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Loans and Scholarships in Africa's Higher Education Finance: A Comparative Analysis of Capitation, Policy and Recoveries in Eleven Countries

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ABSTRACT*: This article is a comparative analysis on financing of higher education in eleven African countries; Botswana, Ghana, Kenya, Lesotho, Malawi, Namibia, Rwanda, South Africa, Tanzania, Uganda, and Zambia. Existing trends and practices on loans and scholarships in relation to capitation, policy and recoveries were compared in the eleven countries that were also member state countries to the Association of the African Higher Education Financing Agencies (AAHEFA). Data was collected at the 2019 AAHEFA conference held in Lusaka, Zambia, where eleven chief executive officials or their representatives from country loans and scholarship related institutions shared comprehensive reports related to funding of higher education in the eleven countries. The data collected was analysed thematically. The article shows that the eleven African countries shared several similarities and differences ranging from management structures, education prioritization, capitation, recovery methods and policies. High demand for student funding against limited resources and loan recovery methods were among the emerging similarities. The differences included variations in funding patterns, policy differences among funding agencies and nebulous management structures. It argues that since most of these loans boards are in their infancy, they needed to learn very fast on how to manage granting and recovery of loans.*

KEY WORDS*:* higher education, financing, loans, capitation, recovery, policy, scholarships

INTRODUCTION

Financing of higher education is a global phenomenon that addresses efforts by donors, families, organisations, and governments in funding and supporting higher education, Masaiti (2013) observed that financing of higher education is generally based on three broad models namely; Tax Funding, Cost Sharing and Market Models. Globally, the financing of higher education (both the expenses incurred by the institutions and students) has traditionally been done by five main sources. These include government (via taxes and deficit spending); parents, spouses, or extended families; students (via their own earnings and/or student loans);Institutional entrepreneurial earnings (that is, other than from instruction – such as externally funded research, rental of facilities, clinics and hospitals, special instructional programs, and the like); and philanthropy (current donations from alumni, businesses, or friends; endowment earnings from past philanthropy; or in Africa and other low income countries, donor institutions such as the World Bank or European or North American governmental aid agencies) (Johnstone and Marcucci, 2007; Chipindi and Vavrus, 2018; Shah, 2008, Masaiti and Mwale, 2017; Mkandawire and Ilon, 2018).

Although financing of higher education is gradually moving towards private financing in developing countries" (Panigrahi, 2018:61), the nebulous financial independence in most third world developing countries entailed that the revenue required to finance higher education are increasing rapidly than African governments can cover alone. As such, there was a growing attempt by African governments to widen sources of revenue for the sector in the form of cost sharing and student loans and grant programmes. These efforts are manifested in the establishment of national higher education financing agencies.

Using the institutional setting of Association of African Higher Education Financing Agencies (AAHEFA), this article focusses on loans and scholarships as established by African governments in different countries. AAHEFA is an entity that brings together institutions from the African continent, that deals with awarding and issuance of loans, bursaries, grants, scholarship and recovery of loans given to higher education students as well as collecting back the loans issued. This institution was formed in 2008 and formally registered in Tanzania where the headquarters were located that time. As of 2019, AAHEFA had eleven confirmed member state countries with two more (Burkina Faso and Ethiopia) that were yet to be confirmed as the 13th members (https://www.aahefa.org, 2019). The membership of AAHEFA comprised the Higher Education Loans and Scholarships Board (Zambia), Higher Education Loans Board (Kenya), Higher Education Student's Loans Board(Tanzania), Students Loan Trust Fund(Ghana), Higher Education Students Financing Board (Uganda), Human Resources Development Council (Botswana), National Manpower Development Secretariat (Lesotho), National Student Financial Aid Scheme (South Africa), Namibia Students Financial Assistance Fund (Namibia), Development Bank of Rwanda (Rwanda), and the Higher Education Students Loans and Grants Board (Malawi).

Aim

The aim of this study was to analyse existing trends on loans and scholarship finance in African countries in relation to capitation, policy and recoveries in eleven-member state countries of AAHEFA.

Research Questions

The study was guided by two specific research questions;

1. What was the status of the higher education financing agencies in the eleven AAHEFA member state countries?
2. What were the trends in the financing of higher education through loans and scholarships in the eleven AAHEFA member state countries?

Context

The analysis of the existing trends on loans and scholarships in African governments in terms of capitation, policy and recovery is situated in the broader discourses of higher education finance in which investment in higher education is generally considered as having the largest impact to economic growth as it has the most accrued benefits on socio economic and private rate of returns. However, higher education should be quick to respond to local and international market demands (Chipindi, 2017). The global dynamics of employment, education and skills demand are changing every day and this is particularly so in this era of the 4th Industrial Revolution. This means that governments have to increase their financing to higher education as well. While commendable milestones are being attained in the provision of higher education, financing remains the single biggest challenge for most, if not all, African countries. Teferra (2005a) noted that higher education institutions in Sub-Sahara Africa are the most financially challenged in the world due to problems from multiple fronts. Teferra (2013) contended that the world of academia everywhere, even in wealthy industrialized nations, faces fiscal problems, but the magnitude of these problems is far greater in Africa than anywhere else.

Given that higher education matters for economic development, the question that we must reflect on is how African countries can collectively enhance and sustain financing of Higher Education so as to meet the ever increasing demand. Governments are taking the initiative in implementing student loan schemes, since they can no longer keep offering free higher education and subsidizing it. Student loan schemes are in operation in more than 70 countries around the world (Shen & Ziderman, 2009) but, this number seems to be increasing every year. Johnstone and Marcucci (2007), found at least 13 loan schemes in Africa in 2009. By 2019, more than 20 countries had either already introduced student loans or were in the process by 2019.

