Review

Financial reforms and governance and the crisis in research in public universities in Africa: A case of Uganda

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Since the 1980s, African countries including Uganda, have been implementing financial reforms with particular emphasis on spending on priority sectors. Higher education sector was not given priority. In this regard, there was a shift from funding higher education to funding primary education in the 1990s, the consequence of which was a decline in public funding for university education. The effect of this policy shift was for universities to look for alternative funding sources. Universities have turned to privatisation and commercialisation of academic programs so as to continue functioning. In spite of the decline in public funding for universities, there is observation that funding from the private sponsorship scheme has increased but there is no corresponding increase in research and publication. Instead universities have glossily lamented over the decline in public funding as affecting their performance in areas of research and publication. There is little regard of the increased private and donor funding which could also contribute to research. In this paper, I argue that the financial governance and reforms rather than declining funding account for the decline in research in public universities in Uganda. The discussion presented will show that there is limited funding allocated to research resulting into low morale for research, and where research is done, there is more emphasis on applied research than basic research. In the last part of the paper I look at how universities can respond to the crisis of research by taking care of financial governance issues.

Key words: Accountability, transparency, financial reforms, financial governance.

INTRODUCTION

Financial reforms and financial governance in universities are having greater influence on the core functions of the universities in Africa in general and Uganda in particular, but they receive little attention in higher education research. Consequently, the decline in research and publications exhibited in public universities is largely attributed to declining public funding. There is little focus on financial governance. This paper examines the effects of financial reforms and governance on research in universities in Uganda. It discusses how financial reforms and governance impacts on knowledge production through research across public universities. Uganda has five public universities. Only two (Makerere University and Mbarara University of Science and Technology) of these are relatively old and carry out substantial research. The others are very new (Kyambo, Gulu and Busitema) and were created from different education and technical colleges. Because of their background and restructuring process to fit into university sector, there is relatively little research being carried out in these universities (Muriisa and Bacwayo 2010). Against this background, the discussion I present in this paper will focus more on Makerere and Mbarara University of Science and Technology. The paper begins with the operationalisation of concepts of financial governance and reforms placing them into the context of public universities in Uganda. It progresses by discussing the financial reforms in education sector and their implications for university education in Uganda. The rest of the paper discusses the different reforms and financial governance issues and how they have impacted on research and scholarship. The final section of the paper teases out how public universities can respond to the crisis of research
given the financial governance and reform dilemmas. The paper will try to provide answers for the following questions: What reforms have been carried out in the financing of university education? How does the financial reform process impact on research in public universities? What are the sources of funds for university education in general and research in particular? How does financial mobilisation, administration and disbursement in public universities impact on research?

Understanding governance

The concept of governance is dominating development work and discourse (Appiah, Donald and Gran, 2004). The governance continuum ranges from governance as “bad governance” to governance as “good governance”. On one hand, bad governance is characterised by corruption, lack of transparency, lack of accountability and poor performance. The outcomes of bad governance are inefficiency and ineffectiveness. On the other hand, good governance is characterised by accountability, transparency, efficiency and effectiveness, rule-following and participation. In general, good governance entails conformity to codes of good practice. In the context of this paper, good financial governance relates to transparency, accountability and good financial management practice such as following rules and established procedure in distribution and utilisation of financial resources. Accountability is concerned with the ability to hold office bearers accountable for their actions and decisions. Transparency is concerned with openness about the way financial resources are mobilised and distributed or utilised. Since the 1980s accountability and transparency have become indicators of good governance and proper management in both private and public organisations. Transparency enables the different stakeholders to visualise how the university operates allowing positive feedback. In addition, transparency in the organisation is the basis of public confidence in it. Accountability provides a basis of checking the actions of public officers and to be able to put them to task and avail themselves for public scrutiny. The outcome of good governance is efficiency and effectiveness. In the context of this paper, this means that when there is good financial governance, such as proper allocation and utilisation of financial resources by universities, the core functions universities are fulfilled.

