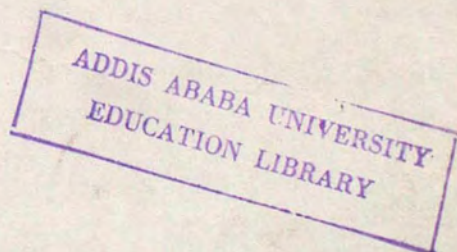


**ADDIS ABABA UNIVERSITY**  
**SCHOOL OF GRADUATE STUDIES**

**ATTITUDE OF STUDENTS TOWARDS COST**  
**SHARING**  
**IN OROMIA REGIONAL COLLEGES**

*BY*  
*ABDENA ANGOS SEGNI*



**JUNE 2005**

**ATTITUDE OF STUDENTS TOWARDS COST-  
SHARING IN OROMIA REGIONAL COLLEGES**

**A THESIS SUBMITTED TO SCHOOL OF GRADUATE STUDIES OF  
ADDIS ABABA UNIVERSITY**

**IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE  
DEGREE OF MASTERS OF ARTS IN EDUCATIONAL PLANNING  
AND MANAGEMENT**

***BY***  
***ABDENA ANGOS SEGNI***

**June 2005  
Addis Ababa**

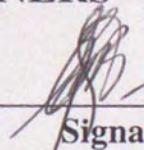
**ADDIS ABABA UNIVERSITY**  
**SCHOOL OF GRADUATE STUDIES**

**ATTITUDE OF STUDENTS TOWARDS COST  
SHARING  
IN OROMIA REGIONAL COLLEGES**

*BY*  
*ABDENA ANGOS SEGNI*

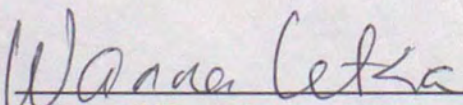
**APPROVED BY THE BOARD OF EXAMINERS**

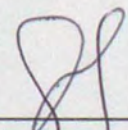
Girmay Berhe  
Chairman, Department  
Graduate Committee

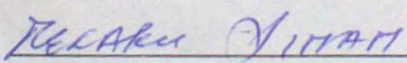
  
Signature

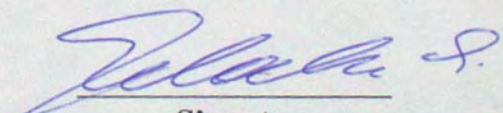
Haileselassie W/Gerima (Assist Prof.)  
Advisor

  
Signature

  
External Examiner

  
Signature

  
Internal Examiner

  
Signature

## Acknowledgements

I would like to express my sincere and whole hearted gratitude to Ato Haileselassie Wolde Gerima (Assist Prof.), my thesis advisor, for his unreserved professional and technical advice. I am very much grateful to him for his constant encouragement, critical review, and comments that enable the completion of this thesis in time.

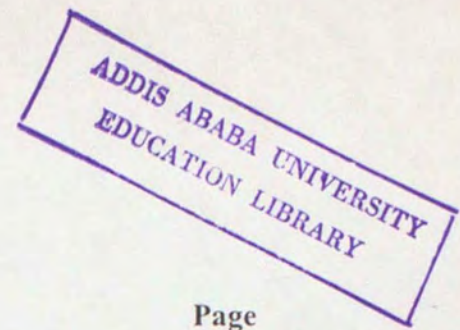
My heartfelt and deepest thank also goes to my wife Addee Woyinitu Gedamu who had been a constant source of encouragement and support. My success in completing this study is to a great extent attributed to her unreserved contribution.

My heart felt thank and appreciation still extends to my mother in law, Addee Zewuditu Feyissa for her provision of special care to my beloved children Segni and Kenna Abdena.

I equally wish to record my indebtedness to Obbo Kebede Ayenachew for his financial and moral support to complete my study. I also want to extend my sincere appreciation to all of my friends who, in one way or another contributed to the completion of this study.

Last but not least, I would also like to express my gratitude to my friend Obbo Surafel Tilahun for his encouragements, constructive comments and suggestions.

Abdena Angos Segni



## Table of Contents

|  | Page      |
|--|-----------|
| Acknowledgements .....   | i         |
| Table of Contents .....  | ii        |
| List of Tables .....   | v         |
| Acronyms/Abbreviations .....                                   | vi        |
| Abstract .....   | vii       |
| <b>CHAPTER I – The Problem and its Approach .....</b>          | <b>1</b>  |
| 1. Introduction .....  | 1         |
| 1.1 Background of the Study .....                              | 1         |
| 1.2 Statement of the Problem .....                             | 6         |
| 1.3 Objective of the Study .....                               | 8         |
| 1.4 Significance of the Study .....                            | 8         |
| 1.5 Delimitation of the Study .....                            | 9         |
| 1.6 Limitations of the Study .....                             | 10        |
| 1.7 Research Design & Methodology .....                        | 10        |
| 1.7.1 Method .....   | 10        |
| 1.7.2 Data Sources .....                                       | 10        |
| 1.7.3 Sample Population & Sampling Techniques .....            | 11        |
| 1.7.4 Data Gathering Tools .....                               | 11        |
| 1.7.5 Procedures of the Study .....                            | 12        |
| 1.7.6 Instruments of Data Analysis .....                       | 12        |
| 1.8 Operational Definitions of Key Terms .....                 | 12        |
| 1.9 Organization of the Study .....                            | 13        |
| <b>CHAPTER II – Review of Related Literature .....</b>         | <b>14</b> |
| 2.1 An overview of Financing Education .....                   | 14        |
| 1.1.1.The Challenges of Financing Education .....              | 15        |
| 1.1.1.1. Population Growth and Expansion of Education .....    | 15        |
| 1.1.1.2. Government Priority of Financing Education .....      | 15        |
| 2.2 Financing Higher Education .....                           | 16        |
| 2.2.1. The Concept of Cost Sharing in Higher Education .....   | 18        |
| 2.2.2. The Rationale for Cost-Sharing in Higher Education..... | 22        |

|  |           |
|--|-----------|
| 2.2.2.1. The Sheer Need for other than Government Revenue .....                  | 23        |
| 2.2.2.2. The Notion of Equity .....  | 23        |
| 2.2.2.3. The Neo-Liberal Economic Notion .....                                   | 24        |
| 2.2.2.4. Who Benefits from Higher Education and Who<br>Should Pay .....          | 25        |
| 2.3. Alternative Strategies for Cost-Sharing Scheme .....                        | 27        |
| 2.3.1. Tuition and Fees .....  | 31        |
| 2.3.2. Mobilizing Greater Private Financing .....                                | 32        |
| 2.3.3. Student Loan Programme .....  | 33        |
| 2.3.3.1. The Need for Students Loans .....                                       | 34        |
| 2.3.3.2. Alternative Loans Scheme Objectives .....                               | 36        |
| 2.4. Some Arguments on Cost Sharing.....   | 36        |
| 2.4.1. The Equity Argument .....   | 36        |
| 2.4.2. The Efficiency Argument .....   | 37        |
| 2.4.3. The Enhanced Student Commitment Argument.....                             | 37        |
| 2.4.4. Argument for and against Student Loans.....                               | 38        |
| 2.4.5. Argument for Effective Management of Student Loans<br>Programme .....     | 39        |
| 2.5. Cost-Sharing Experiences of Some Countries.....                             | 40        |
| 2.5.1. The Experience of Australia .....   | 40        |
| 2.5.2. The Experience of Colombia .....  | 43        |
| 2.5.3. The Experience of Ghana .....   | 44        |
| 2.5.4. The Experience of Kenya .....   | 45        |
| 2.5.5. The Experience of Tanzania .....  | 47        |
| 2.6. Summary of Experiences of Some Countries .....                              | 48        |
| 2.7. Lesson to be Learned .....  | 49        |
| 2.8. The Introduction of Cost-Sharing in Ethiopian Higher Education .....        | 49        |
| 2.8.1. The Rationale of Cost Sharing .....                                       | 52        |
| 2.8.2. The Goals of Cost Sharing .....   | 54        |
| <b>Chapter III - Presentation, Analysis and Interpretation of the Data .....</b> | <b>55</b> |
| 3.1. Characteristics of Respondents .....  | 55        |
| 3.2. Analysis of the Data .....  | 60        |