Higher education finance is also characterised by challenges in financing strategies. The biggest challenge however for most countries in Africa, is designing the most effective mechanisms in the provision of loans. Many African countries have come up with different student financing strategies and models in order to promote equitable access to higher education so as to develop the necessary critical human resource which can drive national development agendas. This move is virtuous as it is backed by the human capital and neoliberal theories which impinge on the roles that graduates play in uplifting their communities. The different financing and testing mechanisms are therefore put in place to promote access to tertiary education by students with sound intellectual capacity but with no financial capacity to pay for their education. For example, countries such as Kenya, Ghana, South Africa, Tanzania and Uganda, have introduced student bursaries and loans as a means of promoting equitable access to tertiary education and government financial subsidies (Tekleselassie & Johnstone, 2004; Masaiti, Mwelwa & Mwale, 2016). However, to ensure that loans and bursary grants are given to deserving students from poor families and households so that they access tertiary education, many African governments are now coming up with context specific 'means testing mechanisms' to ensure that only genuine households with no capacity to support their children to access post-secondary education are given the financial support to access quality higher education in areas of primary importance for both personal and national development. The merits and demerits of the means testing however, vary and depend on the economic status of a country. It is also argued that the means testing mechanisms have huge administrative costs when not properly designed and that they require the presence of an updated data base and up to date information management system (Tekleselassie & Johnstone, 2004).

Method

The paper draws on insights from a collective or multi case study which involved the thematic analysis of country reports on loans and scholarship from the 11 African countries. As advanced by Creswell (2007), in a collective case study or multiple case study, the inquirer[s] selects multiple case studies to illustrate the issue, in which the interest was on loans and scholarship agencies who constitute the AAHEFA membership. The data were collected during the AAHEFA 2019 conference held in Lusaka, Zambia. The main method of data collection was document analysis (in the form of institutional reports, profiles and conference paper presentations). Document analysis was supplemented by participant observations in which according to Kuwilich (2005), the researcher is an observer who is not a member of the group but interested in participating as a means for conducting better observation and, hence, generating more complete understanding of the phenomenon. The data collected were analysed thematically through the categorisation of emerging themes from the 11 financing agencies that constitute AAHEFA.

Theory

The comparative analysis of this paper was guided by the Human Capital and the Neoliberal theories which are key and most influential theories traded off in the financing of higher education (Chipindi, 2017).

The Human Capital Theory

The Human Capital theory provides a somewhat justification as to why governments have to use tax funding in the financing of higher education in terms of loans and scholarships. Human capital theory (Becker, 1993; Becker & Tomes, 1979; Mincer, 1962; Schultz, 1960) also supports a rationality assumption of parents investing their time and resources in their children. Proponents of this theory suggest that an individual will make investments in human capital if the potential benefits exceed the costs associated with education. The status attainment model (Sewell &

Hauser, 1980) posits that parents' socioeconomic status and educational expectations are passed on to their children. Further, Barr (2009) argues that according to the human capital theory, expenditure on education is treated as an investment and not as a consumer item. Therefore, efforts should be made to encourage cost sharing and loan scheme in order to increase the number of educated people because it is believed that highly trained and skilled manpower is the pivotal element for real development (Ishengoma, 2004). Increase in investment in human capital increases individual productivity and income, and concurrently lays the technical base for the type of labour force necessary for economic growth in modern industrialised society (Schultz 1962).

The theory was used to partly explain the need for nations in Africa to continuously improve the share of financing higher education so that their graduates may in turn make their societies better in the various sectors in need. It was assumed that government will continuously invest in the much desired human capital for the inherent associated returns.

The Neoliberal Theory

The consumers of education are also expected to pay a fair share of higher education costs. Loans should be based on means testing based on affordability. Neoliberalism' is a term that is used to encompass a variety of economic, social, and political ideas, policies, and practices, functioning on both individual and institutional levels (Plehwe, Walpen, & Neunhoffer, 2006; Saad-Filho & Johnson, 2005). The logic utilized by those who sought a neoliberal reformation of governmental social welfare functions has been extended to higher education, resulting in fundamental shifts in the funding and financing of higher education (Levin, 2005; Mukuka & Daka, 2018). Furthermore, Vincent (2009) contended that neoliberalism is highly constructivist and advocates a strong state to bring about market-like reforms in every aspect of society. Ideological shifts occurring within higher education, most notably the need to increasingly focus on the generation of revenue and to have a steadfast devotion to the efficient use of funds (Slaughter & Rhoades, 2004). Further, these material shifts helped usher in a market-based approach to higher education. The reduction in state support led to dramatic increases in the price of tuition fees (Alexander, 2001; Winston, 1999) including changes to the financial aid system (Paulson & St. John, 2002), this forms a premise for the introduction of the student loan scheme in financing of education.

The neoliberal theory was used in this study to help explain the decisions that African countries make related to diversified funding and nature of programmes in higher education that needs more funding. The theory may also justify the various sectors that graduates in the society may feed as a service to their respective countries hence need multiple. Clearly, there must be multiple sources of funding other than tax funded loans and bursary schemes if the much desired sustainability has to be achieved (Masaiti, 2018).

Results and Discussion

The presentation and discussion of data in this section is with respect to the research questions and emerging themes from the comparative analysis.

The Status of Higher Education Finance in Eleven African Governments

The themes relating to the status of higher education finance in the eleven countries included the profiles of the financing agencies in the 11 countries. In this regard, each of the eleven countries discussed in this section has a government wing in charge of loans, scholarships and students funds. The profiles of these organisation are described broadly from their capitation, policies and recoveries perspectives. In the sections that follow, authors provide a brief synthesis of each of these financing agencies in relation to the following:

a) Beneficiaries of loan programmes
b) Challenges of the loan programmes;
c) Strategies and successes of the loan programme.
d)

1. ***Namibia Students Financial Assistance Fund (NSFAF)***

The government of Namibia finances higher education through the Namibia Students Financial Assistance Fund (NSFAF) that was established by Act 26 of 2000. The NSFAF was established to provide financial assistance to eligible students from public and private institutions, and recover loans from previous beneficiaries that were earning or working. The funding policy is aimed at providing 95% in form of Loans and 5% merit based grants. Eligible applicants are awarded loans for the duration of their study. The Namibian government had been increasing funding on a yearly basis with respect to the demands and by December 2019, there was an increase of 37% in allocation of loans and grants from 2015 to 2019 as shown in table 1 below.

