



Financing Higher Education through Value Added Tax: A Review of the Contribution of the Ghana Education Trust Fund (GETFund) in Fulfilment of the Objectives of Act 581

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Abstract

The Ghana Education Trust Fund (GETFund), funded by a percentage of the national Value Added Tax, has had as its purpose, since its establishment in 2000, the enhancement of primary, secondary and particularly tertiary education. This research paper examines the perceptions of key stakeholders as to the contributions, thus far, of the GETFund in addressing principal objectives and challenges such as infrastructural development, research and faculty development, the promotion of technology, mathematics and scientific education, student access and gender equity. Through the lens of stakeholders, recommendations are offered for potential enhancements to the GETFund and for its adaptation to other national circumstances. The analysis of this paper is primarily a combination of the perceptions of stakeholders such as vice-chancellors, pro-vice-chancellors, registrars, principals, legislators, student leaders, public officials, etc., as well as available GETFund disbursement formulae and policy papers from 2001 to 2006. The outcome of this study is a series of judgements on the contribution of the GETFund compared to prior government objectives and recommendations relevant to the adaptation of the programme in other nations.

Résumé

Depuis sa création en l'an 2000, l'objectif du Fond fiduciaire du Ghana pour l'enseignement (GETFund), qui est financé en partie par les recettes de la TVA nationale, est d'améliorer l'enseignement primaire, secondaire et

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particulièrement universitaire. Cet article analyse ce qui, du point de vue des principales parties prenantes, a été jusqu'ici la contribution du GETFund à la réalisation de certains des principaux objectifs et défis tels que le développement des infrastructures, la recherche et le développement des facultés, la promotion des technologies, des mathématiques et de l'enseignement des sciences, l'accès des étudiants et l'égalité entre les genres. Sur la base des perspectives des parties prenantes, des améliorations potentielles sont recommandées pour le GETFund et pour son adaptation à d'autres situations nationales. Cette analyse procède principalement par une synthèse des points de vue des parties prenantes tels que les recteurs, vices recteurs, agents des inscriptions, directeurs, législateurs, dirigeants des étudiants, fonctionnaires, etc., avec des formulaires de décaissements et des notes d'orientation disponibles entre 2001 et 2006. Le résultat obtenu est une série d'appréciations portés sur la contribution du GETFund qui est comparée aux objectifs précédents du gouvernement et aux recommandations concernant l'adaptation du programme à d'autres pays.

Introduction

Higher education in Africa has generally suffered decline in recent decades. This has been a result of a variety of circumstances in various combinations, depending on the nation in question. These circumstances include general conditions of poverty in precarious economies, political instability and war. Accompanying them were phenomena such as oppressive dictatorships that undermined the basic conditions of free inquiry associated with higher learning and research. In addition, health crises such as HIV/AIDS directly affected university constituencies as well as undermining social development as a whole. At the same time, the emigration of skilled and highly educated professionals to other regions took place; and governments and NGOs gave priority to primary and secondary education for investment in an environment of limited resources and broad needs.

In nations that are politically stable and relatively open, issues of deficiency of resources persist and inhibit genuine interest in tertiary education development. The over-reliance on central governments for fiscal support in the midst of distressed economies and strict budgetary allocation remains a threat to higher education in Africa. In Ghana, for example, the entire budget for higher education in 2000 was \$23,870,359 million, which constituted 12 per cent of the total government discretionary budget for education distributed among five public universities and eight polytechnic institutes (Effah 2003). This predicament has negatively affected institutional development, quality and relevance of academic programmes, limited access to qualified students, and

resulted in poor infrastructure development. However, the importance of tertiary education to national development resonates with government policies. Resulting from the magnitude of the need for financial support, several forums comprising the government, policy makers and educators, student leadership, and the private sector were held to find remedies to the financial menace faced by universities and colleges in Ghana.

Ghana has addressed this need to create special and increased funding for education – primary, secondary and tertiary – through the establishment of a special value-added tax on goods and services. This has led to the creation of the Ghana Education Trust Fund, or GETFund. The GETFund, through a government-appointed but independent board of directors, has invested in a variety of capital and programmatic efforts to elevate education in Ghana, and has increased spending on education, especially tertiary levels, several times over. Under this fund, 20 per cent of the existing Value Added Tax (VAT) – that is 2.5 per cent – is paid into the GETFund account to support education at all levels (GETFund Act 581, 2000), particularly the tertiary level. The GETFund has potential for replication and adaptation in Africa and other developing nations, and in fact is the subject of study by other nations. This paper analyzes policy documents and the perceptions of key stakeholders as to the achievements and fulfilment, thus far, of the GETFund principal objectives: infrastructure development, research and faculty development, the promotion of technological, mathematics and scientific education, student access and gender equity. Divided into three sections, the first part of this paper unearths the financial conundrum faced by the general education system in Ghana, culminating a discussion of cost sharing mechanisms in higher education. Part two describes the creation, objectives and implementation of the GETFund. The last section discusses the achievements of the GETFund objectives – supported by documentary evidence and relevant interview excerpts.

Research Methodology

This policy research conducted in Ghana sought to answer the question how the GETFund is meeting its statutory obligation by investigating its contributions toward the country's educational system. Using qualitative research methodology and the Interpretative Constructivist theoretical approach, the researcher interviewed key policy makers, student leaders and university administrators about the fulfilment of Act 581's objectives. In addition, government and other documents were examined and analyzed. Social constructivism, which originated from the sociological work of Lev Vygotsky, approaches knowledge construction from a cultural perspective. This theory postulates that reality is constructed through human interaction (Kukla 2000). The way we

know about a phenomena is not just through invention or discovery but through social construction (Kukla 2000). That is, through human interactions individuals create meanings of knowledge within their historical and cultural context (Kukla 2000). Thus, understanding a phenomenon and learning occurs when individuals are involved in the social activities within their communities. Constructivists believe that our understanding of reality and knowledge is based on our ability to socially construct experiences and to make sense of them. Using a constructivist approach in qualitative face-to-face interviews, participants of this study had the opportunity to construct their views and perceptions about their interpretation of the achievements of the GETFund toward its objectives. More importantly, allowing study participants to share their voices about the GETFund provides another dimension of interpretation to documentary evidence. As Patton (2002) noted, ‘... there is a very practical side to qualitative methods that simply involves asking open-ended questions of people and observing matters of interest in real-world settings in order to solve problems, improve programs, or develop policies’ (p. 136). In this sense, the interpretative constructivist approach, whose key audiences, including programme directors (for example, GETFund administrators and Board of Trustees) and beneficiaries (students represented by student leadership and institution heads) share their experiences about the activities and projects of the GETFund.

Additionally, interview data were cross-analyzed with existing government documents and yearly GETFund parliamentary appropriations. Overall, twenty-one participants identified as knowledgeable about the GETFund participated in the study. Rubin and Rubin (2005), for example, emphasized that to ensure credibility of research, the researcher should interview people who understand and have deeper information on the issue. They believed that the credibility of the interviews depends on the knowledgeability of the interviewees or participants of the study. Purposefully, the researcher identified and interviewed people who meet at least one of the following criteria:

- (a) Worked or works for the university and has knowledge of challenges facing universities in Ghana, and especially problems associated with financing higher education.
- (b) Have either served on university committees or are currently involved in university policy decision-making.
- (c) Are currently or have previously been involved in the administration of the Ghana Education Trust Fund.
- (d) Are aware of the activities – formulation and implementation of the Ghana Education Trust Fund – and also understand the goals and objectives of the policy.

