

## Higher Education Financing In Ghana: A Review of Gaps in Practice

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### Abstract:

**Background:** Despite the rise in the cost of higher education, public funding of higher education has been on the decline. Factors such as the competition for scarce public resources by various sectors of the economy, and between higher education institutions (HEIs) and other sub-sectors of education and the logic of new public management has accounted for this. These developments call for the search for innovative ways of funding higher education. This requires an assessment of higher education financing in specific country contexts. To this end, this study evaluated current higher education financing in Ghana intending to identify the gaps in practice.

**Materials and Methods:** The study adopted the comparative research methodology which involves comparing and contrasting emerging global best practices in the area of higher education financing with current practices in Ghana. The results suggest that current sources of higher education financing in Ghana comprise government grants, GETFund, development partners, internally generated funds by institutions, and private sector support. However, findings indicate that these sources of finance are inadequate in meeting the growing demand for higher education. **Results:** The findings of the study also affirm that the current sources of finance in funding higher education are limited in scope amidst weaknesses in current financing arrangements which the funding mechanism does not address.

**Conclusion:** The study recommends that governments and higher educational institutions should look for more alternative sources of funding higher education and align funding allocations with national development goals and priorities.

**Key Word:** Higher Educational Institutions, Higher education financing, Ghana, GETFund, internally generated revenue, private sector support

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### I. INTRODUCTION

Evidence suggests that investment in the manpower of any country represents an important means of ensuring economic growth and human development. It is through the development of human capital by way of education that people can become innovative in solving societal problems (Kruss, McGrath, Petersen & Gastrow, 2015). Education is the future of every country and people. Through education, the intellect, behaviour and system of production are developed. Higher education is intended to create and disseminate knowledge and to develop higher order cognitive and communicative skills in young people, such as, logical thinking ability, the motivation to challenge the status quo and the capacity to develop sophisticated values (Chan, Brown & Ludlow, 2014). Conceptually, higher education can be defined as education or learning at a college or a university. In other words, it can be referred to as post-secondary education or third level education or an educational system which consists of at least four years and is based on secondary education.

Education has always been dynamic, influenced by its external environment (Gershunsky, 1998). According to Johnes and Johnes, (1994) most scholars agree with the fact that education is a serious commitment to the human capital development of a nation with students being the major benefactors. Higher educational institutions (HEIs), in this setting, play a significant role in the sustainable development of the country as a whole (Kräusche & Pilz, 2018). Frandoloso and Rebelatto (2019) reiterated that HEI play a part in changing societies, in training people who believe in sustainable development goals and in taking positive actions. In the same vein, Ergen (2006) postulated that the development of a country or her economy correlates with the number of citizens that attain higher education. According to Karatas (2006) HEIs are established to contribute to the development of a country, provide the society with qualified human power, conduct scientific research and compete with other countries in the area of knowledge, technology and research and development.

All good HEIs, according to Hordijk (2014), perform their role of teaching, research, partnership and stewardship through numerous avenues to promote development in their societies. Duran (1987) points out that along with these aims, higher education has some benefits for individuals and society; such as; to provide new sources of income for people, to create new job opportunities for people, to allow people to have post-graduate education, to give people the chance to struggle with unemployment caused by technology, to increase the consumption level of people and variety of consumer goods, to increase the level of culture and life, to provide people with more respectable positions, to increase the education level of the poor, to alter the shape of the labor force employed, to develop respect for the law and to increase the level of social welfare, to strengthen social solidarity and to contribute to becoming more knowledgeable voters and to increase the economic, social, and cultural levels of society.