Contextualising financial reforms and governance

As already pointed out above, the question of financial governance concerns transparency and proper accountability of funds in public universities. While poor research outputs in universities is attributed to poor and reduced funding of universities and increased student enrolment, (Kasoli, 2009; National Council for Higher Education, 2007). Muriisa (2010) argues that the crisis facing universities in Uganda is not simply a crisis of funding but also of financial governance. Thus, the Nairobi report has it that, “While poor funding for research, and for higher education more widely, is a major problem, many of the barriers to research are organisational rather than simply financial. New money for research can only be provided if there is confidence in the ability of institutions to manage it and to deliver good research. (British Academy and the Association of Commonwealth Universities, 2009: 1)”

It should be noted however that much of the financial governance challenges facing public universities in Uganda have their background in the financial reforms which took place in this sector in the 1980s and the years following. Since the 1980s university sector and higher education in general has seen dramatic changes in form of reforms. The reform process has both internal and external influences and has affected not only the way universities allocate funding but also the systems of financial accountability. The new systems of financial administration and accountability especially in area of financial mobilisation and allocation have put universities at risk of losing sight of their core functions and mandates. The core functions and mandates of universities are teaching, research and community service. However, owing to many forces including private sector (parents, students and business), and donors and government, teaching has become more dominant than other core functions and mandates. Indeed research as a core mandate of universities consistently misses out in budget estimates for Mbarara University of Science and Technology, (Mbarara University of Science and Technology, 2010) The main reason for this is that, money to support public universities is mobilised from private, public and donors and each of these actors have different expectations from the universities and exert influence on the way universities should operate. The private sector, including parents and students, who pay tuition and other fees, demand and emphasise that students are taught certain academic programs and may not visualise the relevance of research. As a result, the universities have become more open to scrutiny with respect not only to the nature of programs they run but also to how they budget, allocate and account for the finance they receive from private sources. Consequently, financial allocation follows new systems of priority setting which are dominated by infrastructural development and teaching, rather than research whose benefits are less tangible in the long run.

For the case of public funding, this declined in the 1990s with a shift of funding towards primary education. Lack of public funding for university education in Uganda forced universities to reform their financial system; collection,
allocation and disbursement. To survive, the social sciences faculty and of arts and humanities at Makerere University, privatised and commercialised programs, while the science-based faculties adopted the donor-driven research agenda so as to secure funds for their survival (Mamdani, 2007: 104). At Mbarara University of Science and Technology the Faculty of Development Studies was started to offer privately funded programs and the institute of computer science runs programs which are funded by money raised from private students. The two have become “cash cows” for the university.

There are implications of the above arrangements for the research in particular and the university operations in general. Recently, the predominant argument from government is that the knowledge produced and programs run by universities should be relevant. Relevance in this case is defined as being able to address current social economic and political problems. In order to be relevant, university research and teaching are required to result in more concrete and direct returns and research should reflect the scientific and technological needs of society. Universities should cooperate with firms as suppliers of applied knowledge that can be readily transformed into innovations that increase the competitiveness of national industries (Geuna, 2001) and social transformation. This is how the university is expected to reproduce its relations to society. It is in this context that market-oriented reforms taking place in Ugandan Education Sector can be understood. At Makerere University in Uganda, the financial market oriented reforms were heralded by the World Bank as the model for the transformation of Uganda (Mamdan, 2007).

In the case of donor funded programs, there is orientation towards applied research and the major beneficiaries of the research funds were Agriculture, Forestry, Medicine, Basic Sciences and technology at Makerere University (Kasozi, 2009). It should be noted however, that in spite of the increased donor funding for science-based faculties, the researches undertaken in the late 1990s were either done by post-graduate students or individual academic staff with the involvement of a collaborating partner in the donor country. The implication of this is that the researches address the interests of the donors. This is also true for Mbarara University where donor funding has increased especially in the faculty of Medicine.