Table 1: Increase in Funding Beneficiaries

Beneficiaries	**2015**	**2019**
New Intakes	11,595	15,087
Continuing Students	15,087	27,395
TOTAL	**26,682**	**42,482**

Source: NSFAF – AAHEFA Presentation 2019 p.6

In Namibia, loans and grants are awarded to both students in higher education (90%) and vocational education (10%). Loans and grants were disbursed at predetermined rates based on the type, level of study (university, college, TVET) and location (within and outside the country) through partnership with a local Bank of Windhoek.

The recovery of loans disbursed to previous beneficiaries in Namibia was declining at a level that it raised concerns about sustainability issues of the funding institution. For instance, the funds recovered between 2017/2018 academic years was higher by 22 per cent in comparison to the recoveries of 2018/2019 year (AAHEFA Presentation 2019:9).

The challenges of the NSFAF included a high demand for student's loans and grants in Namibia (yet government provided limited resources); low rate of loan recovery and high unemployment rate of about 33.4% of the population and sustainability of the funds owing to low turnaround time on awards and disbursement. It was further noted that students admitted in other countries were only financed after a due diligence analysis of the admitting institutions in terms of credibility and accreditation of the programmes. In some cases, the government identified a university offering certain specialised programmes and then sponsored students.

Student Loan Management Scheme (SLMS) of Rwanda

Rwanda manages higher education finance system through the national bank called Rwanda Development Bank (Banque Rwandaise de Development (BRD)) which started running the student loan scheme in 2016. The bank was given the mandate to manage the loan scheme after signing an agreement with the Rwandese Ministry of Higher Education for a period of 10 years due to its expertise in loan management. Previously, loans were managed by a Loans Board until 2016 when the bank took over. The bank disburses students' loans to Rwandese students living in and outside the country and so far, it showed efficiency through timely disbursement of student loan, bursary and improved communication with the beneficiaries. Rwanda has a law that support loan recovery from graduates who are earning or working. In 2019, the loans board identified 7,500 beneficiaries who needed to pay back. At the time of this analysis, only 4,976 had started repaying back the educational loan. The total number of beneficiaries that were previously identified and were expected to pay back was 15,000 and out of this number, 13,926 were already repaying. The expected recovery loan to be collected in total as of 2019 was 3.4 billion dollars and out of this amount, 2.1 billion had been collected. This followed an improvement in human resource for tracking previous loan beneficiaries countrywide.

Although the Rwandese government was planning to finance other groups of students that were not benefiting from the existing scholarships, there were challenges with the student loans which included unstable system, student's delays in validating their data which was essential for any payment to be made, and delays in getting a list of registered students. The data received relating to loan recovery from 1980 to 2016 was inadequate as there was no proper identification of those who were loan beneficiaries at the time they started earning or working. Student loan management scheme of Rwanda improved relationships with key partners such as Higher Education Council (HEC) and Higher Learning Institutions (HLIs) as well as student's communication.

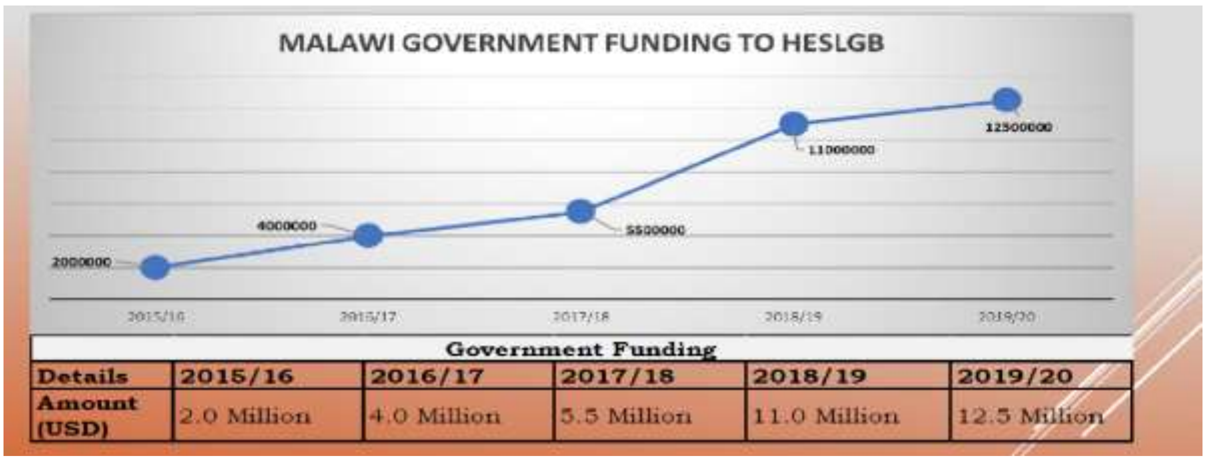
The Student Loan Management Scheme (SLMS) of Rwanda attributed their success to tracking previous loan beneficiaries to the expansion of their man power working on student loans with decentralised operation centres and the contacting of employers and sensitization campaigns which were done through the media. This sensitization made some previous loan beneficiaries starting to report themselves while others were picked through employers.

***High* Education Student Loans and Grants Board (HESLGB) of Malawi**

The Higher Education Students Loans and Grants Board (HESLGB) of Malawi was established by the Malawian government in 2015 through an act of parliament called the Higher Education Students Loans and Grants Board Act No. 2 of 2015. HESLGB was mandated to: (a) Provide loans to needy and deserving Malawian students who were pursuing higher education in accredited institutions. (b) Provide grants to deserving Malawian students who were pursuing higher education in accredited institutions, and (c) Recover mature outstanding loans from former loan beneficiaries. This was done through the Malawian Savings Bank and the loan covered three products: tuition, upkeep (stipend), and Stationery.

In Malawi allocation of resources to the loans board has been on the increase. The graph 3 shows an upward trend of government financing to HELGB which was 2.0 million USD for 2015/16, 4.0 million USD for 2016/17, 5.5 million USD for 2017/18, 11.0 million USD for 2018/19 and 12.5 million USD in 2019/20.