For education to play this vital role in society, there is the need to ensure that financing of higher education, in particular, becomes sustainable. The recent years have however witnessed a decline in public expenditure on higher education in many countries (Tilak, 2006). Factors such as the economic reform policies which share the notion that the state should play a limited role in higher education funding have accounted for this trend in higher education funding. The declining rate in public funding of higher education mostly manifests in several areas including total public expenditure on higher education, per student expenditure, public higher education expenditure's share of a particular country's national income or total government budget expenditure, and allocations in absolute and relative terms to important programmes that include research, scholarships, inter-alia. This trend is more pronounced in the developing world relative to the developed world especially in countries such as the United Kingdom, Australia, and New Zealand. Generally, higher education in high-income countries has not suffered significantly (Tilak, 2006).

In many countries, higher education is financed by the government. This widespread initiative is carried out through the policies of the respective government in the nations across the world. There have been series of reforms over the years about the financing policies for higher education. Globally, varieties of higher education funding which is not secluded to direct funding by the government have been developed. Most higher education institutions, particularly in developing countries, now depend on internally generated revenue. According to Cheung (2003), the reasons why governments and HEIs engage in HEI financing reforms are grouped into five themes. These are: (1) the expansion of student enrollments and diversification of types of institutions; (2) fiscal pressure as a result of expansions of student enrollment with its associated increase in the need for more funding; (3) ascendance of market orientation and the search for non-governmental revenue; (4) demand for greater accountability; and (5) demand for greater quality and efficiency.

In some countries, there has been a shift in the methods of financing higher education (Panigrahi, 2018). In most cases, the practice has been the use of innovative methods of funding higher education to meet the growing demand for higher education. Experton and Fevre (2010) assert that the quick growth in the number of enrolments, in particular, poses a challenge towards sustaining higher education in terms of financing. Evidence suggests that although Africa as a whole has maintained its public investment in public education with around 0.78% of its GDP and approximately 20% of its current public expenditure on education to this sector, there has been a rise in the total number of students offering studies at the higher education level with numbers almost tripling from 2.7 million in 1991 to 9.3 million in 2006 (an annual average rate of 16 percent). But public resources allocated to the public sector only doubled and this clearly suggests that enrolment outstrips funding. The decline in public expenditure hurts the quality and relevance of education programmes. In the specific context of Ghana, Atuahene (2008) maintains that the declining financial resources and growing demand for higher education represent the biggest challenge for higher education in Ghana. This challenge further leads to other problems like low accessibility, poor affordability, low faculty recruitment and retention, and a deplorable state of infrastructure.

Evidence now affirms that the cost of higher education has been increasing and government expenditure in relative terms is declining. A look at a five-year period spanning 2011 to 2015 for example reveals the following: 2011=39.7%; 2012=79%; 2013=49.2%; 2014=46.6%; 2015=41.0% (Newman & Duwiejua, 2015). According to Newman and Duwiejua (2015), there is the need to search for additional sources of funds for the financing of higher educational institutions as well as the restructuring of current funding mechanisms. Though funding remains a principal concern, it is not sufficient in addressing all problems as far as the objectives of higher education are concerned. There should be reforms in cardinal areas like efficiency in resource allocation, curriculum reform, change in pedagogical practices, and strengthening of governance structures and autonomy (Hanushek & Woessmann, 2010; World Bank, 2007). This is particularly important given such higher education strategic goals like facilitating equitable access, facilitating research and promoting quality and relevance. Against this backdrop, this paper aims to assess the current state of higher education financing in Ghana to reveal gaps for the adoption of measures that could improve higher education financing.

Higher education in Ghana has gone through series of changes, from sponsorship of citizens to attain higher education abroad in colonial times to the gradual establishment of Achimota College in 1924, University

of Ghana in 1948, University of Science and Technology in 1951, University of Cape Coast in 1962 to the upgrade of polytechnics and teacher training colleges to technical universities and university colleges of education respectively. To guarantee the effective operation of HEIs and efficient execution of policies, all HEIs in Ghana operate under the auspices of the Ministry of Education. In 1993, the National Council for Tertiary Education (NTCE) was instituted to provide professional advice for the ministry of education on all development issue related to higher education in Ghana. Alongside the establishment of NTCE, the National Accreditation Board (NAB) and the National Board for Professional and Technician Examination were commissioned with the sole purpose of certifying all schools and colleges offering degree programmes and professional examinations (GoG, 1993; Morley et al., 2010).