|   |    |
|---|----|
| <b>Chapter IV -. Summary, Conclusions and Recommendations</b> ..... | 84 |
| 4.1. Summary .....  | 84 |
| 4.2. Conclusions .....  | 88 |
| 4.3. Recommendations .....  | 90 |
| <b>References</b> .....   | 95 |
| <b>Appendices</b>   |    |

## List of Tables

| Table No. | Title  | Page |
|-----------|--|------|
| 1.        | Respondents by Sex, Age and College Type .....   | 56   |
| 2.        | Respondents by years of Study and Qualification .....  | 57   |
| 3.        | Administrators' Service Years in Teaching .....  | 58   |
| 4.        | Student Respondents by Field of Study .....  | 59   |
| 5.        | Students' Awareness of Government's Challenges in Financing Education .....                    | 60   |
| 6.        | Student's Awareness of Government's Challenges in Financing Education by<br>College Type ..... | 63   |
| 7.        | Views on Objectives of Cost-Sharing .....  | 67   |
| 8.        | Views on Rationale of Cost-Sharing .....   | 71   |
| 9.        | Views on the Need to Share Educational Costs .....   | 73   |
| 10.       | Possible Provisions for Students to Accept Cost-Sharing .....                                  | 76   |
| 11.       | Views and Reactions towards Mechanisms applied to<br>implement Cost-Sharing Scheme .....       | 79   |
| 12.       | Preferred Sources of Cost-Sharing .....  | 82   |
| 13.       | Views on Eligibility for Student Loan .....  | 83   |

## Acronyms /Abbreviations

|       |   |
|-------|---|
| B.A   | Bachelor of Art                                   |
| B.Ed  | Bachelor of Education                             |
| B.Sc  | Bachelor of Science                               |
| ETP   | - Education and Training Policy                   |
| GNP   | - Gross National Product                          |
| HECS  | - Higher Education Contribution Scheme            |
| HEI   | - Higher Education Institution                    |
| IT    | - Information Technology                          |
| M.A   | - Master of Art                                   |
| M.Ed  | Master of Education                               |
| M.Sc  | - Master of Science                               |
| MOE   | - Ministry of Education                           |
| MOFED | - Ministry of Finance and Economic Development    |
| SAP   | - Structural Adjustment Programme                 |
| SSID  | - Small Scale Irrigation and Drainage             |
| SSNIT | - Social Security and National Insurance Trust    |
| TTC   | - Teachers Training College                       |
| TVET  | - Technical and Vocational Education and Training |
| UPE   | - Universal Primary Education                     |

## Abstract

A new involving educational cost sharing from the beneficiary was introduced for the first time in Ethiopian HEI in 1994. Under this system the direct beneficiaries- the students are expected to share at least some of their educational expenses. Following the introduction of the system in all public HEI, it has been hypothesized that students may be reflecting a negative perception about cost sharing. The principal purpose of the study was to assess students' attitude towards cost-sharing scheme in Oromia Regional Colleges. Based on the findings of the study suggestions were forwarded. Research questions addressing issues related to students' attitude towards cost sharing were raised. To this effect, the descriptive research method was employed. The survey was conducted on five colleges, which were believed to be a representative of other public colleges in the region. A sample of 403 students and 28 college administrators was drawn using simple random and purposive sampling techniques respectively. The sampled students and college administrators were both from TTC and TVET colleges. Questionnaire was used as an instrument of data collection. The data collected was then analyzed both quantitatively and qualitatively using statistical tools such as percentage, mean, chi-square and t-tests.

The results obtained from the study revealed that the majority of the students were aware of the challenges of the government in financing education. The findings further revealed that objectives of cost-sharing were not widely articulated and were not well-known among the students and college administrators-the rationale of cost-sharing did not convince students to the expected level; the majority of students acknowledged the availability of different mechanisms of cost-sharing scheme implementation; and that the students were willing to accept cost-sharing scheme if certain provisions will be fulfilled /managed.

In light of these findings, the following recommendations were forwarded: providing adequate orientation services to all college students and administrators in order to maximize their awareness and minimize their resistance and misconceptions about cost-sharing; students and college administrators should be well informed about the objectives, rationale and mechanisms of cost-sharing; the government should assist students who deserves support to alleviate or minimize their financial deficiencies; as much as possible, students should be assigned to the field which they are interested more; and the criteria to be used in assigning students to different fields of study should be so rational and transparent.

# CHAPTER I

## The Problem and Its Approach

### Introduction

#### 1.1 Background of the Study

Ethiopian government's commitment to the implementation of ETP dates back to 1994. Article 3.9.1. of the ETP document states that in the policy framework "the priority for government financial support will be up to the completion of general secondary education and related training (grade 10) with increased cost-sharing at higher level of education and training"(ETP,1994:31).

From this policy statement one can deduce two important points. First, the provision of "free public education" up to the completion of general secondary education, and related training (grade 10). This is what ETP of Ethiopia declared under the framework of one of the global issues, which were planned to effective "UPE" by the year 2015. According to this statement education is free of charges for all citizens up to the completion of grade 10. The provision of free education to all citizens up to grade ten may be additional expense to the government

The second point is the need for additional sources of financing (cost-recovery) of education by immediate beneficiaries through cost-sharing scheme. As to this policy statement, learners are expected to pay for at least parts of the cost of their learning. The payments advance with the learners' educational level beyond the completion of grade 10.

The basis for advocating cost-sharing could arise from several factors; some of these factors are:

- Limited public funds relative to the demand for development and expenditure.
- A view that certain members of the society who could afford to pay for service provided by the public sector should be encouraged to do so.
- Efficiency in the provision of public services would be enhanced when society pay for such services.
- Certain needs and services were recurrent and had a personal attention element in them. Such needs would be better met through cost sharing.

- Allocation and reallocation of the resources will be effected more efficiently where and when cost-sharing takes place.

To these effects, a cost-sharing system was introduced in the public higher institutions. In this newly introduced system, universities and colleges are expected to operate in the context of the 1994 ETP in which students are being charged realistic market fees, and those who are unable to pay such fees are targeted for government assistance through different mechanisms such as student loan, targeted scholarship and exemptions of poor students.