Graph 1; Funding Government Higher Education Students Loans and Grants Board



As shown in graph 1, the number of applicants and amount of money allocated to student loans had been increasing since 2015. The trends in demand for students loan products from 2015 to 2019 is shown in table 3 below.

Table 3: Loan Disbursement Trends in Malawi from 2015 to 2019/2020

Years	**2015/16**	**2016/17**	**2017/18**	**2018/19**	**2019/20**
Number of Applicants	10,368	11,491	12,186	14,234	18,687
Number of Approved Loans	4,662	7,626	9,346	13,035	16,448

Source: HESLGB – AAHEFA Presentation 2019 p.5

Table 3 indicates that the budget for higher education finance in Malawi had been increasing as well with respect to the student demand.

The strategies used for the recovery of loans from the beneficiaries included giving graduates a one year (grace-year), establishment of linkages with professional bodies, establishment of

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linkages with employers, partnering with Credit Reference Bureaus and appealing to individual former beneficiaries through print and electronic media.

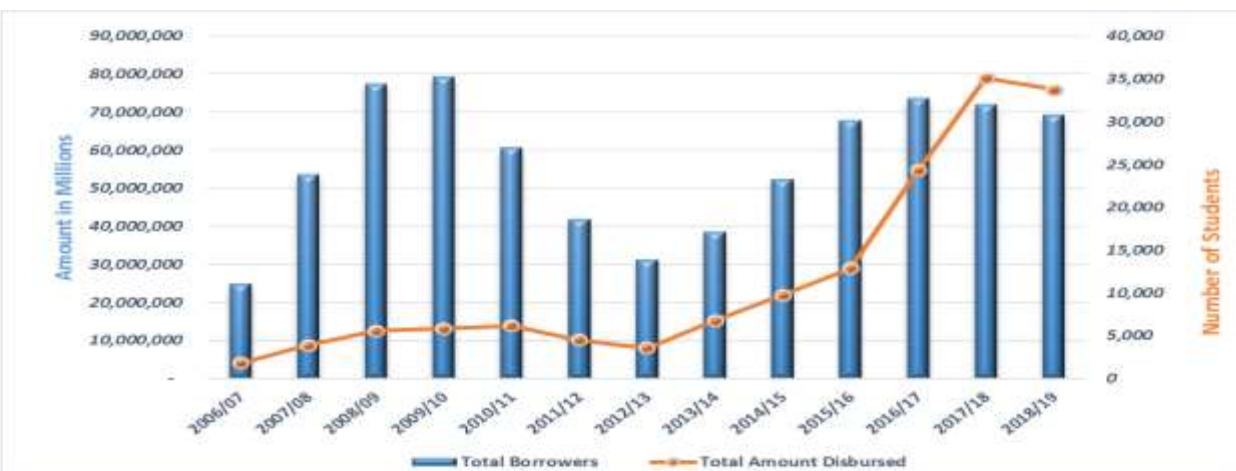
Among the challenges faced in recovering loans included increasing demand for loans against resources available, limited compliance to loan repayment of legal obligation by former beneficiaries and some employers, the general perception that the student's loans were government grants and not loans and limited tracing of former beneficiaries prior to the introduction of National Identities in 2017.

Students Loan Trust Fund (SLTF) of Ghana

The Student Loan Trust Fund of Ghana that manages higher education finance in government started in 2006 and was established under the Trustees Incorporations Act 106 of 1962 and was amended in December 2005. Ghana's SLTF's mandate is to provide financial resources and sound management of the fund for the benefit of students in accredited tertiary institutions pursuing accredited tertiary programmes and to promote and facilitate the national ideals enshrined in articles 25 and 38 of the 1992 Constitution.

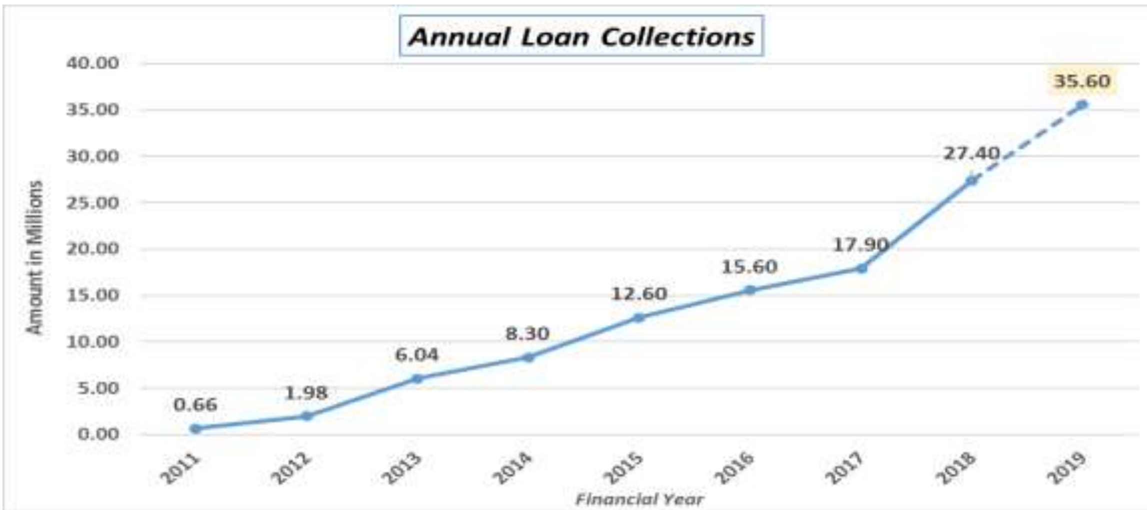
On average, about 30,000 students benefit annually from the Trust Fund over the past four (4) academic years. For instance, for the 2018/19 academic year, a total amount of GHC 75.9 million ($14.4 million) was disbursed to a total number of 30, 834 students. There was a 3.5% reduction in total disbursement of the previous academic year, as a result of the 50% increment in loan amounts in the previous academic year and decoupling of the Trainees of the 46 public Colleges of Education from the students' loan scheme because of the restoration of allowances by government.