Ghana's HEIs are generally categorized into state-owned institutions and private-owned institutions. In Ghana, higher education institutions comprise colleges of agriculture, nursing training institutions, colleges of education, universities including technical universities. In Ghana, similar to other jurisdictions, the cost of higher education is on the increase and this has been worsened by the decline in government allocations towards higher education. Considering other factors like the increase in students' enrolment, it becomes imperative to search for alternative sources of financing higher education. Financing higher education in Ghana has mostly been sourced from the government, the Ghana Education Trust Fund (GETFund) and other development partners. A review of existing literature in Ghana, in particular, reveals that the research on the gaps in higher education financing in Ghana is relatively sparse. Thompson and Casely-Hayford (2008) investigated the trends in the financing of education in Ghana at all levels and the percentage of government spending in Ghana without assessing the gaps in the financing of higher education. In another study, Atuahene (2009) assessed the perceptions of various stakeholders on the GETfund. This study investigates the views of dominant stakeholders such as legislators, registrars, principals, student leaders and public officials on the extent to which the GETFund, for instance, addresses infrastructural development, research and faculty development, the promotion of technology, mathematics and science education, student access and gender equity. Atuahene (2006) in a related study only conducted a policy analysis of the financing of HEIs in Ghana with particular focus on its objectives and the impact on education. Our aim in this study, therefore, is to describe the current state of higher education financing in Ghana; examine the weaknesses in higher education financing in Ghana; and propose measures to enhance higher education financing in Ghana. The next section of this paper delineates the research methodology employed in this study followed by narratives on the review of higher education financing in practice. The paper then concludes with some plausible recommendations and suggestions for future study.

## **II. RESEARCH METHODOLOGY**

Generally, the study adopted a comparative research methodology. Comparative research presents a lot of benefits. Esser and Vliegthart (2017) maintain that comparative research improves our understanding of one society by placing its structures and routines against that of other systems. Comparative research also increases awareness of other systems and ways of thinking and acting as well as providing an opportunity to give access to a wide range of options and problem solutions that can facilitate or reveal a way out of similar dilemmas at home. From this backdrop, the current study reviews emerging best practices in the area of higher education financing. This approach provides the opportunity to compare and contrast higher education financing practices in Ghana with best practices as established in the literature. By so doing, the gaps in the practice of higher education financing in Ghana have been explored. The data used in the study comprised only secondary sources and was sourced from books, journals, and the internet. Data was analysed by comparing and contrasting higher education financing in Ghana with that of best practices internationally. Logical inferences based on the data collected were also made.

### **HEI financing in perspective**

The need for higher education has increased enormously in the current time. A lot more people want to further their education after attaining secondary education (British Council, 2012). In Ghana, with the implementation of Free SHS, most higher education institutions have already increased their enrolment for the upcoming and subsequent academic years. Even though the government is a major sponsor of HEIs, her sponsorship is not adequate leading to limited engagement of qualified personnel, laboratories, equipment, housing and other academic facilities. This raises the concern of how HEIs will be funded particularly in times of fiscal pressure like what COVID-19 has brought (Bowl & Hughes, 2016).

A good comprehension of the financial challenges faced in sustaining HEIs is needed more than ever due to factors like instability of government funding, competitive funding priorities, political influences, bureaucracies and the need for economic policies (de Lima et al., 2020; Johns&Johnes, 1994). How to finance higher education is always a critical topic for parents, government and other stakeholders in the education sector. Karatas (2009) defines higher education financing as methods used by countries to provide the resources required by higher education institutions to perform their functions. Soyler and Karatas(2011) posited four

methods for financing higher education in both developed and developing countries, namely, public resources; payment of tuition fees; using private resources, and university-industry collaboration.