Accordingly, students are supposed to pay for food, accommodation and 15% of tuition fees through funds made available to the needy through student loan. Those who can afford to pay are encouraged to do so by not being awarded a loan. The assumption behind the long term benefits of the system are:

- Resources are generated as students pay for their college's education and therefore may value it more highly.
- The universities system can respond more effectively to student demand reflecting relative earning and shortage in the labor market;
- Universities are forced to compete for students in terms of price, quality of education and subsequent marketability of skills provided.

Going further, it is obvious that no education and training system can perform consistently without adequate financing. Such financing is generally based on the principle that education is a service to be provided for the users, and that its direct and indirect beneficiaries should bear the cost (Gasskov, 1994:3).

Government budget, aimed at promoting economic growth and increasing employment, is one major source for financing of education. International consensus views governments as responsible for providing citizens with basic education and technical skills needed for employment. Governments usually do so by supplying general education and entry-level vocational training. Government also provides another important and costly service: training for unemployed citizens (Gasskov, 1994:3)

However, nowadays, there is a global trend to share education costs among government, students, and parents. This is particularly true for higher educations in many countries. This shift is mainly

attributed to the financial incapability of governments to cover all education expenditures through taxes collected from the public.

As Bray (1986:169) and Mbanefoh (1990:175) reviewed educational systems are increasingly running with expanding cost which includes the resources used for provision of infrastructure facilities, equipment, software materials, and payments for teaching and non-teaching staff, boarding expenses etc.

According to the authors, in order to fulfill all these provisions, educational systems need to have reliable sources of finance. However, financing education in many countries had been exclusively the responsibility of governments. This happens to be the case for all educational levels.

With laps of time, however, the sole responsibility of financing education particularly at secondary and post-secondary levels is being shared between governments and individual participants, and students' families. This is referred to as cost sharing in education. Vossensteyn (2003:1) pointed out that especially at higher education levels, cost sharing among taxpayers, donors, parents, students, institutions and entrepreneurs has become a worldwide phenomenon and is almost certainly an imperative for African higher education.

The major justifications for cost sharing are principally related with improving access to, quality and efficiency of education. Although the direction of functional relationship between cost sharing and these variables is difficult to conclude, the fundamental rationale for cost sharing addresses the aforementioned issues (Robinson pant, 2001:185).

To meet these objectives, many countries are using alternative methods of financing education apart from the government (Johnstone, 2003: 3; Vossensteyn, 2003:1). One alternative is cost sharing, which is not a substitute for public funding but a mechanism by which a shift of at least some of the cost burden from the governments or taxpayers to students, parents, etc (Johnson, 2003: 4-5).

Apart from the argument of raising additional resources, according to Ethiopia MOE (2003:7-8), cost-sharing is considered as an instrument to promote the value of training for the trainees, and to make sure that training is provided to committed students; and an appropriate price for the individuals' return of training through increased job and income opportunities. Moreover, to ensure its effective implementation, cost sharing with trainees can be organized in a way of

training fees, through a graduate tax, student-loans scheme, scholarships, and exemption of needy students or through other means of contribution such as work in training institutions.

However, cost-sharing cannot be implemented equitably without functioning student loan program who need to borrow for their education and without scholarship programs that guarantee necessary financial support to academically qualified poor students to absorb the direct and indirect costs of higher education (World Bank, 1994:7). Loans are given to students either by government agencies, Commercial Banks or by other financial institutions with the assumption to be paid back after graduation in cash or in service. It can be lent either interest free or with some interest rates. It can also be given either for all students or for those who may need to be lent (Salmi, 1999:1).

The design, implementation, and management of student loans vary from country to country. Some countries like Australia and Singapore use different government offices whereas others use the social security commission, public or private banks and some other use office internationally established for this purposes (MOE, 2003:10).

Despite the fact that loans overcome government financial constraints, educational research findings and experiences show that in some countries there are problems faced due to loans arising not only from unemployment of graduates but also from poor management of loan recovery schemes. As a result, the money collected from the graduates is exceeded by the administrative costs to collect the loan (Salmi, 1999:5-6; Derebssa, 1998:15; Befekadu, Berhanu and Getachew, 2000/2001:335-342).

Another debate about cost-sharing scheme is that greater cost-recovery will, on the margin, discourage some individuals who would otherwise have attended. However, in most higher education systems, the poor are denied access, not because of user charges but because of poor access to earlier education opportunities, social attitudes to further education (Albrecht and Ziderman, 1992:34; Gould, 1993:57). Thus, the key question here is to what extent the most vulnerable groups are affected and how the government responds to help them.

On the other hand, loan schemes alone will not suffice to enroll low-income students in higher education. Even though their future earnings will be high, students from poor backgrounds are understandably reluctant to take on debt against future earnings that may not seem certain to them

(World Bank, 1995:109). To overcome this problem, the World Bank recommended that targeted scholarships and work-study programs are needed.

Even though cost sharing has been in place now for many years in most parts of the World, its approach is still at an infant stage in most countries of the sub-Saharan Africa like Ethiopia. As far as cost sharing is concerned, in the history of Ethiopian education system, a major turning point occurred in 1994. The Education and Training Policy of Ethiopia indicates that "*the priority for government financial support will be up to the completion of general secondary education and related training (grade 10) with increased cost-sharing at higher levels of education and training.*" (ETP,1994:31). According to this document students are expected to pay for at least part of the cost of their learning.

Cost-sharing approach is commonly advocated in higher education on grounds of efficiency and equity. To this end, the 1994 Education and Training Policy of Ethiopia is at least a theoretical introduction of the issues and concepts of cost-sharing scheme in the Ethiopian Education System.

Coming to the case of Ethiopian educational system, the MOE (2003:1) explained that the Ethiopian governments have been using different mechanisms of motivation to attract students to come to schools since the advent of modern education to the country. Among the mechanisms are, covering education expenditures, accommodation, meal, living expenses and educational materials, healthcare, etc and even to the extent of providing pocket money. Such efforts, along with others, gradually brought a high demand for education in the society.

However, now the situation has changed in that the demand for higher education has increased rapidly, and the problem is not lack of sufficient number of students but lack of universities and colleges: the number of students admitted to universities and colleges has increased rapidly, which, in turn, increases government expenditure on higher education. But due to lack of funds, the public institution's admission capacity could not increase proportionally with the rate increment in the number of high school graduates (MOE, 2003).

All these attempts indicate that additional sources of finance for higher education are needed to expand the supply. One of such sources is found to be cost sharing. A scheme that expresses the immediate beneficiaries of public higher education, starting from formal employment, shall pay the food, housing, medical expenses and fifteen percent of tuition (MOE, 2003). According to

this same document, the major goals of cost-sharing scheme in Ethiopia are to: rapidly increase access to higher education; increase the quality of education; rationally utilize the available resources and develop the culture of saving; and make citizen more responsive and develop cooperation between citizen and government.

To overcome shortage of funds in higher education and to meet the stated goals, cost-sharing seems to be a viable option for higher education financing. Because of this the Ethiopian government has introduced and started to implement cost-sharing scheme beyond the completion of general secondary education (grade 10).