- (e) Understand the activities of Ministry of Education and Sports (MOES) and/or the National Council for Tertiary and Education (NCTE).

The purpose of this was to gather rich information that illuminates the research question for the study. As noted by Patton (2002), 'The logic and power of purposeful sampling lie in selecting information-rich cases for the study. Information rich cases are those from which one can learn a great deal about issues of central importance to the purpose of the inquiry...' (p. 230). The table below provides a summary of the participants of the study, representing five public institutions – University of Ghana, Kwame Nkrumah University of Science and Technology, University of Cape Coast and Accra and Kumasi Polytechnics.

Table 1: Interview Participants

Heads of Institutions/Top University Administrator	Staff/Professional	Students/Representative	Other Government Officials
Vice Chancellor (UCC)	Accountant (KNUST)	NUGS President	Administrator at the NCTE
Pro-Vice Chancellor (KNUST)	Finance Officer (KNUST)	Former NUGS President	IRS Public Relations Officer
Registrar (UCC)	Development Officers (UG)	SRC President (UG)	GETFund Deputy Administrator
Principal (K-Poly, Accra Poly)	Development Officers (KNUST)	SRC President (KNUST)	GETFund Internal Auditor
Assistant Principal of Accra Poly	Development Officers (UCC)	SRC President (UG)	Former Trustee of GETFund
Total = 6	5	5	5
Overall Participants = 21			

SRC – Student Representative Council

NUGS – National Union of Ghana Students

Challenges of Financing Higher Education in Ghana

Following Ghana's independence, various governments, particularly Dr Kwame Nkrumah's Administration, considered the importance of education as a tool for socio-economic engineering and national development. Governments have

concentrated considerably large budgetary allocations to expanding education (Ministry of Education 1996), especially at primary and secondary levels. This initiative has remained on government's policy agenda and several education reforms. For example, the 1987 comprehensive educational reform programmes focused on opening access to primary and secondary education. Throughout the period of reforms, the Ghana Poverty Reduction Strategy (GPRS) forecasted an increase in participation at secondary schools from 17 to 25 per cent by 2004 (Republic of Ghana 2004). At the Senior Secondary School (SSS) level, enrolment increased from 146,000 to 195,000 between the 1987-1988 and 1997-1998 academic years and by 2000-2001, it was 204,000 for the age group 16-18. As well, the number of public secondary schools increased from 240 to 474 (Republic of Ghana 2004). Unfortunately, academic facilities and resources at the tertiary education level remained unexpanded to accommodate qualified students. Consequently, only 3 per cent of the of the 18-23 year group qualified students have access to tertiary education (Effah 2003).

Each year, more than 60 per cent of the qualified applicants seeking entrance to the universities and polytechnics do not gain admission due to limited residential and academic facilities. As Kigotho (2004) noted, 'African governments often have few resources to devote to higher education. Since 1990, enrolment at Ghana's five public universities has jumped from 12,000 to 65,000 students. At the University of Ghana alone, enrolment has risen from 7,500 to 25,000 students, while its physical facilities have stayed largely the same' (p. 2). This is due to the lack of financial resources to support institutions to improve and expand their facilities.

Meanwhile, the 1992 Fourth Republican Constitution of Ghana places the responsibility on central government to make basic and secondary education free with an emphasis of making higher education accessible and 'progressively free'. Prior to that other ordinances and decrees such as the 1961 Education Act and the Provisional National Defence Council (PNDC) law 207 established also placed huge responsibility on the central government and the District Assemblies to financially support education at the pre-tertiary levels, particularly basic and primary education. Nevertheless, lack of financial resources has made it difficult for most of the assemblies to perform these responsibilities (Republic of Ghana 2004). In terms of tuition, education is a free, publicly provided commodity for most students. Yet, universities have recently introduced a fee-paying for students who do not meet regular university admission criteria, but demonstrate the potential to succeed in higher education. Although students at various levels of education do not pay tuition and instructional fees, certain defined incidental fees are accessed, the impacts of such contributions to the financial viability of institutions are minuscule. The

central government provides all the educational facilities, pays the salaries and allowances of teachers, faculty members, staff and administrators through the Ministry of Education's annual budget (Ministry of Education, 1996).

Beginning in the 1970s, the government paid the boarding fees for students at the universities. This situation existed until the 1980s when the government launched the Economic Recovery Programme (ERP) to stabilize the economy by placing emphasis on the improvement of social services. The Education Ministry, as part of the reform programmes, spent 87 per cent of the 1996 Recurrent Budget on personnel salaries (Republic of Ghana 2003), yet the tertiary education sector remains under-funded. Overall, Ghana spent about 4.2 per cent of its Gross National Product on public education as compared to 3.5 per cent for Africa and 3.9 per cent for developing countries in general (Republic of Ghana, 2003). At the same time, the Ministry of Education Youth and Sports' (MOEYS) 2002 budget was 24.2 per cent of total domestic expenditure. Moreover, the total recurrent spending on education was GH¢ 2,569,550 million (5.4 per cent of GDP) in 2002 and increased to GH¢ 3,277,635 (5.9 per cent of GDP) in 2005 (Republic of Ghana 2003). In comparative terms, this is a clear indication of the Government of Ghana's continued commitment and view of education as a conduit for socio-economic revitalization.

Moreover, the evolution of the total government expenditure by the Ghana Education Sector Financing Model from 2002 to 2005 shows that out of the GH¢2,916,292 million and GH¢4,006,846 million allocated to all levels of education in 2002 and 2005 respectively, the tertiary education sector's share was GH¢381,975 million (13.1%) and an estimated GH¢477,872 million (11.92%) respectively (Republic of Ghana 2003). Similarly, of the total educational expenditure of GH¢736,173,700 in 2005 the government of Ghana's (GoG) share was 485,553, 900 (66%), in 2006 the amount increased to GH¢648,325,700 (68.1%) of the total of GH¢952,845,000. In 2007, government's share of education expenditure was quite steady at GH¢ 867,133,297 (68.1%). The 2008 budget witnessed a slight increase in the allocation for 2008 to GH¢841,352,648 (71%). But tertiary education's share of these expenditures was 19.6 per cent in 2005, 22.5 per cent in 2006 and 23.0 per cent in 2007 respectively (Report of the MOESS 2008). However, even though government expenditure has seen a sharp increase over the years, it is important to point out that just like other developing countries, universities in Ghana remain under-funded. This is reflected in the quality of education, provision of academic facilities and student support services – for example, computing and the limited use of modern instructional technologies, access to first class electronic and online academic resources – journals, interlibrary book loans, etc.

Economically, Ghana has seen gradual improvements, with annual economic growth rate *per capita* rising from -1.1 per cent to 1.9 per cent for 1980-1990 and 1991-2003 respectively (Republic of Ghana 2003). Public expenditure on education as a percentage of Gross Domestic Product rose from 3.2 per cent to 4.1 per cent (Africa Development Bank 2005). Although one-third of the country's budget goes to education, 90 per cent of this is solely for remuneration. This leaves only 10 per cent for administration and investment (Republic of Ghana 2003). However, competing social services and budget constraints limit how much government contributes to education. Universities do not always get their projected requirements during the fiscal year. For example, in his contribution to the 2004 International Reference Handbook for African Higher Education, Paul Effah reported that only \$17,942,946 million (i.e. 56.34%) of the \$31,844,839 million and \$348,509 (i.e. 56.66%) of the \$618,135 respectively requested by universities and polytechnics in 2000 were granted by the government. Effah (2003) noted, '... the most serious challenge facing higher education in Ghana ... is inadequate funding' (p. 343).