Many countries have applied different financing models and made changes or adjustments to these models over time. The United Kingdom (UK) have a similar higher education system like Ghana where the governments subsidises fees for students and other support for HEIs (Lincoln & Walker, 1993). Over the years, in the UK, for instance, the Committee of Vice Chancellors and Principals met and proposed some reforms for financing higher education such as the Graduate tax, in which graduates pay income tax over their working lives. Another reform is the income-contingent loan which is similar to the Australian Higher Education Contribution Scheme as explained by Chapman and Chia (1994).

In Ghana, after independence, higher education was basically free until early 1970. Around this same period, the provision of reading materials was halted by the government as a result of the economic crisis. In order to reduce the burden on students, a loan scheme was established. The continuous crisis made the incumbent government, the Provisional National Defense Council (PNDC) to suggest the sharing of education cost in 1980. Later in 1990s, universities started charging admission fees for fresh students, which has been the practice till now.

Higher education has become more easily accessible for common people since 1950s, particularly because of the increase in the number of universities in recent years. Before 1990s, national policies were more dominant on strategic decisions and tendencies about higher education financing (Teichler, 2006). Nowadays, some changes have occurred both in the field of teaching, research and higher education financing. Also, Neo-liberal policies have become more important since 1980s and more significant changes have started to be implemented to higher education financing with the effects of these policies. An important development is the increase in private sector's participation in higher education financing. There has been a significant growth in the number of private higher education institutions in almost all developing and developed countries in the last couple of decades. As a consequence, the cost-sharing system in higher education financing has been accepted in many countries all around the world. The cost-sharing system in higher education financing has grown to become the commonly used model around the globe in different variations. This model has four major participants sharing the financing of higher education. The participants are governments and taxpayers, where government use tax revenues to fund higher education; parents who save or solicit funds to fund their wards education; students who sponsor their own education; and non-governmental organizations who provide a helping hand for parents, students and some HEIs (Johnstone, 2006).

The more tuition fees are paid, the more sources are supplied both to universities and colleges so that cost sharing is a result of diversity of tuition fees in countries that have more public higher education institutions (Sam & Gale, 2011). Three different reasons lie behind cost sharing method. One of them is the rising costs for students and HEIs. Another reason is the significant increasing number of student enrolments as a result of the growth in university-age population. Many countries' having insufficient public revenues is the last reason (Johnstone & Marcucci, 2007). The cost-sharing approach has resulted in the development of four diverse independent models. While students have to pay no or low tuition fees because of the munificent student incentive system in the first model, in the second model they have to pay high tuition fees but at the same time they have a chance of having highly advanced incentives from their governments. The third model includes high tuition fees and an underdeveloped student incentive system. In the last model students have to pay low tuition fees and student incentive system is underdeveloped (OECD, 2013).

Generally, few studies have been conducted in the field of higher education financing. Throughout the literature, the focus has been on investigating the challenges of financing HEIs (Akinkugbe, 2000; Kanaan, Al-Salamat & Hanania, 2011; Moladovan, Moldovan & Alexandra, 2012). Akinkugbe (2000) in Swaziland conducted a study to examine financial flows within the educational system to estimate the contribution of households towards educational costs. Findings of the study revealed that financing of education is mostly undertaken by government, local communities and households. The study also shows that non-governmental organisations, private enterprises and corporations represent additional sources of higher education financing. The findings of the study revealed that the government's overall contribution to educational sector financing is 83% with the household contribution being greater at the pre-higher level of education. This result suggests that, in Swaziland, government contribution to higher education is higher relative to basic education. Akinkugbe recommended that there should be cost-sharing arrangements to address the imbalance in the educational system.