Graph 2 below illustrates the loans amounts distributed between 2006/07 and 2018/19 and the number of beneficiaries over the same period.



The loan repayment trends indicated that in 2018, the Trust Fund collected GHC 27.4 million against a target of GHC 30.0 million translating to a performance of 91.4%. As for the 2019 financial year GHC 25 million had already been collected as at September 25th out of a projected amount of GHS 35.6 million. The trends are shown in graph 3 below.

Graph 3: Loan Repayment Trends



Source: SLTF – AAHEFA Presentation 2019 p.10

The strategies used to recover funds from previous beneficiaries included the creation of online payment platform at myghpay.com, which had been created for borrowers in the diaspora to repay their loan using Master Card and Visa. Follow up sensitization visits to the United States of America was made to engage and educate the Ghanaian community on the importance of repaying Students Loan in Ghana, also reached out to defaulters locally and abroad.

Higher Education Student Financing Board (HESFB) of Uganda

The Higher Education Students' Financing Board (HESFB) was established by an Act of Parliament, No. 2 of 2014 as a corporate, semi-autonomous body mandated to provide loans and scholarships to students intending to pursue higher education. The overall goal of HESFB was to increase access to higher education through student financing.

Eligibility to the loan scheme was restricted to Ugandan students that were admitted to accredited institutions of higher learning and were needy as categorised by the proxy indicators of poverty and continuing students that were already on the scheme needed to demonstrate progress in academic performance in order to remain on the scheme. The loan covered tuition, functional, research fees, aids and appliances. From 2014/2015 to 2018/2019 a total of 10,024 students were supported in 20 chartered universities. A total of Ushs 60 billion (U$ 16 million) had been disbursed for loans. Graduates are given a one-year grace period after they are employed before they can start paying back the loan. Since 2014, the number of beneficiaries of the loans have been increasing as shown in table 4 below.

Table 4: Number of beneficiaries since 2014

Year	No. of Applicants	No. of Students Awarded		Total	%age Awards
		Undergraduate	Diploma		
2014/15	2,125	1,201	0	1,201	56.5
2015/16	4,399	1,073	200	1,273	28.9
2016/17	3,764	1,125	200	1,325	35.2
2017/18	4,219	1,247	201	1,448	34
2018/19	4,881	2,452	491	2,943	60
2019/20	7,310	1,464	370	1,834	24
Total	**26,698**	**8,562**	**1,462**	**10,024**	**38**

Source: HESFB – AAHEFA Presentation 2019 p.22

To improve on the recovering of the loans, the board planned to influence mandatory submission of staff list by all employers to the Public Service Commission for data base linking and sharing with strategic partners, impose penalties on employers and loanees for non-compliance, track loanees through their national identities, work with universities and professional alumni associations to track beneficiaries and also, the board was working on a strong working relationship with employers through the federation of Uganda employers by signing memorandum of understanding.

The challenges included insufficient funding against high demand for loans, lack of a harmonized admission system for higher education institutions and a comprehensive national identifier.

Higher Education Students Loans Board (HESLB) in Tanzania

The financing of higher education in Tanzania was coordinated by the Higher Education Students Loans Board (HESLB) funded by the government. This is an autonomous institution established to operationalize education policy on cost sharing by the HESLB Act of 2004. The HESLB funds both academic pathway and the vocational education students that are citizens of the United

Republic of Tanzania. The two levels are respectively represented by universities and non-university professional training institutions (Komba, 2017). The mandate of the Higher Education Students Loans Board of Tanzania includes managing loans, grants and scholarships in higher education and advise government on matters relating to financing of higher education. The aspiration and strategic focus of the HESLB were guided by optimal lending and collections, business process and re-engineering, and strategic partnering.

HESLB recorded improvements in loan recovery. For instance, they recovered USD 3.42 million in the financial year 2015 to 2016 and USD79.34 million in the financial year 2018 to 2019. This clearly shows that Tanzania was making meaningful efforts to recover loans from previous beneficiaries.

Human Resource Development Council (HRDC) of Botswana

Higher education funding in Botswana was managed by the Human Resource Development Council (HRDC) that was established under the HRDC Act No. 17 of 2013. This was previously supported by the presidential directive through a cabinet memo number 5 (B) of 2010 to establish an Education Support Fund and managed along banking lines for the extension of study loans to those seeking to proceed to tertiary level. Its mandate was to among others plan and advice government on financing tertiary education and work-place learning. The awards were increasing yearly with respect to student demand in specific disciplines that were considered critical to national development and it was heavily subsidised by the government. The grants and loans were awarded based on critical shortage areas, disciplines that were deemed less critical, those that encouraged capacity and increase supply, low priority areas but still benefited the society, and areas that benefits only individuals.

The challenges were that Government funding and expenditure on tuition fees and allowances had reduced in some years and this affected the performance of the scheme. Other challenges included finalisation of requisite policies to support student financing, government indecision on transferring the student financing function to HRDC as per the Act, inadequate funding resulting in low sponsorship rates and low transition rates from secondary to tertiary education, and non-existence of sponsorship fund. Table 5 shows the expenditure report over a five years period.

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Table 5: Expenditure Report on Tuition Fees & Allowances Over 5 Years 2015/16 – 2019/20

	2015/2016	**2016/17**	**2017/18**	**2018/19**	**2019/20**
Total No. of Students Sponsored by DTEF	42 705	39 507	33 092	35 777	36 375
Approved Budget	2 249 079 960	2 139 284 880	2 379 448 550	2 379 048 550	2 195 465 480
Warranted Provision	2 190 152 946	2 975 515 150	2 173 320 244	2 446 467 501	2 195 465 480
Actual Expenditure	2 187 782 609	2 972 274 697	2 146 533 935	2 424 085 146	869 150 042.40
Cut Off Point	36 &43 (for Tech Subjects	36(31-35)	36(31-35)	36 & (31-35)	36 & (31-35)

Higher Education Loans Board (HELB) of Kenya

The Kenyan government finances higher education through the Higher Education Loans Board (HELB) which operates with authority from the Higher Education Loans Board Act of 1995 and revised in 2012 chapter 213A. HELB sponsors Kenyan citizens acquiring higher education in Kenya and outside the country. The board funds various categories of students such as those following the academic formal education and those in the vocational pathway. HELB showed exponential growth in their management and administration of loans and scholarships. Much of the components of students' loans such as capitation, loan recovery, loan disbursement and student numbers was consistently improving every year from 2006 to 2019 with exception of a few aspects whose budgets reduced in some years. Figure 1 below shows the Kenyan trends in capitation, loan recovery, disbursement and student numbers.