Various reasons may be cited to explain the under-funding of institutions. First is the distressed economy. Ghana's economy depends mainly on the production of primary agricultural products. Previous political instability and prolonged corruption have had a huge impact on the economy. The misplaced priority and the misconception of higher education's role in human capital formation and socioeconomic development as postulated by the World Bank was also a major culprit of the current situation in the sector. Finally, the socialist perception of tuition free education and the unification of university governance and administration under national central government had impacted tertiary education. A case in point is the prolonged centralization of higher education under the direct governance of the state. Until the 1992 Fourth Republican Constitution, which ushered in a new policy dimension for the governance of higher education and the role of government in ensuring equity and accessibility of education at all level, heads of state or presidents, depending on the regime type, were the chancellors of universities in Ghana. Situations like this not only hinder universities' autonomy in policy decision making, but make it difficult to introduce market policies and principles into the nation's higher education system.

Unfortunately, many attempts to introduce market principles – cost sharing, particularly in the universities as part of efforts to solve the financial problems facing universities – have met with serious challenges from students. Students cite Article 15 of the 1992 Constitution, which states that 'higher education shall be made equally accessible to all on the basis of capacity by every appropriate means, and in particular, by the progressive introduction of

free education'. In their opinion, since university education benefits everyone, the government bears the responsibility to support the sector. Nonetheless, government continues to press students to bear part of the cost of their education by a student loans scheme. Still, tuition remains the government's responsibility for regularly accepted students and for those admitted through the dual track (fee-paying) stream.

The Student Loans Scheme

As part of the solution to the financial challenge faced by universities, a student loans scheme was initially introduced in 1971-72, but was abolished after the coup d'état of 1992. It was later reintroduced in 1975. However, the scheme faced terrible problems in the recovery of loans. Within eleven years of its operation, a total of GH¢33.5 million (US\$375,560) was owed to the scheme by students (Sawyer 2001). Of this, only GH¢185,000 (US\$2,074) was paid back. In 1989, the policy was modified and the Social Security and National Insurance Trust (SSNIT), an organization in charge of pension and retirement programmes in Ghana, was added to participate in the scheme. One important aspect of the new policy was that government heavily subsidized the interest rate. Students were supposed to pay 3 per cent interest, which was increased to 6 per cent in the 1990s. With these favourable repayment terms, alleged administrative inefficiencies by the SSNIT, and poor loan recovery and repayment because graduates do not secure jobs immediately after graduation, the operation of the scheme suffered, making it indebted to SSNIT. Regrettably, the scheme in Ghana ran into a deficit of US\$16 million (SAPRI 2001) due to high defaulting rates on the part of both students and government. The government for instance owed SSNIT an estimated amount of \$23.9 million as part of its subsidized interest (Roussouw 2001). At the same time, students owed up to ₵1.4 trillion (US\$154,696,133) since the scheme's inception (Bimpong 2004, Public Affairs Department 2004). The impact of this was very unfavourable. The high defaulting rates affected some guarantors, whose pension allowances were withheld by the SSNIT. Students' loans were delayed during the academic year, and several strikes and protests against government resulted, and in extreme cases leading to the death of a student through demonstrations and clashes with the police. The academic calendar also suffered from these events as demonstrations led to closure of universities, which created an admission backlog. Currently, the newly established Student Loan Trust under the GETFund is designed to address some of the discrepancies associated with the previous system. Remedying the student loans problems has always been a challenge in Ghana, like in many African countries, but some governments have partly succeeded in pressing the need for student contributions to their education.

Other Students' Contributions to Higher Education

Owing to the fact that the state alone could not wholly finance higher education, the government introduced some cost sharing policies such as academic user facility fees, residential facility fees, and other hall maintenance dues, etc., as part of the contribution of students to their education. The introduction of fees always evoked public agitation, mainly from student leadership and usually resulted in strikes, demonstrations and the disruption of the academic calendar. By the mid-1990s some sort of fees existed on almost all university campuses. For example, in 2005-2006 students at the KNUST were paying ₵1,192,000 (US\$133.184) and ₵ 847,000 (US\$94.64) as fees for freshmen and continuing students respectively. Meanwhile estimates by the UNDP showed that the cost of financing university education in Africa was \$10,000-\$15,000 for a four-year degree, i.e., \$2,500-3,750 a student per annum, whereas the World Bank also reported a sum of \$2,000 per year. At the same time universities in Ghana, just like their counterparts in Kenya, Tanzania, Uganda and Nigeria, have introduced a dual track policy where students are admitted through an alternative admission process to pay tuition and other incidental costs. Under this policy, students who qualified but did not meet the competitive admission cut-off point requirements are offered a fee-paying track option.

The dual track policy has become another financial breakthrough for universities, even though not many students are admitted through this stream. At the Kwame Nkrumah University of Science and Technology, the proposed Ghanaian tuition paying track for the 2006-2007 academic year was US\$1,500 for social science, tourism and culture; US\$2,000 for sciences, art, architecture, land economy, development planning, law, agricultural science, natural resources, and nursing; US\$2,000 for business administration; US\$2,500 for engineering/pharmacy, and US\$3,500 for medicine. Besides, freshmen pay ₵1,191,000 and continuing students pay ₵847,000 towards academic maintenance fees. However, there remain a greater number of students who are not capable of paying tuition for their studies if offered a place at the university.

From the foregoing discussion of the financial situation of higher education in Ghana, it is obvious that the country is strongly committed to education in terms of its allocation of resources. In 2003, it was envisaged that 4.2 per cent of its GNP would go to public education compared to the respective 3.5 per cent and 3.9 per cent share allocated by Africa and Developing Countries (Republic of Ghana 2003). But realistically, universities remain financially handicapped partly because poor economic conditions do not allow the introduction of tuition to support government allocations. Thus, revisiting the debate on higher education finance and cost sharing mechanisms in the 1990s was not just a matter of policy choice, but a necessary expedient for the survival of

higher education in the country. As part of the debate on the state of higher education finance in Ghana, different steering committees, conferences and fora, including regional meetings in 1995, the Tertiary Education Mid-Term Review in 1995 and the Akosombo Fora in 1997 and 1998 reiterated the need for government to redefine and reform higher education funding policy. With various recommendations such as improved government grants, the introduction of cost sharing and cost recovery measures (tuition, research, student maintenance fees), it was agreed that government would continue to bear the cost of accommodation for residential students and healthcare for all students, while any attempt to introduce tuition fees was suspended (Tertiary Report Series 1998).

As an alternative, the National Union of Ghanaian Students (NUGS) initially proposed the establishment of an Educational Security and Insurance Trust Fund (ESITF) and Tertiary Education Endowment Fund (Technical Report Series 1998). The purpose was to mobilize financial support from organizations which were beneficiaries of the product of education – the private sector, NGOs, companies, and Ghanaians abroad – to contribute to this fund to support students and institutions. With the multiple ideas presented to the government and policy makers, it was also suggested that for tertiary education to survive in the country, the private sector should become involved in its provision and finance (Report of the President's Committee on Review of Education Reforms in Ghana 2002). There was also the recommendation for universities and the government to create sound university-industry relationships to coordinate and support university research and students' projects. The government was also prompted to establish an Educational Trust Fund from which additional sources of income could be generated to support higher education through the imposition of additional tax (National Forum on Funding of Tertiary Education 1997). As it has always been the norm, '[A]lthough the concept Education Fund is generally acceptable, the idea of an imposition of another tax on companies, workers, etc. did not go down well with many of the participants, particularly the Private Enterprise Foundation who felt that it would overburden taxpayers...' (p. 11). Still, the need to press this proposal was very clear, taking into account the perils facing the tertiary education sector.