Adopting a political economy framework, Kanaan et al. (2011) undertook a critical analysis of the trends of expenditure in the higher education system in Jordan. The authors explored such concerns as adequacy, efficiency, and equity, and strengths and weaknesses. Findings show that education financing is generally low in the country of Jordan. Sanyal and Martin (2006) argue that the conventional source of non-state funds for higher education was mostly wealthy donors. Though it is a truism that the relative importance of donations from wealthy persons is diminishing for some reason, in countries like the USA, UK and Israel donations from wealthy people have remained important sources of funding. China and India have also

employed the initiatives where they source funds from their diaspora and some multinational enterprises in their countries. In Africa, there have been initiatives in the area of endowments with the leadership of South Africa, where one university, the University of Cape Town (UCT), generated US\$10 million in 2000 with the help of the UCT Fund (USA) and the UCT Trust (UK). It is reported that two Japanese philanthropic institutions, the Nippon and Tokyo Foundations, have allocated US\$1 million in endowments for each of the three African higher education institutions in Egypt (American University of Cairo), Kenya (University of Nairobi) and South Africa (University of Western Cape). Also, four major US-based institutions – the Ford, MacArthur and Rockefeller Foundations and the Carnegie Corporation of New York – announced a US\$100 million initiative to revitalize higher education in Africa.

Shattock (2004) observes that institutions all over the world are looking for alternatives in non-traditional, non-state sources including student fees from overseas students, self-financed students in the dual-track system, and specialised tailor-made programmes, research patents, licences, royalties and profits from retailing through shops. Al-Hamadeen and Alshairi (2014) observes that commercial operations in some universities represent one of the most important sources of financing. Such universities have effectively ventured into some service-related operations in which it has the expertise, targeting the community and the business sector. It is also reported that some universities in the UK have utilised this strategy of diversification. The University of Loughborough, for instance, presents a good example of how facilities can be rented to the community and the business sector. This includes cafeterias, shops, and library rentals.

### **Higher education financing in Ghana**

Higher education in Ghana is funded through different sources. The chief sources of higher education in Ghana comprise the Ghana Education Trust Fund (GETFund), development partners, internally generated funds by the institutions and contributions from students and the private sector (Newman & Duwiewua, 2015). Among these sources, the GETFund has been very phenomenal in the area of infrastructural development in higher education institutions. The GETFund was established by a special act of parliament in 2000 to support the provision of educational infrastructure and facilities in higher educational institutions. The GETFund has been conventionally supported with contributions equivalent to "two-and-one-half percent or such percentage not being less than two-and-one-half percent of the Value Added Tax rate, as Parliament may determine out of the prevailing rate of the Value Added Tax" (Atuahene, 2009). The Ghana Revenue Authority pays the fund through the Minister of Education. So far, higher education institutions receive their budgetary allocations from the government through the National Council for Tertiary Education (NCTE). In Ghana, the National Council for Tertiary Education (NCTE) is required by law to advise the Minister responsible for education on block allocations of funds towards the running cost of higher education and grants towards capital expenditure.

### **Direct funding by the government**

Financing of higher education and other related aspects deserves utmost attention as it determines the dynamics of higher education systems in any country. There is a trend all over the world for governments to explore various options available to raise resources for funding higher education. In most countries, the government is the dominant financier of higher education. The government provides funding for higher education with different categories of funding criteria. These are the output criteria and the input criteria (Albrecht & Zideman, 1992). The output criteria of the funding allocation system focus on the output of the higher education system in which institutions are rewarded based on their performance in producing graduates, postgraduates, and research. According to the input method, funding can also be allocated to the universities according to the cost of higher education.

### **Students based funding**

To curb the huge burden of higher education financing expenditure on individuals, the government subsidises tuition fees for institutions of higher learning. Funding for higher education by the government can be carried out through the students of the higher education institutions. This is done through the transfer of funds through student loans and grants or student loan schemes. The former is funding explored only in Chile, which involves the transfer of funds through the loans and grants of students rather than directly to the institutions. The latter is the student loan scheme. Financing higher education by the government is considered a human capital investment. The government intervention in the form of the provision of student loans solves the problem of market failure in the financing of human capital. Market failure contends that without some sort of intervention from the central government higher education outcomes will not be successful. This arises because investment in higher education is a costly process for individuals. Private financial returns to educational investments are very uncertain and banks are unwilling to offer loans to students in the absence of a guarantor due to high default risk. The student loan enables talented but financially disadvantaged prospective students to have a higher education which resolves inequality in educational opportunities and economic efficiency losses.