With this guiding principle as one part of the country, Oromia Regional State is expected to implement cost-sharing scheme within its respective regional colleges as per the guidelines of the Ministry of Education. Accordingly, the region is implementing the scheme in eight college- i.e. five teachers' training, and three technical vocational education and training Colleges. Thus it is in light of this framework that the study is designed to access students' attitude towards cost-sharing in Regional Colleges of Oromia.

## **1.2 Statement of the Problem**

The inception of the introduction of cost-sharing at all public higher institutions in Ethiopia in 1994 aimed at reducing educational expenses of the government and instilling a sense of responsibility among higher education students. Furthermore, it was aimed at improving efficiency in resource allocation and utilization. However, judged by the frequent comments, it appeared that the objectives of introducing cost-sharing scheme had not been realized, passing remarks in the media indicated a fall in academic standards, barred students from poor families.

All these indicate that what the government has set out to achieve through cost-sharing scheme seems to be unattainable. Thus, it was imperative to establish some specific data on the attitude of students towards cost-sharing scheme. This study is conducted as an attempt towards this end.

The purpose of this study is therefore, to come up with specific data addressing the attitude of students' towards cost sharing scheme in Oromia Regional Colleges. It was also hoped that based on the findings, corrective measures would be suggested to improve and make cost sharing scheme effective, efficient and beneficial to all the concerned.

Furthermore, following the introduction of cost-sharing scheme in higher education, it is observed that students, parents and the public in general reflected a negative perception about it. The reason is that it may prohibit secondary students' enrolment at colleges and/or university. In addition, the aforementioned justifications for the share of educational cost from the government to students and parents seem to have practical problems and thus are resisted by students, parents, and the general public. Also, the practice of cost sharing is argued against for the fact that it has little impact on the quality of education unless otherwise the revenue collected from students directly go to improve education quality or to expand the system. The argument extended that as evidenced from experience of other countries, there is no evidence to show that efficiency in resource utilization is enhanced because of cost-sharing but rather cost of administration of some of the cost-sharing scheme are quite higher (Robinson-Pant, 2001:185).

Similarly, opponents of cost-sharing scheme tend to relate their argument with Ziderman's (2003:13-15) argument. According to him cost sharing through user fees will discourage participation in formal training programs even by non-poor. Some of these arguments or oppositions are natural but the fundamental resistance or opposition to cost-sharing scheme is technical that cost-sharing mechanism does not or cannot work in Ethiopia as the majority of the people are very poor. Thus, they argue that the government should take the responsibility of fully financing educational system.

On the contrary, others emphasize that the government alone cannot successfully carryout this huge task of financing education and therefore, the beneficiaries should at least share some of the costs of their studies, if not all.

Most importantly, in most parts of the country in general and in Oromia Regional State where the research was conducted in particular, there was perception among parents, students, professionals and the general public at large that the majority of the potential students or their families would not be able to afford the cost needed. Therefore, the challenge of charging of such fees is the fear that it will result in reduced education enrollment and future deterioration to the profile of students, favoring only those from wealthy or middle class families. As a result, the users are tending to resist or oppose the implementation of cost-sharing scheme. However, the main question here is that how rational these resistances, arguments, or oppositions are; as well

as how best the issue of cost-sharing scheme materialized is, which require in-depth research, analysis and workable recommendation(s).

### 1.3 Objective of the Study

The specific objectives of the study were to:

1. assess students' awareness of government's challenge in financing education institutions.
2. assess students' and administrator's views on the rationale and objectives of cost sharing scheme.
3. identify students' and administrators' views and reactions towards the mechanisms applied to implement cost-sharing scheme.
4. find out possible conditions for students to accept cost-sharing scheme.
5. provide suggestions on the effectiveness of cost-sharing scheme

To this end, the study has been guided by the following research questions.

1. Are students' aware of government's challenges in financing education?
2. What are the views of the students' and administrators regarding the rationale and objectives of cost-sharing scheme?
3. What are students' and administrators' views and reactions towards the mechanisms applied to implement cost-sharing scheme?
4. What are the possible provisions for students' to accept cost-sharing scheme?
5. How could cost-sharing scheme be made more beneficial to all parties concerned?

### 1.4 Significance of the Study

To the best knowledge of the researcher, the controversy surrounding the introduction of cost-sharing scheme since its inception in Ethiopian higher education institutions has not been systematically addressed through any formal research or study. Professionals, students and the general public have reported or commented concerns about its problems and weakness as on media, the basis of which most of the time have been short-term informal surveys.

It was hoped that, firstly, the findings of this study would shed some light on and thus create awareness for educational planners and higher education administrators of the region revise the subject under study. Secondly, it was hoped that the study would help Oromia Regional Colleges (state) to formulate realistic strategies in addressing some of the problems faced by the students

as a result of cost-sharing scheme. Lastly, since there was no research conducted so far in the area, it was hoped that the findings of this study would provide specific data to act as a working platform for further studies and revision with a view to making cost-sharing scheme more realistic, efficient and profitable to all stakeholders.

### **1.5. Delimitation of the Study**

The financing of educational system can be studied from different angles such as planning, strategy, administration, utilization and its effect on the overall economic growth and social development of the country. This study is, however, delimited to cost-sharing in general and to the attitudes of students towards cost-sharing scheme in Oromia Regional Public Colleges in particular. The reason is to make the study manageable and within the resource capacity of the student researcher.

The study is conducted in Oromia Regional State. The region is deliberately selected because it is larger both in area as well as in population. College level is chosen as the focus of the study because the currently introduced cost-sharing scheme is mainly targeted at higher educational institutions. Moreover, public colleges are chosen over private colleges for the reasons that one of the goals of cost-sharing scheme is to reduce the burden of educational cost from the government. Private colleges are deliberately excluded, as their source of finance is not the government.

Public Regional Colleges are found in different zones of the region. However, because it is difficult to cover all the colleges, the study is delimited to five colleges found in zones of East Wollega, Jimma, East and West Showa for their adequate representation of the rest of the public colleges currently functioning in the region. Accordingly, from eight colleges, of which five are TTC and three TVET, only three TTC (60%) and two TVET (66.7%), a total of five colleges (62.5%) were included in the study.

As already stated, the study is delimited to five colleges out of eight colleges considering their fields of studies. It is because students of these colleges are more or less similar in their background, in that almost all have completed their secondary school at grade 10. And it is believed that these colleges are adequate samples to represent the rest of the public colleges presently functioning in the region.

## **1.6 Limitations of the Study**

It was extremely difficult to get college deans for interview. Therefore, interview was not employed for the study. Similarly, most college administrators were highly fed up and were reluctant to fill in the questionnaire as a result of which 17 (37.8%) of the 45 distributed questionnaire were not returned. The study could have been more complete had the problems mentioned above been managed.

## **1.7 Research Design and Methodology**

### **1.7.1 Method**

A descriptive survey method was used for this study. Since the purpose of this study is to identify the current attitude of students towards cost-sharing scheme in Oromia Regional Colleges, the problem is approached using descriptive method. Besides, it is an appropriate research method to get a description of current state of the problem by examining and describing the major problems facing college students concerning cost-sharing scheme in the region. Furthermore, the appropriateness of this method in describing what is happening currently and a great many questions in education has been emphasized by Anderson (1990:37); Seyoum and Ayalew (1989:17).