The involvement of donors, government, students and parents in deciding programs and nature of research eligible for funding means not only loss of academic freedom but also loss of financial autonomy. As discussed above, universities are expected to respond to the changing global market economy where the market determines the knowledge to be produced. Consequently production and dissemination of knowledge is a response to demand, not the research ideas and knowledge creativity of professors. Based on the above factors, I argue that to a large extent, the ability of universities to retain their status as centers of teaching, research and the production of knowledge is in serious crisis. And that this crisis is a result of financial governance and reforms. In the next section, a discussion of different financial reforms and their implications for university education in Uganda is made.

Financial reforms in education sector and implications for university education in Uganda

Financial reforms in the education sector took the form of budgetary and allocation reforms. The budgetary reforms are those actions aimed at redirecting budgets – how incomes should be raised and spent. Financial reforms at institutions of higher learning took the form of a departure from 100% dependence on government as the income provider to raising money from other sources such as introducing private funded programmes and enrolling private students for these programmes.

Until 1990, government fully funded higher education. This however changed in the 1990s with government reducing funding for universities and re-allocating funding across different levels of education. The implication of this reform is the decline in public funding for universities. The decline has happened overtime and has affected the whole university education sector with dominance of private funding as an alternative source of funding. In 1993, the government suspended research funding following Makerere university which had suspended funding of research due to lack of finance. By 1994, government had suspended funding of post-graduate training arguing that any post-graduate training needs should be approved by the beneficially department. In addition, by mid 1990s, the government shifted attention from funding higher education to funding primary education. Public funding for universities as percentage of total budget declined by 17% from 83% in 1995/96 to 69% in 1998/1999 (cited in Court, 1999). Court (1999) points out that public funds for primary education have more than doubled in 1995/1996 while funding for higher education decreased by 7%. As a result, expenditure patterns by universities shifted from spending on major essentials to welfare for students and staff. The National Council for Higher Education (NCHE) (2005: 34) shows that the expenditure patterns of 16 universities four of which are public (Makerere, Mbarara, Kyambogo and Gulu) is low on research, books and staff development. The public universities expenditure estimates in 2005 shows that they were spending only 1.1% of their budget on research. In comparison they spent 70.2% of budget on staff and student welfare (staff emoluments, students, accommodation and students welfare) (National Council for Higher Education, 2005: 34). Thus, Kasozi (2009) asserts that for a long time the Makerere University budget covered less than 25% of resources for core activities.
Financial reforms also involved designing new ways of spending and allocating financial resources received from government and those privately generated. Emphasis is put on how available finances are distributed to different uses, departments and faculties. Financial allocations in Uganda took place at national and institutional levels. As discussed above, at the national level, there was a shift from funding higher education to funding primary education. At institutional level, financial allocations became concerned with how funds are distributed to different uses and departments. The reform process involves decentralising fund collection and allocation. This largely focused on involving the user departments to collect some fees and also decide how funds generated should be distributed to different uses. This was a move-away from the earlier allocation process where the centre made it all. Universities designed formulae which could be used to allocate funds collected from private sources. For example, at Makerere it was agreed that only 10% of money corrected from private funded programmes should be sent to the central pool of administration and about 45% be retained by the user faculties. The money which was collected and retained at the faculty was to be spent according to the discretion of head of faculties and usually the wage bill took the lion’s share compared to other needs such as research (Mayanja, 2007). At Mbarara University, the percentage of money retained by the collecting faculty is about 20% (Muriisa, 2009). The expenditure of such monies is according to the discretion of faculty administration as is the case in Makerere University.