The Ghana Education Trust Fund (GETFund)

By far, one of the most important recommendations in the funding regime of tertiary education was the establishment of an education trust fund that flowed from the Akosombo forum. This policy has been described by Effah (2003) as a 'landmark policy' initiative in Ghana. In January 1999, the President of the National Democratic Congress (NDC) party incorporated the NUGS proposal into his annual address to Parliament, and a technical committee subsequently

recommended its broad objectives and outlines (Harsch 2000). Debates over the policy framework on the fund led to a series of parliamentary deliberations until 2000 when the Ghana Education Trust Fund Act 581 of 2000 became law (Effah 2003; Harsch 2000). The Internal Revenue Service was required to increase the already existing Value Added Tax (VAT) rate from 10 per cent to 12.5 per cent, of which 2.5 per cent was scheduled for the GETFund account to supplement government budgetary allocations to education. Initially, the GETFund was projected to generate about 200 billion cedis (i.e. US\$54 million) annually. The GETFund represented 0.34 per cent of GDP in 2003 and it is projected to increase to 0.81 per cent in 2008 (Republic of Ghana 2003). The objective and purpose is to provide supplementary funding for institutions and research, scholarship, and grants for needy but exceptional and academically promising students at all levels of education.

The objectives of the GETFund Act 581 are (i) To provide financial resources to support all institutions in developing their infrastructural and academic facilities; (ii) To provide additional sources of funds for gifted but needy students through the Ghana Scholarship secretariat in the form of scholarships and grants; (iii) To generate monies to support the student loan scheme for nationally accredited institutions; and (iv) To offer grants to higher education through the National Council for Tertiary Education (GETFund Bill, Act 581, 2000).

Administration and Management of GETFund

A government-appointed administrator and an independent seventeen-member Board of Trustees comprising representatives of the Ministry of Finance, Ministry of education, National Council on Tertiary Education, heads of institutions, student leaders and representatives from religious bodies was formed to manage the operations of the new fund. The board is charged with the responsibilities of overseeing the collection, account keeping, and investing the fund in line with the goals and objectives of the Act (GETFund Act 581 2000). However, the Board of Trustees, in exercising its functions and powers, receives policy directives from the Minister.

The Board is required by Act 581 to submit a report summarising the general activities of the Fund within a period of six months at the end of each financial year for scrutiny by the minister. This report is then submitted to parliament two months after receipt (GETFund Act 581 2000). Moreover, the Act outlines the policies and procedures by which funds can be accessed by institutions and affiliated agencies of the Ministry of Education. The administrator is required to submit a budget detailing allocations of monies to the various accounts created by the Board of Trustee for scrutiny. Internally, funds

and projects requested by institutions are scrutinized to assess their importance, compared with other competing institutional requests and demands. An external auditor – the Auditor General – also oversees the proper allocation of monies as administered by the constituted Board of Trustees. At the same time, the Board is required to submit to parliament an annual report of its financial statements. Funds are allocated by the Board taking into consideration what it refers to as the critical areas of education – infrastructural development, research and faculty development, student support in the form of loans, grants and scholarships, the critical and disadvantaged areas such as northern Ghana and emergency areas.

Accessing the GETFund – Policies and Procedures

Policy implementation without effective monitoring procedures is a recipe for policy failure. Since the greater percentage of the GETFund disbursement goes to universities and colleges, the Board evaluates institutional requests on the principle of equity, available funds and the priority that can be accorded to the specific projects from the various institutions. To access money from the GETFund, institutions must adhere to a clear procedural framework. For example, universities are required to submit their requests for projects, equipment, payment of approved projects (upon the successful completion of a bidding and offer extended to a contractor), etc., through the National Council of Tertiary Education (NCTE). Requests from semi-autonomous institutions or colleges and payment for their approved projects are coordinated through their Principals. The Minister of Education or designated representative coordinates all projects and payments for pre-tertiary education levels. Scholarship grants are made by the Registrar of the Scholarship Secretariat; and contractors are allowed to bid for GETFund-supported projects. However, only the Minister of Education, the Chief Director of the Ministry of Education, Officials of the NCTE as well as the heads of the various tertiary institutions may on enquiry be given information regarding payments made or to be made.

The GETFund Act requires the Board of Trustees to submit a yearly distributional formula on how they intend to allocate money to the various levels of education and projects, and submit an annual financial statement to parliament. Section 29 of the GETFund Act 581 outlines specific monitoring and controlling procedures for the implementation process. Specifically, Act 581 states that:

- (i) The Board shall submit to the Minister as soon as practicable, and in any event not more than six months after the end of each financial year, a report dealing generally with the activities and operation of the Fund during the year to which the report relates and shall include (a) The

audited accounts of the Fund and Auditor-General's report on the accounts of the Fund; and (b) Such other information as the Board may consider necessary.

- (ii) The Minister shall within two months after the receipt of the annual report submit the report to Parliament with such statement as he considers necessary' (GETFund Act 581, 2000, p. 12).

At the local and institutional level, the Board has developed policies and procedures to ensure proper utilization for institutions and agencies that access the GETFund. There are over twenty requirements designed to ensure the smooth implementation of projects and programmes supported by the GETFund. These policies are intended to track the outflow of funds to the various institutions. Since the greatest percentage of the projects and programmes involves the issuance of cheques, the Board has carefully eliminated the predominance of intermediaries. For instance, institutions are not allowed to purchase equipment for reimbursement. Instead, the GETFund deals directly with suppliers of equipment such as computers, vehicles and other academic facilities, upon the request of the respective institution. Primarily, the Board requires that approved contracts for projects under GETFund should be made by the respective competent tender boards with copies of the award sent to GETFund headquarters in Accra. In addition, requests for payment are also made through representatives of the various levels of education – Minister of Education, agencies of the Ministry of Education and the National Council for Tertiary Education and or the vice chancellors and principals of the respective tertiary institutions representing the interest of primary, secondary and tertiary education respectively. Requests for scholarship grants are made through the Scholarship Secretariat (drawn from the GETFund's Policy Sheet 1).

In addition, the Board supplies the Minister's allocations of monies for scholarships, research and effective implementation of the policy. Institutions have to monitor the activities of contractors of construction projects. The administrator and the Board of Trustees invest powers in the institutions and all the agencies that benefit from the GETFund in the bidding process and awards of contract before a cheque is issued for specific projects. Officials of the GETFund occasionally visit these institutions to observe the status of GETFund-supported projects.

Allocations of GETFund

Allocation and disbursement from the GETFund have increased quite rapidly since its establishment in 2001. For instance, a total of ₦358.3 billion was projected in 2001 budget statement. However, during the year, ₦497 billion was allocated and ₦390 billion was generated for 2002. By 2003, the amount had risen to ₦400 billion. In 2004, there was a 41 per cent increase in the approved amount over the 2001 figure to ₦700 billion. In 2005, Parliament approved ₦1.1 trillion, and 2006 ₦1,330 trillion.

In 2008, Parliament's approval for GETFund was ₦1.6 trillion. This took into consideration the priority needs highlighted in the current Education Strategic Plan and the Education Sector Reforms which included Facilities and Infrastructure, Scholarships, Students' Loan Trust, Faculty Development and Research, Special Support for Medical Studies, Special Support for Telecom, Open Universities and Colleges of Education.