### **1.7.2 Data Sources**

The study tried to gather data from both primary and secondary sources. Accordingly, for this study, the sources of the data were three. The first were documents, which constitute regulations, guidelines, directives, plan for implementation and other cost-sharing scheme related documents. The second were students of the regional colleges while the third source was college administrators. College administrators were selected because of their strategic position and direct involvement in the implementation of the scheme; whereas, students were chosen for the reason that they are mainly the target group of the scheme.

### **1.7.3 Sample Population and Sampling Techniques**

There are a total of eight Regional Colleges governed by Oromia Education Bureau and Capacity Building. These are, five teachers training colleges and three technical vocational education and training colleges.

Three types of sampling techniques were used in selecting the sample population or size. Based on their field of study stratified sampling was used in choosing colleges to have proportional size from different zones. In order to get a stratified sample, all the eight colleges were classified according to their field of study. Accordingly, an adequate sample of three teachers' training (60%), two technical vocational education and training (66.7%) a total of five colleges (62.5%) were chosen purposely from each of the two college groups – TTC and TVET. Purposive sampling was employed to select college type for the reason that each type of college and locality attributed to be represented in the research.

Besides, from 6714 students, 445 (74.1%) were chosen using simple random sampling techniques. This is because this type of sampling technique is unbiased and gives equal chance to the whole population to be selected. College deans were selected using purposive sampling for the fact that they have decisive position in the implementation of the scheme.

### **1.7.4 Data Gathering Tools**

The data for the study was gathered through research questionnaire. This is because it is an appropriate data-gathering tool to obtain information, opinions and attitudes from such a large population for the problem under study.

Accordingly, two sets of research questionnaire constituting close ended question items were prepared to obtain necessary data. The two sets of questionnaire were developed in Afan Oromo and in English for students and administrators, respectively.

Although it was proposed to conduct interview with college deans, this was not possible because of unavailability or unwillingness of the college deans to be interviewed. In addition to primary data sources, the study was reinforced by secondary sources such as books and journals.

### 1.7.5 Procedures of the Study

Before the final form was ready and delivered to respondents, the questionnaire was pre-tested by small similar groups (one section from Nekemte TTC) to see its validity in terms of practical use. Based on the inputs obtained from the pilot test, 7 items that were found to be vague were left out and 11 items were rephrased. Then, the questionnaire was polished and distributed to 490 respondents, collected analyzed and presented.

### 1.7. Instruments of Data Analysis

The Likert scale, which is one of the self-report paper pencil measures of attitude, was employed for the study. The scale involves statements or items developed by the research on the issue of cost sharing to which the respondents expressed their degree of agreement and disagreement in five point scales. The rating was made in to five points scale representing 5-strongly agree, 4-agree, 3-undecided, 2-disagree and 1-strongly disagree.

After the collected questionnaires were returned from respondents, the process of tabulation was carried out. Then, depending on the questions, different statistical tools such as percentage, mean, and Chi-square were employed for data analysis to explore and describe differences between student and administrator respondents. Alpha value =.05 level was used to test all statistical significant differences employed in this study, which was decided before the analysis of the data.

### 1.8. Operational Definition of Key Terms

Terms that carry a unique meaning for the purpose of this study are defined as follows:

**Attitude:** a student's feelings or tendencies to feel and behave towards cost-sharing scheme.

**College Administrators:** deans and those teachers who are stream/department heads.

**College Type:** Teacher Training College and Technical Vocational Education and Training College.

**Cost-sharing-** a scheme by which all beneficiaries of public higher education institutions and the government share the cost incurred for the purposes of education and other services.

**Graduate Tax** a scheme by which an amount is deducted from income in the form of a tax to be paid by a beneficiary who has been obliged to share the costs of his higher education.

**Higher Education-** Education and/or training offered to students who attend programmes in regular after they have completed secondary education

**Public College** – Colleges financed by the state.

## **2.1.1 The Challenges of Financing Education**

### **2.1.1.1 Population Growth and Expansion of Education**

Population growth and the expansion of education here mean that education systems need more finance, as related to the number of students and teachers and improved learning conditions. The number of school places needed is linked, first of all, with changes in the population growth. Whereas the population of children below 15 years of age has diminished over the last 20 years in developed countries, on the contrary it has increased considerably in the developing countries by 31 percent. The African countries, south of the Sahara have experienced the biggest increase 89 percent followed by the Arab States 75 percent (Kitaev, 1996:3).

Despite presumptions of a drop in fertility, population forecasts for the beginning of the twenty-first century foreshadow still greater increase in the number of births. The number of children under 15 in the world increased by 12 percent between 1990 and 2000 and 26 percent between 1990 and 2025. The decline in population in the developed countries should continue, and the biggest increase is projected in the countries of sub-Saharan Africa, by 105 percent between 1990 and 2025 (World Population Projection 1989-90 edition cited in Kitaev, 1996:36; Vandyke, N. P. 2001:29).

The impact of these population trends on the intake capacity of education systems is made greater by the expansion of enrolments. The financial implications of population growth and development of education therefore, requires greater allocation of education budget to keep up with ever increasing enrolments. Thus, when we see from financial perspective, population growth implies that educational institutions at all levels are facing the problem of financial resources as governments seek to respond to the claims for educational demands.

### **2.1.1.2. Government Priority of Financing Education**

It seems that there was agreement that there is a real need to protect education at fundamental stages. At this level, it is the responsibility of the government to guarantee the right of all children to receive a minimum of education, for their own personal development, and for the benefit of the society. Basic education should be kept free, to allow children from the poorest families to attend school, in accordance with the constitution of the countries (World Bank, 1995:110; Kitaev, 1996:6).

### **1.9 Organization of the Study**

This study has been organized in four chapters. The first chapter deals with introduction (background), statement of the problem, objectives limitation, delimitation, significance of the study, the research methodology and definition of terms. The second chapter presents the review of related literature. The third chapter consists of data analysis, presentation and interpretation. The summary, conclusions and recommendations are presented in the fourth chapter.

## CHAPTER II

### Review of Related Literature

#### 2.1 An Overview of Financing Education

Education is both a private and social investment that is shared by individual students, their families, employers, government and other groups including international agencies. The sharing arrangements vary considerably from country to country, both in proportions of public and private funds allocated to education and in the mechanisms by which the costs of education are financed. Most of the expansion of education is financed by increased public expenditure as a whole (Psacharopoulos and Woodhall, 1985:128).

Today there is increasing evidence of financial constraints and in many developing countries the proportion of the government budget and GNP devoted to education has begun to decline. Although the social and private rates of return to investment in education still seem to be high in many countries and the private demand remains strong, the governments are no longer willing to allocate an increasing share of public expenditure to education. The World Bank has emphasized that the increasing demands of education on public finance at a time when government funds are stagnant or even falling in many developing countries can only be resolved by either finding additional sources of financial support or reducing unit costs through greater efficiency. Developing countries are exploring both possibilities (Psacharopoulos and Woodhall, 1985:128-129).