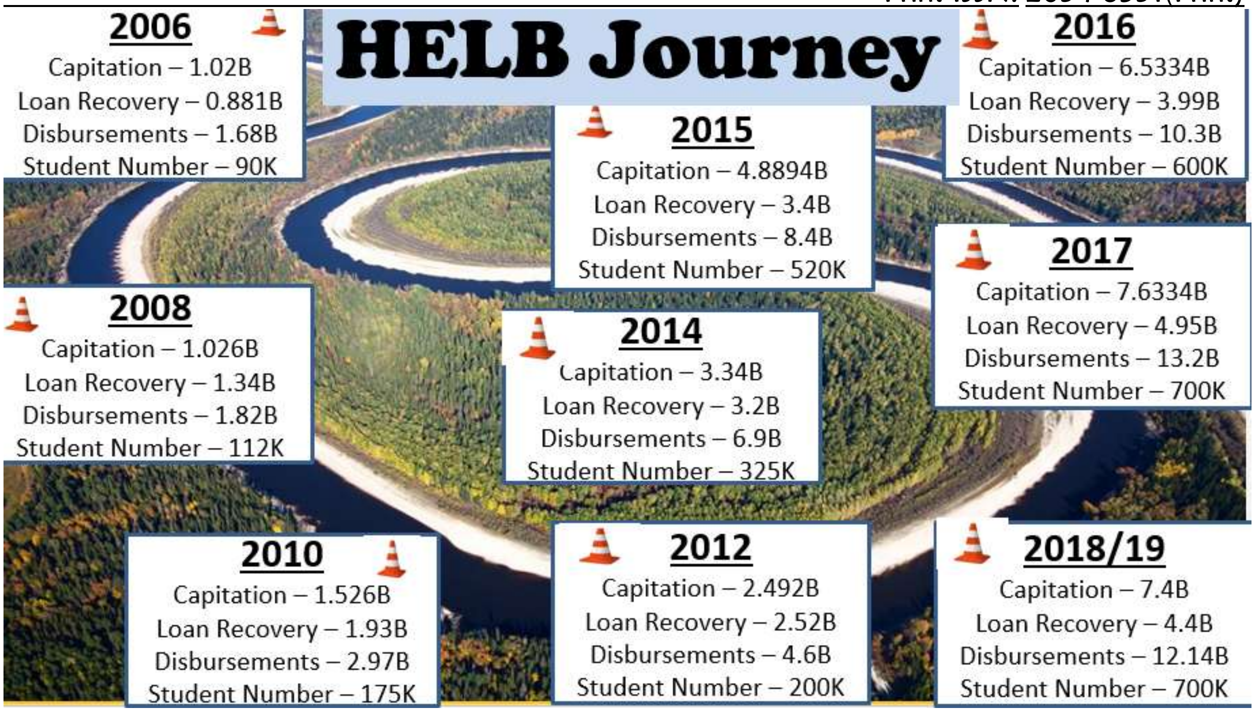

Figure 1: Trends in Capitation, Loan Recovery, Disbursement and Student numbers
Source: HELB – AAHEFA Presentation 2019 p.5

Higher education finance in Kenya as shown in figure 1 above showed consistent growth in budgetary allocation with respect to growth in the number of loan beneficiaries. This trend was consistent in other areas as well such as capitation and recovery. The major sources of funds for HELB were government grants, Exchequer, Loan Recovery and External Resources. Furthermore, the loans board had successfully created a revolving fund by strengthening the recovery, lending and administration systems. Most students who meet the eligibility criteria were given the loans which covered tuition, books, stationary, accommodation and subsistence.

The recovery strategies used included contacting employers, publicity in the media, tracking beneficiaries and visiting them especially those abroad. Repayment started within one year after completion of studies or within such a period as the board may decide and interest was charged from when the graduate student received their first payment. There massive achievement for 2018-2019 in terms of growth of revenue was based on different sources of financing and recoveries. As many as 328, 387 students were accessing the loans with the majority coming from universities.

Loan Bursary Fund (LBF) of Lesotho

The government of Lesotho finances higher education through Loan Bursary Fund (LBF) that was established through the Loan Bursary Fund Regulations No. 20 of 1978 which was governed by the National Manpower Development Council (NMDC) Act No. 8 of 1978 and administered by the National Manpower Development Secretariat (NMDS). The LBF has been an improvement on the previous tertiary education students financing models namely, Sethaba-thaba Fund and Higher

Education Fund that were replaced due to their poor financing strategy that led to their unsustainability.

LBF was established to provide loan bursaries to academically eligible Lesotho citizens in priority study programmes in the tertiary education institutions locally and abroad in order to develop the most needed human capital for the country's economy. A total of about 20,000 students across different categories were being supported as of 2019. The funds covered tuition, accommodation, books, food, research, practical's and transport.

The LBF from its inception in 1978 had funded several students. About 21,000 students were funded at the total cost of around US$47 million (M659 million) per annum to pursue tertiary education for the last five years. A number of successes were recorded such as increased new students and quotas with improved funding, sustained reliance on students sponsored in and out of the country, and usage of reliable online payment system among others to recover funds.

Among the challenges noted were that there was high demand for loans but limited finances to sponsor all of them. Table 6 below shows the amounts of money used to fund students and how much had been recovered in each of the years.