Financial governance in public universities in Uganda

The National Council for Higher Education (NCHE) reports, which discusses extensively the importance of increasing funding for higher education institutions gives little consideration to financial governance as part of the “possible higher education financing solutions” (National Council for Higher Education, 2004, 2004a, 2005, 2006) The eight-point solution to the challenges facing higher education which National Council for Higher Education (2006: 35-36) provides focus more on how universities can increase their finances and less on accountability, transparency and efficiency. Similarly, Court (1999) argues that Makerere University’s internal and external efficiency has improved especially through space utilisation, but there is no mention of financial efficiency as an important component of the improvement process. Yet financial efficiency and management has become the focus of many critics of public universities in Uganda. Recently, Makerere University has been in spotlight for being the financial management crisis. Kasozi (2009: 127) notes that recently the financial accountability of Makerere has come into doubt; years back financial documents were burnt in the bursar’s office probably to hide evidence, the accountability problem is followed by other financial administration challenges such as value for money in the procurement process. For example in 2007 the perimeter wall which Makerere was constructing around the university collapsed leaving the public and government in doubt of the credibility of the institution in procuring proper services. The institutions are criticised for not following proper procedure in procuring of service providers, thus resulting in shoddy work and services being provided to the universities. This example shows that a critical assessment of financial governance in these institutions and its impact of research are necessary.

Comparing financial administration at Makerere and Mbarara universities

Financial administration within universities involves the way financial resources are handled including their allocation to different uses and accountability processes. Allocation of financial resources to different uses depends on the procedures and structures in each institution and according to the means agreed upon by stakeholders. The allocation may follow a formulae internally developed by the universities and their staff or the government guidelines. Financial accountability follows guidelines established by government to universities and university employees on how to use the money within the universities. These guidelines include line items such as stationary and scholastic materials, travel (international and internal), onto which money should be spent. Other guidelines include procurement process which applies to all public institutions including universities. It is for example, a requirement that any procurement of goods or services for a value exceeding 2 million Ugandan shillings are made through the contracts committee (public procurement and disposal of public assets authority, 2003: 2). Establishing a minimum amount of money that can be spent without the approval of another authority seeks to ensure a culture of adherence to budgets and priorities set in the institutional strategic plans and government guidelines. While this is expected to promote good financial practice such as accountability in universities, the process is tedious involving bureaucratic procedures and a long time of waiting before budgets are approved. This hampers flexibility and effectiveness in the universities operations since the goods and services take long to be procured.

Implications of financial reforms and governance for research

The core functions of a university are teaching, knowledge
Private sector to financing higher education increased tremendously, this contribution more than doubling in private sector as a major source of funding since the year 1999, and by 2009 the government contribution had declined to only 40% the rest being realised from private sources (Kasozi, 2009).

Privatisation led to massive enrolment of students. For example, in 1990, there were no private students at Makerere University. In 1991, about 150 students were admitted for private sponsorship while the government sponsored students were about 5,819. However, by 2001, the enrolment of private sponsored students was registered at 20,351 students, against 6,442 government sponsored students (Epelu-Opio, 2002). The increasing number of students meant that the university has to increase the allocation of more time and resources to teaching and little for research. The effect of the increase in the number of students enrolling for university programmes is loss of hands-on supervision of research and teaching and subordination of research to teaching (Mamdani, 2007: 91). In a different argument Eperu-Opio is of the view that, because of inadequate funding Makerere University was forced to cut down on staff development and research. Thus, responding to the prevailing situation of inadequate funding and increased student enrolment, Makerere University was forced to cut down on research, Staff Development, postgraduate programmes, equipment, books, science laboratories, chemicals and other teaching materials. The University was not able to recruit and retain competent staff (Epelu-Opio, 2002).


Commercialisation on the other hand, involved a response to the market through introduction of privately sponsored programmes where private students paid fees and changing curriculum by introducing market-driven or guided courses to respond to employment needs. As a result, of commercialisation, departments began to change their curriculum in order to be able to “sell”. The move to privatised and commercialise university education so as to raise revenue for the university operations have had dire consequences for research and academic scholarship. Academic freedom and institutional autonomy are threatened by the universities’ move to diversify funding, because universities cannot decide on whom to sell their services for them to survive (Williams, 1998). Universities have become more business like; selling everything they can as long as it is demanded. Universities have moved from research-led training to vocational training, with little academic rigour and no research base (Mamdani, 2007: 91, 237).