Contributions of the GETFund to Education

The GETFund is having a remarkable and robust impact on the development of universities and polytechnics in the country, particularly in the area of infrastructure, which has over the years remained a huge challenge for institutions. Available figures from the 2008 education sector report of the Ministry of Education revealed the GETFund as the second major source of finance to the education sector, contributing 10 per cent and 12.9 per cent to government expenditure in 2006 and 2007 respectively.

Universities are undergoing a period of renaissance and rapid reconstruction. Infrastructure, faculty research and development, and the promotion of postgraduate studies are among the key focus of the management of the Fund. The provision of financial support to the government scholarship scheme, and the establishment of the new Student Loan Trust fund, are marked examples of GETFund's success.

Primarily, the GETFund supports the modernization and improvement of facilities in the universities and polytechnics. One of the major challenges facing universities and polytechnics was the dilapidated state of buildings on campuses nation-wide. Under such spatial constraints, they were unable to accommodate sufficient students in halls of residence and lecture theatres. The gradual improvement of these facilities with the support of GETFund has by and large alleviated this situation. This contributed partly to the massive enrolment increase from 63,576 in 2003-2004 to 88,445 in 2006-2007. At the polytechnic levels, enrolment increased exponentially from 18,459 in 2002 to 73,404 in 2005. Additionally, the GETFund supports the expansion and development

of distance education facilities as a means of expanding access. As a result, enrolment has risen from 750 in 2002 to 3,618 in 2003 (Osafo-Mafo, 2004). The GETFund has created a scholarship scheme under its Manpower Development system to train faculty members. As of 2005, over 60 people had received support for advanced training in local and foreign universities.

As it was previously stated, the findings of this study were a series of judgements on the fulfilment of the GETFund objectives, particularly as compared to government objectives. Participants in the study repeatedly emphasized the tremendous impact of the GETFund in developing infrastructure at all levels of education. Commonly cited themes included the improvement of academic and residential infrastructure; the support for the development of Information and Communication Technologies; bridging the gender disparity gap by focusing 60 per cent of the scholarship amount on female education; the creation of the Student Loan Trust; supporting faculty research and development; and the improvement of conditions and resources at the nation's technical and vocational institutions, which is in consonance with the objectives of Act 581 that established the GETFund.

The Fund has contributed over five trillion Ghanaian Cedis to various programme developments since its creation in 2001. The GETfund has financed over 500 different projects, most of which involve construction and rehabilitation of academic buildings. While some have been completed, others are ongoing and are at various stages of completion (GETFund 2005). Table 4 shows how much the administrator and the Board of Trustees of GETFund allocated to the critical areas of institutions in 2004. Infrastructure development (74.4 %) is prioritized because of the major threat that poor infrastructure poses to access. For many years, academic and residential facilities at the tertiary education levels had not seen improvement. For example, dormitory rooms that were officially designed to accommodate two students were assigned to four; lectures halls with a capacity of about two hundred students were being occupied by over three hundred; facilities were over-stretched; dormitories overcrowded; and consequently, universities could not accept all qualified applicants. The Board sees this area critical to the development of a vibrant higher education system. Faculty development and research (5%), scholarship (4.75%) and student loans (4.3%) show the allocation of GETFund to these important areas of education.

Table 2: GETFund Distribution Formula for 2004

Area	Per cent	Amount in million of cedis
Infrastructure	74.4	521,000,000
Scholarship	4.7	33,000,000
Loans Scheme	4.3	30,000,000
Faculty Dev. & Research	5	35,000,000
Other (Including Vehicles)	5	35,000,000
Investment	4.3	30,000,000
Contingency	2.3	16,000,000
Total	100	700,000,000 (US\$ 78,908,003.43)

Source: GETFund Headquarters, Formula for the Distribution of the GETFund, 2004. Currency conversion was based on February 20, 2004 mid-rate value (1 US Dollar = 8871.09 Ghanaian cedi)

Table 2 provides a comprehensive overview of how the Board of Trustees expended GETFund money since 2001. These figures have not been stable because the amount allocated depends on the available fund accruing from the 2.5 per cent VAT, the varying requests from institutions, and the needs in other areas of education identified by the Board. Providing support for students through loan schemes and assistance is also another important area on the Board's agenda. It is a statutory requirement. Supporting faculty research through the NCTE is also given impetus. As the Board allocates monies for various developmental projects, it also makes provision for unforeseen emergencies that may result from storms, floods, fire and any other disasters threatening the educational sector, particularly at the pre-tertiary levels. To this end, there is an established Member of Parliament emergency fund to support such future contingencies. 'Contingency', by the definition of the Board of Trustees, includes:

- (a) Any projects identified by the Members of Parliament in their respective districts as an emergency may be funded from this account.
- (b) Historically disadvantaged areas, which consist of the three northern regions – Northern, Upper East and Upper West – in addition to the Brong Ahafo Region, North Volta Region, Afram Plains Ashanti Region and eastern region and other historically deprived communities that have stalled in education development.
- (c) Distance Education (Presidential Special Initiative, PSI), and
- (d) Agencies identified by the Ghana Education Services.

Table 3: GETFund Specific Project Allocations 2001-2006

Areas	Year of Parliamentary Approvals in US \$ (**)					
	2001	2002	2003	2004	2005	2006
Infrastructural /Development	20,826,970	52,017,023	32,150,649	60,935,673	58,089,888	xxx
Faculty Research and Development	xxx	xxx	3,600,000	4,093,567	2,022,472	2,872,928
Student Loan Scheme	1,278,195	7,176,484	4,000,000	3,508,772	6,741,573	xxx
Scholarship for Needy Students	xxx	10,127.5	2,500,000	3,859,649	5,617,978	xxx

Source: Atuahene, F. (2006) GETFund Yearly Parliamentary Approvals (2001-2006).

** Primary data collected from the GETFund Headquarters, Accra-Ghana.

xxx indicates that data were not available.

Discussion and Analysis of Findings

Generally, participants of the study believed that the Ghana Education Trust Fund was contributing tremendously towards education development in Ghana, particularly at the tertiary education levels (colleges, universities and polytechnics) in fulfilment of the objectives enshrined in the GETFund Act 581. The GETFund provides financial resources for infrastructure development and academic equipment. It benefits needy and academically promising students. It attempts to enable universities to enhance research and faculty development. With a specific focus on gender disparities, it aims to improve facilities to enhance female participation at the higher education level. It supports the Students Loan Trust (SLT) to open access to students from a low socio-economic background. It finances vocational, science and technology education and the revamping of government's policy of improving Vocational Technical Education Centres (VOTEC). In what follows, the specific contributions are discussed in turn with data from the study.

Academic and Residential Infrastructure Development

Higher education expansion – increasing enrolment and opening access – cannot be achieved without concurrent improvement in infrastructure, particularly academic and residential facilities to accommodate students. The GETFund, since its inception in 2001, has dedicated a large percentage of the fund for the development of infrastructure. Act 581 states that ‘the fund will provide financial support to the agencies and institutions under the Ministry of Education through the Ministry for the development and maintenance of essential academic facilities and infrastructure in educational institution’ (Parliamentary Debates Official Report, 2000, p. 615). In compliance with this requirement, the Board of Trustees allocated ₵521 billion (74.4%) and ₵517 billion (40%) of the total amount in 2004 and 2005 respectively for the development of infrastructure in tertiary institutions. In 2005, the board gave ₵253 billion for infrastructure development and the provision of academic facilities at pre-tertiary level and ₵24.5 billion for the rehabilitation and construction of classroom buildings, dormitories and administration blocks in the teacher training colleges nation-wide (GETFund 2005). The study participants repeatedly stressed the tremendous contribution of the GETFund in this direction. Primarily, in physical terms the GETFund provides financial support to improve academic and student facilities, renovate offices for faculty and staff, and support institutions with office equipment such as computers, photocopiers, and printers. Grants for other equipment aim at improving instructional facilities – projectors, LCD screens, and other audio-visual devices – to accelerate effective teaching and learning. A public official interviewed noted that:

The GETFund is a major landmark policy in tertiary education system in Ghana in recent times. It plays such an important role particularly in the physical and academic infrastructure development by improving existing conditions at the universities and polytechnic and even pre-tertiary institutions (Interview with NCTE Administrator, August 2005).