Obviously, education financing is typically one of the largest items of government expenditure, often claiming as much as one fifth or more of the total budget. Spending on education increases in line with population and income growth and is a long-term investment that requires predictable income sources (World Bank, 2001:23).

The above notion seems to suggest that unless the government can mobilize resources particularly finance from stable sources, it will be unable to meet their core responsibilities in the social sectors and infrastructure or to provide the institutional framework needed for development.

## **2.1.1 The Challenges of Financing Education**

### **2.1.1.1 Population Growth and Expansion of Education**

Population growth and the expansion of education here mean that education systems need more finance, as related to the number of students and teachers and improved learning conditions.

The number of school places needed is linked, first of all, with changes in the population growth. Whereas the population of children below 15 years of age has diminished over the last 20 years in developed countries, on the contrary it has increased considerably in the developing countries by 31 percent. The African countries, south of the Sahara have experienced the biggest increase 89 percent followed by the Arab States 75 percent (Kitaev, 1996:3).

Despite presumptions of a drop in fertility, population forecasts for the beginning of the twenty-first century foreshadow still greater increase in the number of births. The number of children under 15 in the world increased by 12 percent between 1990 and 2000 and 26 percent between 1990 and 2025. The decline in population in the developed countries should continue, and the biggest increase is projected in the countries of sub-Saharan Africa, by 105 percent between 1990 and 2025 (world population projection 1989-90 edition cited in Kitaev, 1996:36; Vandyke, N. P. 2001:29).

The impact of these population trends on the intake capacity of education systems is made greater by the expansion of enrolments. The financial implications of population growth and development of education therefore, requires greater allocation of education budget to keep up with ever increasing enrolments.

Thus, when we see from financial perspective, population growth implies that educational institutions at all levels are facing the problem of financial resources as governments seek to respond to the claims for educational demands.

### **2.1.1.2. Government Priority of Financing Education**

It seems that there was agreement that there is a real need to protect education at fundamental stages. At this level, it is the responsibility of the government to guarantee the right of all children to receive a minimum of education, for their own personal development, and for the benefit of the society. Basic education should be kept free, to allow children from the poorest families to attend school, in accordance with the constitution of the countries (World Bank, 1995:110; Kitaev, 1996:6).

It is also explained in many literatures that education is a human right, a notion generally accepted throughout the world. This was enshrined in 1948 United Nations Declaration of Human Rights and has been reiterated in many international and national documents since that time (Bray, 1996:1). Hence, if education is accepted as a human right one must ask who should provide it to meet that right and who should pay for as well.

As per the declaration, education shall be free, at least in the elementary and fundamental stages and the government should be responsible for most of or all costs. The child shall be entitled to receive education, which is free and compulsory at least in the elementary stage (Bray, 1996:2).

While basic education will definitely remain free in most countries, post-basic education, in particular, higher education, is already experiencing changes in terms of cost-saving such as tuition fees (World Bank, 1995:110; Kitaev, 1996:43). Governments need to look at the whole educational sector before setting priorities. Countries that have yet to achieve universal basic education will need to pay attention to all levels of education, using economic analysis to guide their decision on which investments will have the greatest effect (Burnett, 1996:219).

Public investments focused on basic education rely more on household financing for higher education. The case for public financing of education is strongest at the basic levels, although the precise definition of basic education is country specific. At the same time, advantage should be taken of any willingness to pay for higher education by sharing its costs with the student and their parents; governments can also help by bearing some of the risks to correct capital market failures that preclude financial institutions from lending for higher education (Burnett, 1996:219).

When we look at priorities, "the public sector in low income countries should concentrate its efforts on primary education". One of the reasons behind this choice of priority lies in the high cost of higher education and the desire not to divert resources which can solve the problem of illiteracy and primary or basic education for all (Woodhall, 1991:48).

## **2.2. Financing Higher Education**

Full public financing of higher education, while theoretically questionable, might have been feasible at a time when higher education was served for a selected few and public resources were buoyant, but at a time when system of higher education in many developing countries have become mass institutions with broad functions of training and knowledge generation, this

financing arrangement is no longer feasible and may in fact, have counter productive in its effect on quality of teaching (Derbessa, 2003:115).

This shows that government financing is likely to remain the dominant source of financing for higher education institutions in most countries. Because of this, the financing of education and training is of increasing concern to governments of many countries. This renewed interest is often due to adverse economic and financial conditions, but is also linked to the search for cost-effectiveness in a context of intense international competition (Atchoarena, 1996:1; Promise and Peril, 2000:54).

In many developing countries the central government funds national universities. In some countries, however, a system of private universities are funded by different organizations (religious, professional) runs parallel with the public higher education institutions. So long as resources permit, problems may not arise, but most developing countries face grave constraints resulting in excess enrollment and scarce resources (Ransom, A. et.al 1993:9; World Bank, 1995:111).

In the face of growing excess demand, expecting the state to be able to continue increasing subsidies to the higher education sector would be unrealistic. Such subsidies generally have their origin in social traditions, values, historical precedents, and political dictates rather than in efficiency and equity considerations (Ransom, et.al 1993:9). Under these circumstances, countries are exploring different strategies to reduce or shift the costs of maintaining higher education institutions from central funds to other sources of finance to ease the public burden.

Currently, however, there are both efficiency and equity concerns for continuous expansion in public funding for higher education. The expansion of heavily subsidized higher education has taken the public resources away from the lower level education (Chung, 2003:21).

With this recognition that the state can no longer assume alone the financial burden of higher education had led to the development of new models of government intervention one of which is cost sharing. The effort of government to share the cost of higher education with other members of society has now become a global phenomenon, affecting both developing countries and industrialized nations (Gasskov, 1994).

Apart from being an expression of cold pragmatism compensating for the decrease in government spending cost sharing corresponds to the belief that the financial burden of education should be

distributed among all beneficiaries. Hence, the beneficiaries who take the advantage of higher education should contribute to the cost of their higher education.

Generally, the objective is not only to mobilize new resources of funds to improve teaching and research, but also to use the existing resources more efficiently and equitably. Yet, the central issue is to define who should pay, how much, for what kinds of education, and when such payments should be made.

### **2.2.1. The Concept of Cost-Sharing in Higher Education Financing**

The term "Cost-Sharing refers to the process of recovering part of the expenditure incurred in the provision of any service from the beneficiaries of that service." (Zezeza and Adebayo, 2004:159). The key word 'part' implies that cost is shared between two or more parties in the provision and delivery of a service. The question of how to share this cost or the approximate mix among the sharing parties usually constitutes a major policy issue.

With respect to higher education, Johnstone (2001a) cited in Zezeza & Adebayo, (2004:159;Kimba, 2004:54) defines cost-sharing as "a process of shifting of at least some of the higher educational cost burden from the governments, or tax payers, to parents and students". And cost sharing, they states is most associated with tuition and fees, or "user charges", especially on governmentally-or-institutionally provided room and board.

It can, therefore, be said that cost-sharing is a revenue diversification and generation policy that recognizes the need for beneficiaries of higher education to pay something for the cost of their education in order to keep the system on a sustainable path (Zezeza & Adebayo, 2004:160). Besides, as an ideologically based policy, Zezeza & Adebayo, (2004:160) stated that cost sharing is predicated on the belief that no service should be provided free of charge to the people by the government.