The impact of privatisation at Makerere University was felt most in the faculties of social science and arts which saw greater increase in students’ enrolment. Indeed Mamdani (2007:237) concludes that the change in the curriculum to reflect market demand, its commercialisation, was the most advanced in the Faculty of arts where it led to vocationalisation of higher education and research. The introduction of privatisation and the commercialisation of programs ushered in competition for programs between
faculties leading to similar programs being duplicated in different faculties so as to make money. Therefore at universities in Uganda, money-driven teaching in the faculties of social sciences and arts and humanities, which strongly affected research outputs in these faculties (Kasozi, 2009) are developed. In the science-based faculties funding of programs is strongly influenced by donors such as NORAD, SIDA-SAREC, and the Rockefeller Foundation, who tend to fund applied science disciplines and research. Consequently, the current research orientations in the universities are towards application than basic knowledge. Therefore, research has less focus on methods and disciplinary traditions and theoretical backgrounds informing the discipline and instead there is more focus on problems. Critiquing of Makerere University’s program design and orientation (Mamdani, 2007) argues that the new programs were formulated as a response to the study of problems, not as the study of methods and disciplinary traditions. The theoretical underpinnings in particular disciplines which should guide program formation were ignored, leading to gross duplication of programs at universities.

The impact of financial allocation and administration on research

The processes through which universities receive their funding influences the internal resource allocation, consequently universities use a mixture of internal allocation approaches to utilise funds received from both government and private sector. Government financial releases come as block grants but itemised for development and recurrent expenditures. Similarly, money generated from private sources especially student fees are specific and tagged to departments. For example part of fees paid by private sponsored students is a contribution to the book-bank library, the academic registrars’ office, accommodation, and tuition fees, just to mention. However, the allocation of these funds to different uses in universities depends on the nature of internal allocation approaches. These approaches include, block allocation for Makerere University, line budgeting for Mbarara University and responsibility centre budgeting for Makerere University Business School (MUBS) (Baryamureba, 2007; Muriisa, 2007). There are implications for each of these financial allocation approaches for research.

Under line budgeting, once funds have been released and received by university as block grants from government, the university accounting officer follows the government guidelines and allocate money to specific uses as set by existing rules and procedure. At Mbarara University where line budgeting is practiced research is given limited priority since infrastructural development takes precedence (Muriisa, 2007). In one of the faculty's budget at the Mbarara University of Science and Technology, allocation for research was Uganda Shillings (UGX) 8.4 million (4.5%) of government releases and nothing from internally generated funds compared to for example, staff travel within country which was allocated UGX 9 million or 4.8% of government release and UGX 16 million or 6.9% of internally generated funds. (Mbarara University of Science and Technology Draft budget 2008). Block and responsibility centre budgeting allocation allows departments and faculties to autonomously allocate funds to different uses without being influenced by central administration. This kind of financial administration promotes misallocation of financial resources. Resources are shifted from the critical needs of the institution such as research and publications to non essential needs such as increasing the staff wages (Mamdani, 2007; Muriisa, 2007). In case of private generated funds, universities designed formulae to allocate the funds to different uses. Mamdani (2007) shows that at Makerere 1% of collection from day, evening and post graduate programmes is allocated to research, the wage bill contribution (staff salary top-up)(This applies only when funds are available and it depends on the number of private students enrolled. It is not a regular salary contribution and the amount is not fixed,) is allocated 18% of Day programme, 9% of post graduate programme and 15% of accommodation fees collection. Money collected from tuition fees is allocated between central administration and the income generating units as follows: The funds which remain at the income generating units are spent by the units as they wish according to priorities set by the deans and their staff (Table. 1 Mayanja, 2007: 4). At Makerere University the practice emphasises increased pay cheque and staff salary top-ups than creating a financial pool from where research can be funded. Note that, block allocation is not tagged to performance such as the number of students graduating, scholarly works such as scientific publications. Therefore, irrespective of whether the faculty’s performance improves, staff pay check is improved or remains the same.