Prior to the inception of GETFund, universities in Ghana over the past three decades had not seen the face of development in their infrastructure. For instance, the University of Ghana and KNUST, built in the late 1940s and 1950s respectively, suffered serious decline in terms of human and physical developments. Institutions had witnessed the continuous deterioration of infrastructure. Libraries suffered badly, and there was severe deterioration of academic buildings, halls of residence and staff bungalows. Facilities remained unexpanded since their establishment. The University of Ghana, formerly the University College of Gold Coast, was established to accommodate about 5,000 or fewer students, but is now admitting over 20,000 students to study in different disciplines. Student accommodation continues to face great pressure. Dormitory rooms and lecture halls are overcrowded. Sitting and standing outside classrooms during lectures are marked results of the inadequacy and dilapidation of academic buildings at universities in Ghana. A parliamentarian commented during this research:

The GETFund is financing massive infrastructural projects on our campuses. If you visit any of our universities you will see the enormous constructional works funded by GETFund – lecture halls, student hostels and rehabilitation of administrative buildings (August 2005).

Although the amount provided by the GETFund is not sufficient in most cases, an accountant at the Kwame Nkrumah University of Science and Technology pointed his finger at a completed lecture hall. He then said, ‘The GETFund has been a saviour for this university, most of the constructional works you see around are partly or wholly funded by the GETFund ... the GETFund is salvaging most of our departments from complete collapse’ (August 2005).

Moreover, the GETFund supports the modernization and improvement of infrastructure at the nation’s second cycle female institutions. Available figures show that in 2004, of the ₵512 billion that was apportioned for infrastructure development, 55 per cent of this amount went into development of infrastructure for female institutions in the country (GETFund 2004). In 2002, 22 per cent of the ₵390 billion went into improving enrolment of institutions and management (GETFund 2002). Closely related to this is the provisions made by the GETFund to improve accessibility of higher education while bridging the gender divide.

Promoting Access and Bridging the Gender Disparity Gap

Access to higher education, for a very long time, has been a major challenge in Ghana. The access challenge was one of the major policy considerations of the Education Strategy under the GPRS, and addressed the lack of progress during the 1990s in increasing enrolment and raising quality in basic education. At the basic educational level, access is supported by early childhood development, and alternative educational options for children out of school, with a particular focus on the disadvantaged areas of the country. Nonetheless, it is estimated that only 2.6 per cent of Ghanaian pupils who enter primary school eventually make it to the tertiary level (Republic of Ghana 1999, cited in Addae-Mensah, 2000:38). Meanwhile, Ghana, just like Nigeria, has created new public universities in response to the regional demand for access. But, ‘... many of these institutions have been poorly capitalized and offer only the pretence of a university education ... More importantly, the increased enrolments hide structural inequalities based on age, region, social class, gender, ethnicity and rural/urban origin that determine access to university education’ (Manuh, Gariba and Budu 2007:31).

At the same time, there continues to be problems regarding the social inclusion of different groups, and particularly of gender participation in higher education. A study by Sawyerr (2004) shows that even though the past two decades have witnessed a drastic increase in enrolment in higher education institutions in Africa, there still remain some social groups that are highly underrepresented. With the increase in enrolment rate in public universities to 84,078 in the 2005-2006 academic year, there were still many qualified students who were denied admission, particularly women. For example, ‘the average male/female enrolment for the past five years (1996/97–2000/2001) was in the ratios 73:27 for the universities and 79:21 for the polytechnics...’ (Baah-Wiredu 2003:5).

Additional statistics at the National Council for Tertiary Education (NCTE) show low rates of women’s participation and enrolment at the tertiary education level in the country. For example, in the 1999-2000 academic year, the total number of qualified applicants for HND programmes in polytechnics was 21,616, of which 73.1 per cent were male and 26.9 female. Out of this, 79.9 per cent (i.e. 5,810 male applicants) and 20.1 per cent (i.e. 1,464 female applicants) were admitted to pursue different programmes at the polytechnic institutes in Ghana. To remedy this circumstance, Section 2 of the GETFund Act 581 enjoins the Board of Trustees to provide funds to promote and support the advancement of female education in the country.

Part of the effort to ensure gender parity is echoed in the Girls Education Unit (GEU), established in 1997 to facilitate and promote gender-sensitive policies at the pre-tertiary education through curricular restructuring, and child rights promotion at the girls' schools. The GEU has succeeded in establishing a scholarship scheme funded by the GETFund to support girls' education. Additionally, other endowment funds such as the Otumfuo Education Trust Fund support this noble initiative. Girls' enrolment has increased over the years. Gross enrolment ratio has improved from 75.5 per cent in 1987-1988 to 80 per cent in 2002 while the gender gap in favour of boys decreased from 10 per cent in 1987-1988 to seven per cent in 2002. In 2004, the GETFund Board of Trustees, in their yearly disbursement, allocated ₵18.7billion to improve the dormitories of the 25 Girls Schools in the country. As well, 60 per cent of the scholarship fund goes into the advancement of women with proven outstanding academic records who demonstrated financial need to pursue advanced schooling. The weakness here is that most outstanding students are those who typically have well-to-do parents, who probably live in the urban centres and attended one of the elite private or international schools, and also received out of class supplementary instruction to aid their academic performance. Thus, even though the objective of ensuring equity and social inclusion is quite a laudable one, families' socio-economic status and spatial conditions are limiting factors in ensuring access by all groups. Nevertheless, the GETFund's objective of supporting students with loans and other scholarship remains a top priority to the Board of Trustees.

Establishment of Student Loan Trust (SLT) and Scholarships for Needy Students

Student loan schemes have become one of the alternative but controversial solutions to the financial challenge facing colleges and universities everywhere. They provide considerable financial relief for students and also make beneficiaries responsible for some of the cost of their education. Regardless of the previously discussed challenges faced by the SSNIT loan scheme, Ghanaian students have accepted loans as an alternative mode of financing higher education. Section 2(c) of the GETFund Act 581 requires the Board of Trustees to 'contribute monies from the fund towards the operation of loan schemes for students in accredited tertiary institutions through loan scheme mechanisms and agencies, approved by Minister' (Parliamentary Debates Official Report 2000:616). Since its establishment, the GETFund has been dispensing money through the SSNIT for the successful operation of the student loan scheme. In 2005, the Board announced the establishment of the Student Loan Trust (STL). The GETFund provided ₵32 billion, ₵30 billion and ₵60 billion

from 2003 through 2005 respectively to support students through the scheme. The GETFund has established a thirteen-member Board that manages the disbursement of student loans.