Johnstone (2001a, 2001b) cited in Zezeza & Adebayo (2004:160) has identified the principal parties that can share the cost of higher education. These are the government, parents, students, and individual or institutional donors. In other words, with the required dose of political will and determination, governments can devise mechanisms for shifting parts of the financial burden of education to individual students and their families, to employers or to local communities, and not

just central governments (Psacharopoulos (1982) cited in Zeleza & Adebayo, 2004:161). Going further, Johnstone identified six forms of cost-sharing as follows:

1. The beginning (or introduction) of tuition where higher education was formerly free.
2. The very sharp rise in this tuition where public sector tuition has already existed.
3. The imposition of 'user charges', or fees to recover the expenses of institutionally provided and formerly heavily subsidized residence and dining halls.
4. The diminution of student grants or scholarships
5. An increase in the effective cost-recovery on student loans.
6. The official encouragement, and frequently a public subsidization, of a tuition dependent private higher education sector.

Accepting these concepts as a framework of analysis that higher education is both a public and private good and costs should be shared among stakeholders under certain conditions, taking due cognizant of different notional contexts for a current debate on education as a public good is becoming the hot issue of the day.

The notion of education as a 'public good' implies that the benefits of education accrue indirectly and externally to the whole society by contributing to higher productivity, positive social, political and cultural change and overall national economic growth (Psacharopoulos, 1985; World Bank, 1994). There is, therefore, a strong basis for public intervention in the financing of higher education. Some evidences on public subsidization in Africa, however, show that even though spending per higher education student has fallen, subsidization is still very high (Zeleza and Adebayo, 2004:161).

On the other hand, as a 'private good', education generates direct benefits in the form of increased earnings and social gains to the educated person. The high private rates of return to investment in higher education should justify private financing by students or families, though immediate or deferred cost sharing (Zeleza & Adebayo, 2004:161). Higher education financing, therefore, should be seen from the point of view of individual and justify private financing mainly by the argument for profitability to the student.

Furthermore, globally, governments are supporting the view that as there is a high rate of return to higher education over time then it is only fair to expect that recipients of a university education

should share in the cost associated with that education. What is also more apparent is that more of the financial burden for paying higher education tuition and fees are being shifted from governments (tax payers) to student and/or families. As Johnstone (1986, 1992, 1993, 2000) cited in Zeleza and Adebayo (2004:84) this practice of shifting the burden for paying higher education from government to students and/or their families is known as cost-sharing or revenue diversification.

### **2.2.2 The Rationale for Cost-Sharing in Higher Education**

All governments throughout the world are facing greater pressure to limit the public expenditure on higher education and dealing with more pressing social needs as HIV/AIDS, poverty and crime (Zeleza & Adebayo, 2004:84). In addition, the cost of a university degree has become expensive as universities are facing a greater demand for higher education by high school graduates elsewhere. The rapidly expanding primary and secondary school enrolments, increased demands for skilled labor, and the growing perception of higher education as a path to individual prosperity fueled pressures to expand education opportunities (Shimelis, 2004:16).

However, financing higher education in most countries had been the sole responsibility of the respective governments which happens to be the case for all education levels. The resources allocated by the government to all educational levels failed to keep pace with increased demand and enrolments. Because of the financial constraints facing the public sector and the high expenditures incurred in recent years, most governments recognized that it could not fully finance education at higher levels or use their resources efficiently. This is partly because education system competes for public resources with the other sectors of state activity and has therefore suffered from the general budgetary restrictions (Kitaev, 1996:40).

With laps of time, however, this sole responsibility of government financing of education particularly at secondary and post secondary levels is distributed between governments or taxpayers, individual participants and their families, referred as cost sharing in education.

As a result of these, nowadays, there is a global trend to share a burden of education cost among the beneficiaries. This shift is mainly attributed to the financial incapability of governments to cover all education expenditures through taxes collected from the public. The result has been gradual introduction of cost sharing with the most obvious sources of additional income from the direct beneficiaries of higher education – the student (Gill et.al, 2000: 383).

To meet this objective, in both developed and developing countries, the level of public support for higher education has been reduced, and institutions have been encouraged or forced by economic pressures to seek new sources of funds – cost sharing with beneficiaries. This funding of higher education institutions and the balance between public and private finance will remain the subject of debate in many countries (Woodhall; 1990:20).

Equally, the subject of debate over educational cost sharing is how much and what type of financial support should governments provide for students in higher education, and how the costs and the benefits of education should be shared.

Regarding these basic issues, Johnstone (1986) cited in Woodhall, (1991:22) examines the way the costs of higher education are shared between four partners: students, parents, taxpayers and institutional donors. He pointed out that regardless of the system, society, or country, the direct costs of tuition and the indirect costs of student maintenance and earning forgone must be shared by some combination of these sources of revenue. He further concluded that despite the differences in the balance between public and private contributions, and in mechanisms of funding higher education in different countries, all the countries have to rely on a contribution of these four sources.

The declining quality due to over crowding, growing demand for access and constraints on government budgets imply that higher education system must seek alternative sources of income. The most obvious source of income is from the direct beneficiaries- the students (Albrecht and Adrian, 1991:1).

Many governments also argue that student support is justified as a means to enable students to attend higher education while they are not earning income. In other instances, student support is part of a general welfare policy that relies on progressive taxation to redistribute income: students are entitled to a minimum social income while the forgone earnings (Albrecht & Adrian, 1991:1). The combination of these rapid expansion, macro economic difficulties, and commitments to student support has left governments seeking means to relieve budgetary pressure.

In the developing world, slowing growth during the 1980s and rising costs of providing training at internationally competitive standards have also led to a further erosion of institutional capacity. In addition, resource constraints for higher education institutions are compounded by government commitments to subsidize students living expenses. In many instances, government expenditures

on student support has equated or even surpassed educational expenditures (Albrecht & Adrian, 1991:1). In an attempt to ease the burden on the public budgets, a number of countries have introduced cost-sharing schemes, hoping to share educational expenditure and increase the revenue base for the expansion of education (Ziderman, 2003:13).

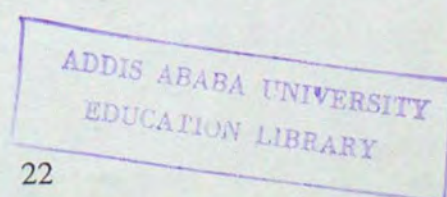
With these basic ideas, in educational cost sharing schemes learners are expected to pay for at least parts of the cost of their learning. This approach is commonly advocated in higher education on the grounds of efficiency and equity. This is to mean that cost-sharing or cost-recovery is believed to bear to a more efficient use of public and private resources," to increase the equity of educational systems which tend to attract elites or produce future high income earners, and to provide an expanded source of revenue to support more educational opportunity and better quality (Albrecht and Adrian, 1991:1).

Similarly, cost sharing is seen as an instrument to increase the value of the education and training for the learners or trainee, and to make sure that education and training are provided to committed students. It is also seen as an appropriate price for the individual return of education and training through increased job and income opportunities (MOE 2003:6).