Table 1. Allocation of tuition fees at Makerere University by 2006

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<th>Day program %</th>
<th>Evening program %</th>
<th>Graduate program %</th>
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<tr>
<td>Central administration</td>
<td>49</td>
<td>41</td>
<td>25</td>
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<tr>
<td>Income generating unit</td>
<td>51</td>
<td>59</td>
<td>75</td>
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Source: (Mayanja, 2007: 4)
depending on the income-privately generated funds that are retained at the centre. Thus, Mayanja (2007) points out that the decentralisation of fund allocation allowing discretionary utilisation of funds which remain at the departments makes departments spend money anyhow on anything including paying staff salary top-ups far higher than their salaries or the vice chancellors salaries, with little attention to research. Court (2000: 13) argues that the payment of a living wage to faculties increases the opportunity for research. However, the intensifying incentive system associated with privatisation increases the allocation of more time and resources to teaching and little for research.

Since public funding for universities come as block grants, it is not tagged to performance but on the number of students enrolled in the university and the government national priority. There is instability often characterised by a decline in the flow of public funds to universities. The result of declining government funding is that universities respond by cutting down on research and staff development (Epelu-Opio, 2002; National Council for Higher Education, 2005). The Ugandan universities’ expenditure on major areas such as staff recruitment and promotion, books, capital development and equipment, which contribute to research is low (National Council for Higher Education, 2005, 2006). At Makerere University Epelu-Opio (2002) points out thus, “responding to the prevailing situation of inadequate funding and increased student enrolment, Makerere University was forced to cut down on research, staff development, postgraduate programmes, equipment, books, science laboratories, chemicals and other teaching materials. The University was not able to recruit and retain competent staff” (http://www.tfhe.net/resources/Justine_Epelu_Opio.htm 20/10/2008).

In addition to the low budget for research, there is gross diversion of this budget to fund other programs. The NCHE report clearly puts that “in reality funds earmarked for research tend to be diverted to other uses to keep the institutions running on tight budgets” (National Council for Higher Education, 2005: 34). As a result academic scholarship, teaching and research supervision and publishing abroad are affected.

In spite of the increased expenditure on staff welfare (Mamdani, 2007; National Council for Higher Education, 2005), official staff salary scales for academic staff remain small compared to other people employed in other sectors, they are also delayed to get promotion. The lack of teaching and research facilities, low earnings and late promotion, have forced most of university academic staff to leave university service in search for other well-paying jobs in the country and abroad. Others have depended on teaching in several universities (what Mamdani (2007) calls moonlighting) which leaves them with little time to do research. In extreme cases, staff have crossed from one department to another (brain circulation) where their salaries could be improved from fees paid by privately sponsored students. Therefore, universities’ capacity to retain academic staff has been constrained. Ajayi, Goma and Johnson (1996) points out that staff retention requires institutional packages which provide a satisfying professional environment including improved academic working conditions and the provision of more resources for teaching and research and related facilities. With budgetary cutbacks by government, public universities are facing financial constraints. In a recent newspaper article, it is reported that when the top officials of Makerere University met members of parliamentary committee on social services, the vice chancellor of Makerere compared the old institution to a sick patient in coma; “I am comparing Makerere University with a sick person. We should not allow the patient to slip into coma. Once we lose the qualities and the structures, the donors will pullout. The contribution of the donors is subsidising the unit cost, otherwise we would not be able to operate” (Karugaba, 2008a) http://www.newvision.co.ug/detail.php?mainNewsCategoryid=8&newsCategoryId=13&newsId=655895 23/10/08.

