,900. Estimated student enrolment, per the ESP, for 2001/2002 academic was given as 59,132 [Universities (5) 40,673, Polytechnics (10) 18,459]

From the ESP document the estimated cost for 2003 is GH₵ 45,175,800 and enrolment figure for

Year	Enrolment	Estimated Cost (GH₵)	Cost Per Student (GH₵)
2002	86,570	45,175,800	521.84
2004	87,929	45,853,200	521.48
2005	121,390	47,787,200	393.67
2006/2007	135,000	63,048,300	467.02
2009/2010	179,998	63,048,300	350.27
2010/2011	201,153	63,048,300	313.43

The total cost per student should decline per the estimates because as the enrolment figures increases in greater proportions against that of cost, the marginal cost per student should fall but it is becoming expensive for the poor as lamented by World Bank (2011); Atuahene & Owusu-Ansah (2013; Twene, (2014)..

Year	Enrolment	Estimated Cost (GH₵)	Cost Per Student (GH₵)
2002	86,570	81,704,900	943.8
2004	87,929	81,704,900	929.21
2005	121,390	81,704,900	673.08
2006/2007	135,000	81,704,900	605.22
2009/2010	179,998	81,704,900	453.92
2010/2011	201,153	81,704,900	406.18

As indicated earlier the cost per student declines as enrolment figures increase at greater proportion than cost. If we are to double the estimated figure for 2015 of GH₵81,704,900 to GH₵ 163,409,800 and maintain the enrolment figure of 201,153 and represent it for the 2014 academic year the cost per student would be GH₵812.36.

2001/2002 is 59,132. Cost per student would be; 45,175,800/59132 = GH₵763.98.

Using the estimated costs per the Education Strategic Plan (ESP) and the available data revealing the actual tertiary enrolment figures we can calculate the official government cost to educate and train a student for higher education in Ghana as follows;

Note that the estimate cost of 2010 per the ESP is used from 2006/2007 to 2010/2011.

Now let us use the 2015 estimated cost as per the ESP to run the calculations.

How much are students paying in the academic year of 2014/2015?

At the undergraduate level students may pay an average of GH₵ 1,500 for fees as regular student as per the admission letters of fresh undergraduate students for 2014/2015 academic year in addition to costs of accommodation, feeding, learning

materials, clothing and other life necessities. Continuous students are paying an average of GH¢1,400 as fees. For the part time, sandwich and the rest one can imagine what may go on there. For the under graduate level students may be paying an average fee of GH¢2,000 and post graduate levels around GH¢ 6,000 and GH¢7,000.

Conclusion

From the analysis students are paying more than necessary which suggest that either government is shirking its responsibility to the people or the educational authorities are taking undue advantage of the system. As observed by Dadzie (2009) Government was seen to be gradually shifting more responsibilities of funding higher education to parents through students' fees despite the economic situation in the country. Though it is appreciable for parents and students to pay or accept some responsibilities in the financing of education it is equally important for Government not shirking its responsibility of ensuring control and policy direction on the determination and sharing of cost. There should be stakeholders' consultative forum to develop a framework on the structure of cost in financing education and the bases to determine what goes into it and how it should be shared

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