Table 6: Amounts disbursed and recovered over a five-year period

Year	No. of Students Sponsored	Total Issued Loan (Maloti)	Total Issued Loan (USD)	Total Loan Recovered (Maloti)
2014/15	21 000	661 000 000	44 066 666	639 628 992.37
2015/16	24 245	662 000 000	44 133 333	672 475 939.83
2016/17	20 899	661 562 280	44 104 152	683 901 811.94
2017/18	17 524	677 659 504	45 177 300	732 134 285.48
2018/19	19 736	865 199 406	57 679 960	479 783 159.25

Source: LBF – AAHEFA Presentation 2019 p.12

Table 6 shows consistent varied loans issued to students' year after another. Some years showed improved funding pattern while other years had a reduction. This funding pattern reflects the budgetary allocation to the higher education sector.

National Student Finance Aid Scheme (NSFAS) of South Africa

The National Student Financial Aid Scheme (NSFAS) was established by an act of parliament known as the National Student Financial Aid Scheme Act 56 of 1999. The NSFAS was treated as a unit under the department of Higher Education, Science and Technology as outlined in the same act cited above. NSFAS was mandated to provide loans and bursaries to eligible students, develop criteria and conditions for the granting of bursaries to eligible students in consultation with the Minister of Higher Education and Training, raise funds and recover past loans, maintain and analyse a database and undertake research for the better utilisation of financial resources among other roles. NSFAS finances South African citizens in public universities (undergraduate) and registered TVET colleges. The funds are disbursed directly to students at predetermined rates based on the type, level of study (university or TVET) and residence (on or off campus) and distance from campus.

The funds allocated to higher education in South Africa had been increasing every year with respect to student and market demands. For instance, the total grant received by the NSFAS in 2017 was 12.4 billion rands. The grants were increased in 2018 and 2019 from 12.4 billion to 14.1 billion in 2018 and 21 billion rands in 2019. These funds covered students' registration, tuitions, allowances, accommodation, transport, book allowance and capitation or incidental with personal care for students in universities and those in technical and vocational education and training (TVET).

When it came to recovery of loans, only recipients of the NSFAS loan before 2017 were required to repay the loaned amount as per signed loan agreement form. The repayment channels were debit order, electronic funds transfer or salary deduction. NSFAS noted with concern that the recovery of student loans was not very successful because of the soft government approach on previous beneficiaries.

Higher Education Loans and Scholarship Board (HELSB) of Zambia

Government financing of higher education in Zambia was managed by the Higher Education Loans and Scholarship Board (HELSB) which replaced the bursaries committee that begun in 1962. The bursaries committee started running the loan scheme in 2004 and continued with it under HELSB that was established through an Act of parliament called, Higher Education Loans and Scholarship Act (No. 31 of 2016).The board was responsible for the administration, granting, investment, payment and recovery of loans, scholarships, and mobilisation of financial resources for higher education. The loans and scholarships were given to selected students with financial hardships in public universities such as the University of Zambia and Copperbelt University. Zambian citizens studying abroad were also awarded scholarships. The financial assistance to students covered tuition fees, living allowance (monthly stipend), accommodation, and project or research allowance.

In 2019, HELSB sponsored 19,213 Zambian students that went to accredited higher learning institutions in Zambia and abroad. Table 7 below shows the distribution of government sponsored students.

Table 7: Government Sponsored students in 2019

Name of University	Number of Sponsored students	Amount in Zambian kwacha
The University of Zambia	11,049	K318,322,437.91
Copperbelt and Kapasa Makasa Universities	6,755	K213,750,970.50
Mukuba University	182	K2,921,039
Universities Abroad	1,227	K42,041,086
Total		**K577, 035, 533.41**

This means that in 2019, Zambia spend **K577, 035, 533.41** equivalent to (US$ 47,297,995) on higher education student loans and scholarships.

Over 45,000 beneficiaries have been supported through the Student Loan Scheme at the University of Zambia, Copperbelt University and Kapasa, Makasa University since 2004. Table 8 shows amounts recovered from specific institutions from September 2018 to August 2019.

Table 8: Amounts and Institutions through which loans have been recovered

Description	**September 2018 – August 2019 (ZMW)**	
	No. of Beneficiary	**Amount (ZMW)**
PSMD	4,226	35 356 769.87
CBU	-	365 693.09
ZANACO	59	133 732.41
UBA	-	80 684.72
ZRA	73	369 348.70
TSC	3	17 597.22
Mopani	-	237 226.33
UNZA	-	284 563.92
Individual Beneficiaries	4	312 126.32
Total		**35 157 742.58**

HELSB commenced recovery of loans from previous beneficiaries in September 2018 and that time, they had identified over forty-five thousand beneficiaries, but recovery of loans started with 4,226 beneficiaries. This number was increasing as more search for previous beneficiaries continues through contacts with employers and use of the media.

Innovative Trends on Higher Education Finance in African countries

The eleven African countries presented in this paper exhibited several trends in higher education finance as orchestrated by governments. The content analysis in the documentarist theory revealed several notable trends across African countries as emerging salient issues. These trends were as follows:

Growing demand for financial assistance by students against limited resources

The population of African countries is growing and this has implication on available educational resources. The eleven countries recorded high demand for loans and scholarships from student beneficiaries against limited financial resources available. For instance, in the year 2015, there were 10,368 students that applied for funding in Malawi and 38, 796 in Botswana. However, only 4,662 and 8,630 students were funded in Malawi and Botswana respectively. In Uganda, 45,000 students were enrolled in higher education and out that number, 71% were admitted in universities leaving 29% for other tertiary institutions and degree awarding intuitions. The government of Uganda only sponsored 4000 students per year on government scholarship which is less than 10% of the qualifying students while the rest of the students sourced funding from somewhere else. This trend was observed across African countries and it was consistent with some improvements in some cases up to 2019. This implies that more than 60 per cent of students in Africa fail to access higher education on technicality of financial challenges. What can also be stated without much contradiction is that a huge number of high school graduates fail to access higher education due to lack of financial resources. This practice has implications on the human capital and neoliberal theories in terms of community national development. If the majority of citizens fail to access quality higher education, little competitive market driven development can be recorded.