Because of the decline in public funding coming to universities, universities in Uganda have not focussed sufficiently on the development of strategic initiatives to enhance research productivity. With limited public funding, universities have focussed on increasing student enrolment in the undergraduate training so as to generate supplementary incomes to facilitate their operations. This has affected research and academic outputs in a number of ways, including, interdepartmental conflicts and limited infrastructure such as library to facilitate research. There is a strain in creating a balance between availing funds to research and infrastructural development, in addition to duplication of programs, which I have already discussed.

While the above arguments indicate that lack of funding seriously affect research, there is ample evidence showing that the problem is not funding per se but the way funds are managed and organised. Makerere University has been criticised for gross abuse of financial resources. Money that would be spent on academic inputs is instead wasted elsewhere. In 2007, Makarere University top officials spent over 100 million Uganda Shillings (about US$60,000) on a single trip made to the United States of America to attend a meeting – the Uganda North American Association (UNAA) forum, when academic staff lacked teaching materials worth about 200 million Uganda shillings (Ahimbisibwe, 2008). The visit was intended to mobilise and fundraise from Makerere Alumni. However well-intended the visit could have been, it could have at least involved the public relations officer (PRO) in charge of alumni and not the whole top administration of the university when the university was in dire need of teaching materials. There also indications that money is spent in a non transparent manner. In a report sent to the president by disgruntled members of staff of Makerere University
Business School (MUBS), the members noted that there is lack of transparency in the way the institutions finances are utilised. They accused the principal of the school of financial abuse.

MUBS has failed to build any structure since it was established in 1998, except for a two-storied lecture theatre which was put up by Makerere yet every year since 1999 we have been saving close to Shs1 billion annually from internally generated funds. To date, there is nothing to show for this money (Lirri, 2008). http://www.newvision.co.ug/detail.php?mainNewsCategoryld=8&newsCategoryld=13&newsld=655895 23/10/08. The above examples show that much as there is a decline in public funding, this decline could not have seriously affected research if the available funds are not either diverted from research or misallocated. Moreover, in spite of the decline of public funding for university education, which is a global phenomenon, there is increased funding from other sources such as privately sponsored students and donors.

Financial accountability and research

How do public universities account for the financial decisions they take? The government requires that institutions be accountable by having internal auditors to ensure that money is spent where it is supposed to be spent. Universities are required to have independent external auditors of their accounts. At the end of each financial year, the universities are expected to give the Ministry of Finance Planning and Economic Development (MoFPED) with the audit reports showing the statistical returns related to performance and outputs. Internal and external audits are expected to limit and remove cases of corruption which are becoming rampant in universities (Fielden, 2008). The challenge facing public universities include financial accountability, which will be the focus of the discussion in this section. Universities lament that there is limited funding available for them to allocate enough for research. However, existing information indicates that there is gross manipulation of financial system and misappropriation of funds (Ahimbisibwe, 2008; Karugaba, 2008, 2008a; Lirri, 2008; Mamdani, 2007). At Makerere University, Mayanja (2007) argues that many stakeholders consider Makerere to be receiving a lot of money but inefficiently managing it, and the government is also suspicious of the financial mismanagement. Makerere University for example is criticised for abusing financial holdings; having no accounting systems such as possession of a master procurement plan as required by the law (Karugaba, 2008). Lack of such guidelines as the master procurement plan breeds non transparent expenditures. It has to be mentioned that without transparency in allocating and utilising public finances, it is difficult for institutions to grow and to become research-led. It is in line with this observation that the Ministry of Education recommended that financial management especially what is generated from private sources should be centralised to minimise mismanagement (Ministry of Education, 2008). The impact of poor accounting systems stifles research in that much of the money belonging to the university from which research would be funded is easily consumed and cannot be visibly seen to exist. Consequently whenever research funds are requested by academic staff, the response is always that the funds for research are not available.