The Board of Trustees allocates a substantial part of its appropriations to the scholarship secretariat for qualified, needy and academically promising students. A former trustee of the Board believes that some sections of the public have expressed concern about the inappropriate administration of scholarship monies to the right person. But he argued that technical difficulties such as the lack of reliable household income data hinders the ability of the GETFund and even the scholarship secretariat to identify who is truly needy. It is an undeniable fact, that even though Ghana collects census data every ten years, information about individual annual incomes are limited. Determining neediness using information about family household income and earnings is quite difficult, particularly when the majority of the people work in the informal sectors of the economy. It is also difficult to determine expected family contribution towards children's education and whether or not an individual is eligible for scholarship. In the end, scholarship money may not fall into the hands of the true needy. Instead, the already elite students who have had access to better secondary school education through the status of their family may obtain the financial award. This also applies to student loans allocation. In principle, the new student loan is being implemented based on need assessment approach, but practically, access to accurate and reliable socio-economic data is hard to get, ultimately defeating the need-based purpose. Typically, all students are considered needy; however an alternative mechanism where the student's loan amount is determined by the academic programme of study is being pursued, albeit it does not in practice eliminate this problem. It provides more loan amounts for students in the sciences than their counterparts pursuing degree programmes in the arts, social sciences and humanities. For instance, the yearly loan amount in the 2008 academic year was €4.2 million and €3.8 million for students in the sciences and humanities disciplines respectively.

Promoting Science, Mathematics, Technical and Vocational Education

Scientific, technical and vocational education constitutes one of the major sustaining engines for national economic and technological development. In the past, science and technical education did not receive the necessary impetus it deserved in Ghana. For example, one of the functions of technical and polytechnic education is the training of middle class technology-based citizens who can help in the industrial and technological base of the economy. Until now, this subsector has not been given the deserved attention. Lack of policy

planning and focused leadership, and inadequate financial resources to support programmes are among the major hindrances. In accordance with government's policy of revitalizing vocational, technical and science educational objectives, the GETFund Board, since its creation, has been reviving the state of technical and vocational education by giving this sector a sizeable amount of its disbursement income to improve facilities, projects and programmes. One notable development is the provision of funds for the Vocational and Technical Education (VOTEC) projects. A review of a policy document at the Ministry of Education Youth and Sports shows that the GETFund is financing 20 vocational/technical resource centres in the country. In 2005, the Board of Trustees allocated ₵40 billion to revamp VOTEC projects as part of the implementation of government policy on Technical and Vocational Education Training (TVET). As a student leader noted, 'the GETFund is aggressively developing technical and polytechnic institutes to open more avenues for post secondary education in the country. Kumasi Polytechnic is seeing major infrastructural development' (Excerpt from an interview with Polytechnic Principal at Kumasi, August 2005).

In addition, universities are not well equipped with science laboratories to facilitate effective science education. Providing financial support to enhance science education in Ghana is a prime concern of the GETFund's Board of Trustees. GETFund documents reviewed indicate the fund's major contributions to institutions in the form of equipment, laboratory chemicals and other basic amenities to aid science education. This was clarified in an interview with the administrator of the GETFund:

Some of the achievements made by the Ghana Education Trust Fund since the past four years include the completion of a thirty-year chemistry lab at the University of Ghana; and structural upgrading of Kumasi, Accra and Ho polytechnics to enable them start degree programmes. We have also provided computer laboratories to all the tertiary institutions in the country. (Interview with an official at the GETFund headquarters, Accra, August 2005).

Similarly, an interview with a member of parliament also revealed that 'most of the institutions have received support from the GETFund for the purchase of office equipment such as computers, photocopiers, printers and chemicals to aid science education' (September 2005), confirming the administrator's assertion. Whereas these excerpts remained the stories told by participants of the study, my personal observation of developments at the various campuses was a direct witness and testament to the contributions to the fulfilment to GETFund's statutory objectives enshrined in Act 581. At the time this study

was conducted in 2005, the researcher observed the following during the field trip. In terms of construction, twelve bungalows, a students' hostel and a lecture theatre had been completed at the University of Ghana, Legon and two staff bungalows each at the Kwame Nkrumah University of Science and Technology and Cape Coast University. There were several construction works at various stages of completion.

However, the GETFund does not only support physical infrastructure like commodious buildings, but is also helping in the provision of other educational facilities to enhance quality, teaching and learning at all levels. For example, it supports the development of Information and Communication Technologies (ICTs) infrastructure. The GETFund is developing a comprehensive programme to connect all secondary education to the ICT grid. Most of these schools function without proper communication channels. By supporting ICT development, the GETFund has helped to improve distance education at the University College of Education, Winneba. This has improved access for non-traditional students, especially mature and adult students who are making use of the non-residential learning facilities offered by universities and polytechnics. Through the injection of ₵839.3 million to facilitate the co-ordination of distance education in the University of Cape Coast and the University of Education, Winneba, enrolment in distance education at the various campuses increased from 750 in 2002 to 3,618 in 2003 (Osafo-Mafo 2004). In view of the aforementioned contributions of the GETFund to education in fulfilment of its statutory obligation, it is needless to say that with the remarkable infrastructure developments, the GETFund is creating the avenue to expand access to higher education through space.

Whereas the GETFund's primary objective has been focused on infrastructure and other student development programmes – loans scheme and scholarships – the fund also provides considerable support for research and faculty development, one of the key functions of the modern university as the hub of knowledge production and utilization.

Research and Faculty Development

For higher education to thrive in Africa, there is a need for universities to transcend the boundaries of learning and teaching and include active research into the curriculum. It is out of the investment in research that innovation, creativity and advancement can take place at the universities. As Benneh (2002, p. 250) suggested, 'through research, universities generate new knowledge, which contributes to solving societal problems, impart problem-solving skills to their students and produce a stream of young researchers that can sustain the university enterprise'. Unfortunately, universities in Ghana have not been

able to break through the constraints of financial austerity in order to penetrate the realm of knowledge creation, production and utilization. The consequence of this constraint is the inability of universities to exchange and transmit scholarly and scientific knowledge with other countries. The World Bank (2000) for example noted that:

The inability to pursue research isolates the nation's élite scholars and scientists, leaving them unable to keep up with developments in their own fields. As research universities lose their ability to act as a reference point for the rest of the education system, countries quickly find it harder to make key decisions about the international issues affecting them (p. 32-33).

Many of these problems facing institutions in Africa are directly related to the financial challenge faced by the general economy. Participants in the study acknowledged the importance of faculty research and development in developing higher education institutions. For example, a former Board of Trustee member stated that:

The importance of research to national socio-economic development is very obvious to the administrator and the GETFund Board of Trustees. Last year (i.e. 2004) we allocated about 18 billion cedis to the NCTE for the support of research. We expect this amount to increase in the future once the perennial and fundamental problems of infrastructure and accessibility to universities are minimized (August, 2005).

The GETFund's Board of Trustees earmarks a certain percentage of the yearly appropriations to faculty research and development. Allocation for research and development was 7.2 per cent amounting to ₵28 billion in 2003. This amount increased to ₵35 billion constituting five per cent of the total approved amount in 2004; and ₵18 billion was allocated in 2005 fiscal year. These provisions are in line with Section 2 (d) of Act 581. The amount is channelled through the National Council for Tertiary Education (NCTE) for students and faculty members, first to increase faculty retention and second to support faculty in their specific research. A university vice-chancellor stated:

The GETFund is sponsoring over 60 people to pursue postgraduate studies in areas that are critical to national development both in Ghana and abroad. However, because of past experience of poor returning rate of sponsored individuals to study abroad, programmes are designed on 'split sites' basis ... beneficiaries are required to return home and complete the programme in Ghana (September 2005).