### **Internally generated revenue**

In the absence of government funding, there is a need for internally generated revenue (IGR) as an inevitable alternative funding for higher education (Onuoha, 2013). To derive sustainable contributions from IGR, the management of higher education institution should seek more efficient ways of developing their IGR initiatives. A list of IGR sources for HEIs include consulting services, seminars, and workshops, commercial activities for profit, patents, and partnership with industry. According to Onuoha (2013), most universities depend on the IGR for a minimum of 10% of their total budget funding for each school year and the most common IGR sources are commercial activities such as supermarkets, bakery, and local transport. The IGR concept presupposes that the government does not have to accept responsibility for providing funding for all its universities.

### **The evidence in Ghana**

In Ghana, similar to global practice, education after senior high school is termed as higher education. HEIs in Ghana include universities, technical universities, colleges of education, nursing training schools, and police and army training colleges. The major sources of funds for financing higher education in Ghana comprise governments, GETFund, internally generated funds by institutions, development partners and the private sector. In Ghana, governments recognise its inability to fully fund higher education and hence the past years have witnessed attempts by governments to shift costs to both parents and students under the broad category of cost-sharing as suggested by Kanaan, et al. (2011). In Ghana, this has taken such forms as the introduction and increase of tuition fees, withdrawal of subsidies and maintenance grants, and the introduction of student loans. In terms of the private sector, there have been developments in Ghana which entail varied forms like opening up the space for private sector participation in the higher education sector. Now, there are some private higher education institutions in Ghana also providing higher education. These notwithstanding, there are some other aspects where the full role of the private sector can be fully exploited but in Ghana, these are relatively underdeveloped. These are notably in the areas of privatisation of public educational institutions and the establishment of private institutions with government support. The same can be said of the generation of income sources by various HEIs. Though the extent to which this can be done depends on the legal framework under which the higher education institutions function, in Ghana, universities, for example, wield some autonomy which should ordinarily lead them to generate other income sources. Where such attempts have been made, the amount realised has been woefully inadequate.

Higher education institutions should begin to explore other income generation opportunities just as is done in other jurisdictions as other sources of income are growing in importance. These include operating bookshops, guest-houses, printing services, conference bookings, sports facilities, consultancy services, intellectual property rights and many other services. Other non-traditional sources of financing in Ghana are lacking. As Sanyal and Martin (2006) observe, in most countries, non-traditional sources mostly come from wealthy donors. In Ghana, there have been instances where wealthy donors donate to HEIs but not on a larger scale. In the area of diaspora contributions and multi-national enterprises donations, the picture in Ghana is not good as no conscious efforts have been made to tap these benefits. More so, current financing sources do not include strong partnerships with the private sector and this is largely corroborated by the low level of donations and grants being presented to public universities.

Furthermore, other sources of higher education financing like research patents, licences, royalties and overheads, fees from continuing education programmes organised for industries and professions and profits from retailing through shops have not been fully exploited and developed in Ghana. These developments reflect a weakness in the strategic vision of the public universities when one talks of 'revenue-generating' research projects in the universities. Again, a critical look at current funding arrangements suggests that there are no clear guiding policies, for example, there are no funding policies with clearly-stated rationale. It appears funding arrangements are done without regard to national priorities. The funding mechanism also lacks elements that track and evaluate outcomes. For example, there should be a mechanism to ensure that funded programs are having their impact on the larger society. This may be in the form of employment data of graduates but unfortunately, these are lacking in current financing mechanisms. All these reflect a weakness in the strategic vision of funding of higher education in Ghana.