How should universities respond to the crisis of research?

The discussions made in the preceding sections above show that research and knowledge production does not only depend on availability of money but on the financial governance systems. I have shown that the crisis of governance and research emanated from the response to the reforms in higher education. And that this response was largely privatisation. The privatisation of education in Uganda led to mass enrolment of students and increased programs. However as the discussion above has shown, these programs were developed out of the need to create relevance. In this regard, in the 1980s throughout the 1990s, the demand was whether education offers solutions for a country’s social economic and political challenges and for the individual and whether university graduates would be employed in the private sector including self employment. The argument is that society demands certain type of graduates and universities should provide this demand-driven education. The national governments, parents, students, employers and the donors, all demand education that provides immediate solutions to social, political and economic challenges. The result of this is that allocation of finances goes towards promoting applied research. Thus, there is a shift from producing knowledge for the sake of knowledge; that is knowledge that does not attach direct importance to the usefulness of new knowledge, to producing knowledge because it is useful for the environment. The later is based on critical thinking. The former knowledge is based on the belief that it will be useful for industry, the state and society in general (Sjolund, 1998: 108). In the light of this, what could be proposed is that there should be balanced expenditure between the two research areas. I argue that attention should be put on balancing financial allocation and control in favour of both basic and applied research. This would be an indicator of good financial governance in any research-led or research-oriented university.

In addition, there is a need to redirect teachers at the university by reminding them the purpose of the university. This comes with a cost. Initially the cost should be to revise the allocation of monies collected from private funding to
research. This however, should not be a challenge since some departments and faculties have already put in place enough capital developments, money can now go to funding research. Within a few years of private sponsored programmes, Makerere completed the senate building which houses the registration secretariat; the faculty of social sciences also managed to complete their own building. The Faculty of Arts despite enormous amounts of money raised from private funded programs has not managed to put up their own building but they took over the former commerce building and one formerly housing the academic registrars building. One wonders why the money that would have gone to construction of their homes cannot be used to boost the research pool.

In addition to the above, the university top leadership should provide a leading role in putting lecturers on course. At Mbarara University, the “cancer” eating Makerere University is constantly alluded to by the vice chancellor whenever staffs agitate to get a share of privately generated funds (Murison, 2007). The challenge however is that the response is all for a wrong reason—not to create pay differences among staffs. This not only limits the morale not only to create new programmes that would generate money for the university but also the morale to do research and teaching. What should be emphasised by leadership is to create a strong research pool from private generated funds that can be competed for by academic staff in different departments.

CONCLUSIONS

I have discussed in this paper the impacts of financial reforms and governance on research in public universities in Uganda. I have discussed that lack of financial support from government ushered in new approaches to financing higher education; namely, privatisation and commercialisation. In the face of declining public support for higher education, private funding comes as an alternative source of funding. In the paper, I have discussed that privatisation and commercialisation of education in Uganda brought new responses to the way education is conducted at universities. The paper has shown that privatisation drive increased student enrolment and vocationalisation of education. The increased enrolment and vocationalisation of education has led a shift from emphasis on research to teaching. This paper therefore concludes that where as there is need for increased funding for various programmes at the university, this should not be done at the expense of research. In order to address the crisis in research, this paper argues that there is a need for university administration to get more involved in redefining how finances should be allocated putting into consideration the primary goal of a university knowledge creation through teaching and research. This paper also argues that the gross abuse of financial holdings in universities have gone unchallenged with no critical analysis of how they affect research. I have discussed the different governance issues such as accountability which have received less attention in higher education research. The diversion of funds and financial misallocation are critical issues which affect research yet they often do not receive adequate attention. Based on the arguments presented therefore, I make a final conclusion that where as much attention has been given to lack funding for research in universities, there should be a shift of focus to financial governance. That the little financial resources available should be well apportioned to cater for research.

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