This is in line with the GETFund's objective to support the training of individuals and the financing of research projects in order to improve the quality of teaching and learning inside the country. The fund also provides support for personnel and student maintenance costs, infrastructure maintenance, libraries, equipment and supplies to promote effective research. The Board believes that research plays an important role in the nation's economic development. The GETFund is greatly influencing higher education development in Ghana by creating dynamic avenues for faculty members to access funds for specific research from the National Council of Tertiary Education. Providing funds and scholarships to support local and foreign postgraduate studies is a notable achievement and fulfilment of Section 2 (d) of Act 581. Nonetheless, the GETFund does not operate without policy challenges. In what follows, some of the policy glitches receive elaboration.

Challenges and Policy Concerns

In spite of its achievements towards the fulfilment of its objectives, the implementation of the GETFund has also faced some challenges. Misappropriation of the fund was alleged in its initial years. The president of the NUGS in 2004 for example filed a legal suit against the government for lack of transparency in the transmission of the 2.5 per cent VAT from the IRS to the GETFund account. In the 2003 budget statement, the government agreed to 'ring fence' the debt for five years for an estimated annual installment of ₵43.1 billion as arrears owed to the fund. The government appoints the administrator who oversees the management of the fund even though the Board is independent. Some sections of the public have expressed concern about 'meddling' decisions of the administrative head by the government. For example, using GETFund money to support the President's Special Initiative (PSI) projects was criticized by some of the student leadership as a tool of political engineering on the part of the then New Patriotic Party ruling government to gain popularity on the various campuses. However beneficial PSI funded projects are, it is important to note that critics have legitimate cause to voice their opinions about how each cedi of the GETFund is expended. Nonetheless, the role played by parliamentarians provides some control over the management of the Fund. Yearly disbursements are subject to strict parliamentary approval, which serves as checks and balances over the policy implementation process. Of course, considering the fact that ruling governments have a majority in parliament, the tendency of having majority support on such policy decisions cannot be overruled.

Fuethermore, the newly created Student Loan Scheme (SLT) has the potential of improving the accessibility of higher education for students from a lower socio-economic background. It offers students the opportunity to con-

tribute and share part of the cost of their education. Unfortunately, the interest rate pegged at the 182-day Government of Ghana Treasury Bill (currently 10.21 per cent) plus two per cent, is likely to put students into debt in a country faced with microeconomic instabilities such as inflation and the devaluation of the cedi, while incomes remain the same. This situation makes it very difficult for parents and students to afford the cost of higher education. In theory, the loan scheme follows a blueprint to be implemented on a needs-based approach. Practically, it is quite difficult because of the lack of reliable and accurate data on individual's household income. What comes close in this approach is that unlike the previous SSNIT scheme, loan disbursement currently considers students' degree programmes. As well, awarding scholarship to 'academically brilliant' students is a step in the right direction. But how do we ensure fairness and equity in a country where a greater percentage of tertiary education students are those who, as a result of their social and economic background, have benefited from better pre-tertiary education? This reinforces accessibility to the already privileged. As noted by Sawyerr (2008, p. 1) in his presentation notes, the increasing competition for places in leading public universities tends to screen out students from poor backgrounds or disadvantaged areas, leading to new forms of social exclusion. Children of the wealthier, better educated and geographically better located are those at the advantaged position. This situation leads to the advantages of one generation being reinforced in the next, which further accentuates social exclusion. Eventually, children of the wealthier who are admitted to the leading public universities are the same who received scholarship money, defeating the principle of equity and needs-based approach to scholarship award.

Recommendations

The Ghana Education Trust Fund is similar to the Nigeria Education Trust Fund and has the potential for replication and adaptation by developing countries facing similar financial conundrums in their higher education systems. However, to sustain the Fund for the benefit of posterity, it is very important to maintain a high level of transparency. It would be desirable for Parliament to provide a legislative instrument that increased the autonomy of the Board to improve management efficiency, particularly the transfer of the 2.5 per cent VAT from the Internal Revenue Service (IRS) to the GETFund account. Information given to the internal and external auditors should be published for review by interested citizens. Not only will this improve the transparency process but also build public and donor trust to continuously support the activities of the Fund.

The Board should also conduct research into the booming investment avenues by ploughing back part of the fund into income-generating activities. For example, the communications sector, particularly the use of cell-phones, is growing rapidly. The majority of university students own cell phones. Establishing a GETFund Communication Network by giving students subsidized calling plans can yield additional income. In order to equip the Board with the necessary expertise on investment opportunities, the GETFund must permanently recruit experts and technical personnel, besides the administrators, to research into and provide strategic advice on viable investment opportunities. This may increase administrative cost, but if such an identified venture is well planned and strategically pursued, it may have positive rates of return.

Evidently, the GETFund as one of the major challenges facing higher education in the country identified the lack of infrastructure at the various campuses. But it takes more than academic buildings to develop an 'Ivy League' institution. The Board should gradually focus on providing a reasonable amount of the Fund to support research management capacity and graduate education at the universities. Postgraduate education will not only provide the human capacity for national development, but also it will provide an avenue for the training of an intellectual corps who will replace the ageing academic staff and faculty.

Fund-raising is an expensive investment. It requires professional staff and infrastructure, particularly if the focus is to raise funds beyond national boundaries. However, if it is well planned and executed through the right target population, it may be another great source of income to the GETFund. The Board may have to research into target avenues of generating additional sources of income to augment the annual 2.5 per cent VAT proceeds. The thousands of Ghanaians abroad would be willing to support such a noble initiative at home. Efforts should be made by the Board through networking with various schools to connect with Ghanaians outside the country for support.

Moreover, the newly created Student Loan Trust Fund (SLTF) by the GETFund has greater potential to improve accessibility and affordability, particularly for underprivileged students. The Board has to strike a balance between the lenders' risk of losing the real value of the loan amount and the students' aversion to taking a loan. Besides, SLTF should be operated on the basis of convenience by integrating the benefits of the mortgage-type of loan and income contingent approach to ensure the sustainability of the Fund. Student loan recovery has always been a problem in Ghana. However, pegging the interest rate at the 182 National Treasury Bill rate compounded annually for the first six years (four years study period, one year of National Service, and a one year grace period) and semi-annually during the repayment period is not con-

venient. As well, the Board should develop effective and efficient co-ordination mechanisms with major foreign financial institutions to enhance smooth inter-bank wiring so that students who find themselves outside Ghana after graduation can easily repay their loans. This was a major problem with the SSNIT loan scheme where people have to wire money through their relatives to repay their student loans. Setting up an international GETFund bank account and publicizing the existence of such an account could address some of the recovery problem.

The upsurge in the expansion of private universities in Ghana is part of the campaign to improve access to higher education. Support from the GETFund will accelerate the missions of these institutions. However, the GETFund should focus on student development and financial support with less support to equipment like vehicles and other capital expenditures to private universities. This is because students enrolled in these universities are paying high tuition and other incidental fees and need more support.

Conclusion

The creation of the GETFund and the imposition of a 2.5 per cent VAT on incomes, goods and services invoked significant public agitation. But it has generated millions of dollars each year nationally for educational sector infrastructure and student assistance programmes. The GETFund law is one of the most transformative pieces of legislation in Ghana's education history. Its contribution towards higher education in Ghana is in direct fulfilment of the objectives spelt out in Act 581. At the political level, there have been complaints about the transfer of the 2.5 per cent VAT from the IRS to the GETFund account. Yet, it has become one of the richest sources of income, complementing government budgetary allocation to higher education. Whereas the GETFund was created as a supplementary income to government budgetary allocations to education, care must be taken so that it does not become a substitute. Overall, the GETFund is making significant achievements and contributions towards higher educational development in Ghana in the areas of infrastructure; student development and support; faculty research and development; support for mathematics, science and technical education, and a robust support to the Ministry of Education and its agencies.

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