In the case of Ghana, development of the higher education sector has not been as expected. In terms of regions, almost every region has one institution of higher education but the development and improvement of these institutions have not been commensurate with the level of student intake. Most institutions lack the financial and infrastructural support to meet the ever-increasing enrolment even though the government provides some funding and support. Again, the impact of the corona virus pandemic (COVID-19) has reiterated the need for investment in technology in HEIs.

### **III. CONCLUSION AND RECOMMENDATION**

This study contributes to the practice of higher education financing in Ghana in many ways. First, the study provides knowledge on the emerging trends in the field of higher education financing knowledge of which can help improve the financing of higher educational institutions in Ghana. Through a review of current best practices in the area of higher education financing, the current study provides a benchmarking parameter upon which current higher education financing practices in Ghana can be evaluated. In this way, stakeholders in Ghana who have vested interest in the financing of higher education can begin to take steps to expand the coverage of higher education financing. This will help ensure that higher education in Ghana is adequately funded. Secondly, the connectedness of higher education to the achievement of broader national developmental goals cannot be discounted. Financing is not only about searching for available funds to sponsor higher education but it also entails the allocation of funds in a manner that addresses the most pressing needs of society. Viewed in this regard, the current study is relevant in updating all stakeholders in the higher education sector on how funding arrangements in Ghana should be organised. As Newman and Duwiejua (2015) observe, higher education financing allocation in Ghana has often been done without recourse to national priorities and the changes in the volume of activities undertaken by institutions.

Moreover, the study is of relevance to other stakeholders like donors who are interested in developing and implementing a robust financing arrangement. One argument advanced in this study is that higher education financing is not only about searching for available funds for financing education but it must also encompass the efficient use of funds in a manner that addresses pressing needs towards national development. Through this study, donors, for example, may recognise the need to track data on graduate employment and income gains, emerging trends in labour markets and demand for particular courses among employers to improve upon the development impact of student finance. The study again contributes to the body of research in the area of higher education financing in Ghana. Future researchers with similar ambitions can draw on the empirical information emerging from this study as a guide and reference material.

Higher education is a mixed commodity. Considering its attribute, it is a service that makes positive contribution to its users directly but society indirectly. So, it is necessary that higher education is provided to the ones who demand it. HEIs should prompt the dynamics of social development and lead the society towards a better future. The review of higher education financing alternatives suggests that current sources of financing higher education in Ghana are not adequate. So far, the only sources of financing higher education are government support, GETFund, development partners, internally generated funds by institutions and contributions from the private sector. These sources of finance are inadequate in funding higher education. In Ghana, the sources of higher education financing have mainly been from traditional sources chiefly from the government. Other non-traditional sources of finance for funding higher education have not been fully exploited. The current study also concludes that funding mechanisms in Ghana are inadequate and require a redesign in various dimensions. Overall, it is concluded that higher education financing in Ghana has evolved over the years. This has led to a situation where many countries and institutions are searching for alternative ways of financing higher education amidst its growing demand.

The findings of the study are suggestive of certain policy implications. It is important for higher education institutions to innovatively develop other alternative sources of financing HEIs in Ghana. Generally, this will require a mix of national and institutional strategies. The national strategies will require such measures as a public-private partnership to sustain public interest, and promoting cost-sharing principles. Institutional strategies on the other hand will require the design of institutional policies coupled with financial planning and reducing costs and increase efficiency through better utilisation of resources.

#### **Suggestions for future research**

The study generates new interest among the scholarly community and this potentially may lead to theoretical and empirical research in the area of higher education finance knowledge which can be used to improve practice. Research is such that the results of one study can lead to another study on the same research phenomenon but from a variant perspective. Granted this, the current study potentially serves as a foundation for future research. We recommend further empirical studies to be conducted in financing the HEIs, with an emphasis to be given to investigating relationships that might exist between financing options, 'cost-sharing' approach (Kanaan, et al. 2011) and characteristics of the HEIs (e.g. size, age, location, and the educational programs). Furthermore, crucial issues such as the public subsidy should be further examined to propose national criteria for subsidy's allocation between the HEIs.

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