Nebulous increase in higher education budgets on grants, loans and scholarships

Most African countries recorded trifling increase on capitation, loans and scholarships with exception of very few countries. While the increase in budgetary allocation was a positive move in responding to the growth in population across higher education, mega improvements in funding would make a substantial difference. The increase in financial amount was reported in several countries. For instance, from 1995 to 2019, the budget allocated to higher education in Tanzania had been increasing due to high demand of students. In 1995, Tanzania had a higher education budget of 0.71 million United States dollars and by 2019, it increased to 183.03 million United States dollars. In Lesotho as shown in Table 6, there had been trifling increase from 2014 to 2017 but a different is seen by 2019. Botswana generally showed an increase in higher education funding in most years. However, the years 2016 and 2017 showed a reduction in funding as shown in Table 5. This trend was also noted in a few other countries. The implication of this practice is that some citizens in these countries may not have the desirable education. Clearly the human capital principles are still playing a huge part in higher education financing. African Countries are still making substantial increments to funding higher education especially when it comes to loans and scholarship. They view this as a most cost effective way of financing higher education especially when the loans are means tested.

The eleven African countries mainly run a Loan Scheme system as opposed to Grants

Loan scheme was a common theme emerging from the content analysis across African countries under review. These countries noted that it was easy for them to expand higher education student sponsorship using the loan scheme system which compelled students to pay back as soon as they started earning or working. Although some countries had a mixture of loans and grants to deserving candidates, the majority enforced the loan scheme system with a view of expanding their databases or students that needs financial assistance.

Success stories on Loan Recoveries from Previous beneficiaries.

The eleven African countries reported success stories on recovery of loans from previous beneficiaries. The recoveries were more effective in some countries than others. For instance, in 2018, Ghana Trust Fund collected 27.4 million (local Currency) against a target of GHC 30 Million. This translates to a performance of 91.4% success rate and this means that Ghana's loan management system was very effective. By 2019, Zambia had recovered 37,157,742.58 United States dollars from its previous beneficiaries while Lesotho had recovered 57, 679, 960 United States dollars. Using the Neoliberal theory, this trend implies that funding institutions in Africa has the potential to sustain themselves through the loan recovery systems which was working effectively. Once the revolving fund is created through recoveries, then the Loans funds will be more sustainable and might not require tax funding.

Similar Methods used to recover loans from previous beneficiaries.

Institutions that financed higher education in the eleven countries used similar methods of getting to their previous beneficiaries. Common methods used included contacting employers, use of print and electronic media, threatening to publicize their images in the media for failure to report themselves, contacting them using the addresses and contacts they left at the time they were getting the loan and through head hunt visits. Effective recoveries still remain one single challenge for most countries even though some improvements have been noted. African countries come from a history of free higher education where beneficially used human capital justifications. In some countries, beneficiaries of loan and bursaries schemes are usually so complacent to pay back unless where the legal framework is strengthened.

Shared policies on financing higher education

The eleven African countries shared similar policies in the running of loans and scholarships. For instance, all countries had laws that supported their existence and operations. In some cases, the laws outlined detailed specifics related to policy guidelines on issues of education finance in terms of what the loans should cover and who was eligible for such loans. The policies also outlined the scope, parameters and duties of office bearers in the management and administration of the loan boards. Review of these policies will be critical so that the boards will run efficiently according to the changing higher education landscapes in each country. Several studies have shown that the youth population in Africa is expanding at a very faster rate and thus the demand for higher education will also continue to increase. Thus, the review of loans and scholarship policies may not remain stagnant in the face of such changes. There is now increasingly usage of neoliberal ideologies where most of the loans and scholarship board are increasingly looking for private financing, in some cases, they even invest on the stock markets as a way of growing liquidity and financial base.

Lessons from selected cases

All countries had some lessons to learn from other countries in areas where they exhibited weaknesses for possible improvements in their management and administration of funds. For instance, the Kenyan higher education financing model was one of the exceptional cases that other African countries needed to learn from. Data reviewed indicated that over 80 per cent of higher education finance in Kenya was funded by government. This model was different from other African countries where funding was far too low in some countries. Ghana exhibited an exemplary loan recovery model which was worthy imitating and adapting to fit into local conditions. By 2019, Ghana had recovered over 90 per cent of their loans from previous beneficiaries. Malawi demonstrated a consistent substantial improved funding into higher education which helped them to expand the coverage of students that needed financial assistance. Other countries might want to learn more from each of the sampled cases for their success stories in those fronts.

Common challenges faced by the eleven Countries

Funding institutions across Africa faced similar challenges in the management and administration of loans and scholarships. Among the notable challenges included the following: increasing demand for loans by students when the loans boards were having insufficient funds, limited compliance to loan repayment legal obligation by former beneficiaries and some employers where some previous beneficiaries declined to pay off their educational loans. These challenges reflected the broader challenges that engulf African higher education as concluded in existing literature (Barr, 2004; Teferra, 2005, 2013). Some beneficiaries had a perception that the students' loans were government grants not loans and therefore, not obliged to pay back. This perception can closely be related to how loans and scholarship agencies in Africa continued to be affected by historical context in which financing oh higher education was based on government grants in a bid to enhance human capital in post-colonial Africa. Some countries had limited tracing of former beneficiaries since national identification numbers were absent or introduced late while in other countries, various higher learning institutions had different admission criteria into higher education which needed to be harmonised.

CONCLUSION

In this article, we have made an analysis of financing of higher education in eleven African countries while giving specific examples from Botswana, Ghana, Kenya, Lesotho, Malawi, Namibia, Rwanda, South Africa, Tanzania, Uganda, and Zambia. The status of higher education finance in each of the eleven countries was highlighted in relation to loans and scholarships in African governments particularly on capitation, policy and recoveries. The eleven African countries reported high demand for student funding against limited resources where more and more students in Africa wanted to acquire higher education but there were limited finances to support them. The countries had recovery policies in place to help them enforce their mandate and that the allocation of loans to higher education was increasing every year in most African countries. Want seems to also be coming out is that most of these loans boards are in their infancy but they will need to learn very fast on how to manage granting and recovery of loans since the African youth will not be waiting for them given the demand and population explosion on the continent.

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