In many instances, imposing cost-sharing either for living expenses or for instructional costs, have proven politically difficult, and has raised the problem of how to relieve the pressure on students who can not afford to pay. To solve this problem, many economic literatures have advocated student loan to enable students to defer payment for the costs of attending higher education until they are earning incomes.

Cost-sharing is also effective because learners bear the marginal costs of their education. They therefore, make better (less wasteful) choices and study harder. It is equitable in theory because it asks those who benefit from education to pay for it. However, if cost-sharing schemes are not introduced carefully, they can make it difficult for low income learners to obtain additional education (World Bank, 2003:79).

Furthermore, writers, like Johnstone and Preetishroff, (2003:2-3) provide three main extensively explained reason for arguments behind cost-sharing which considerably differ in the underlying economic, political, and ideological assumption. These are:



### **2.2.2.1 The Sheer Need for other than Government Revenue**

This is associated with the dramatic increase in demand for higher education, which is recognized as a major engine of national economic growth and provider of individual opportunity and prosperity. The demand pressure is a function of demographic pressures, which is compounded by increasing secondary school completion rates. This in turn increases the number of those who want to go to higher education. The needy adults formerly passed by the system further expand this. Such demand pressure is particularly felt in low-income countries.

Moreover, the institutions offering higher education are suffering from a severe and worsening austerity, which is at least a function of three forces. (Johestone & Preetishroff, 2003:23). The first force is the demand pressure mentioned above. The second is the high and likely to be increasing per student costs of higher education in most low income countries generally raise faster than unit costs in the general economy. A third force of increased austerity, especially in low income countries, is the decline in available public revenue. This could be attributed to an increased difficulty of taxation, or the competition from other, often times more politically compelling public needs or both. The limited taxes collected need to be distributed among various pressing public sector needs that might be given top priority such as elementary and secondary education, infrastructure, internal and external security.

Therefore, it is in light of these forces that governmental revenues need to be supplemented. This is in fact not only with cost sharing but also with entrepreneurial activities of institutions such as the sale of faculty services, the sale or lease of university facilities, fund raising from alumni, corporations and friends. Thus, tuition and other fees from students and families have the potential for substantially augmenting the increasingly scarce public revenues.

### **2.2.2.2 The Notion of Equity**

This goes with the view that those who benefit should at least share the cost. The writers provide the following observational justifications. One, free higher education is actually paid for by all citizens, whether or not they know that they have been taxed. Second, a very disproportionate number of beneficiaries of higher education are children of better income families who could and would pay at least a portion of the costs of instruction if they had to. Such students and families

would probably prefer that much or all of the benefits to be paid by the general taxpayer. Third, there are potential students who would be excluded from higher education by the presence of tuition.

Similarly, Burnett, (1996:219) and Samoff, 1996:266) cited that equity in education has two principal aspects. First, every one has a right to basic education-that is to acquire the basic knowledge and skills necessary to function effectively in society, and second, the government's obligation to ensure that qualified potential students are not denied education because they are poor or female, are from disadvantaged ethnic (including linguistic) minorities or geographically remote regions, or have special educational needs.

At the lowest and compulsory levels of education, equity simply means ensuring that schools are available. Beyond that, it means having fair and valid ways of determining potential students' qualifications for higher education entry. Achieving equity requires both financial and administrative measures. Financial measures such as scholarship are important at all levels to enable the poor to acquire an education. Scholarships can cover fees and other direct costs, such as transportation, books and uniforms.

### **2.2.2.3 The Neo-Liberal Economic Notion**

This is the notion, which explains that a price on a valuable and high demanded commodity brings to higher education some of the virtue of the market. The first of such virtue is the presumption of greater efficiency: the payment of some tuition will make students and families more consumers that are discerning and the universities more cost conscious providers. The second virtue attributed to the market is producer responsiveness: the consumption that the need to supplement public revenue with tuition, gifts and grants will make universities more responsive to individual and social needs. According to (Zezeza & Adebayo, 2004:16), the above rationales for educational cost-sharing can generally be justified for the following reasons.

- i) Promoting equity – that is requiring the recipient students and their parents, who stand to benefit to bear more of the costs of their higher education to reduce costs than the average tax-payer or citizen.
- ii) Promoting efficiency – refers to encouraging institutions to reduce costs and eliminate low priority expenditures - enhanced student commitment & improved revenue.
- iii) Promoting responsiveness – encouraging constitutions to provide the programs that the students most want, and at a high quality; and

- iv) The sheer need for revenue recognizing that governmental (tax payer) revenues alone are already insufficient to provide quality and expanded capacity of higher education.

On top of availing total resources to education, the major justifications for cost sharing are principally related to improving access, quality and efficiency of education. Although the direction of functional relationship between cost sharing and these variables is difficult to conclude, the fundamental rationale for cost sharing addresses the aforementioned issues.

#### **2.2.2.4 Who Benefit from Higher Education and Who Should Pay**

By its nature and traditions, education in general is considered a public good, guaranteed by the state and accessed by everybody. However, economists still argue as to where the frontier between education as a public good and a as private one exactly is, and tend to regard education as a quasi-public good (Kitaev, 1996:42).

The debate on this subject normally conclude that education is a public good to the extent that its effects are consumed effectively by the society; and at the same time, it is a private good when it directly benefits an individual. Thus, education is still generally accepted as a public good that can benefit societies as a whole as well as individuals. That is, it is both public and private good.

But, it is widely agreed that government is a “developer” and “equalizer” of educational opportunities. In financing and allocating public money, a government has, thus, to strive to provide those services, which are most public in economic terms, to achieve the highest social benefit (Kitaev, 1996:42; Bray, 1996:2).

Furthermore, the cost of education progressively increases from level to level, and on the supply side, the state needs to guarantee basic education for all children of respective age groups, and at the same time it has to regulate the students flows and to limit the demand for and access to upper levels of education, in particular higher education (Kitaev, 1996:42-43; Bray, 1996:4). This means that government should not give a priority to provide higher education to all graduates of secondary schools and to meet the demand for university diploma.

Regarding this view, Bray (1996:4) explores that national, regional and local educational authorities have a unique obligation to provide basic education for all, but they can not be expected to supply every human, financial or organizational requirements for this task. This

implies that the beneficiaries of higher education should share at least some of their education expenses.

This is evidenced by the fact that the more the level of education of the person, if it is in particular a university diploma or Ph. D., the better one the prospects for his/her labor market upward mobility, remuneration, and other social benefits. This was concluded by the studies in many countries that private returns to higher education are considerably higher than those to basic education (Kitaev, 1996:43).

Since the 1980s, policy makers in different parts of the world have increasingly recognized that the traditional methods of educational finance and management are unable to deliver even quality basic education to all children and that radical changes are needed. As a result, the traditionally predominant roles of the government in financing and provision of tertiary education have now drastically changed (Kitaev, 1996:43; World Bank, 2002:75).

The trends in financing the cost of higher education in the world showed that although the share of government budget was increasing, it is unable to keep up with the ever increasing demand of higher education due to competing claims of budget from other sector. This brought about a shift from the traditional financing of higher education towards a new concept of financing – by student or parents and other-non-government sources, accompanied by the reduction in the share of public funds for higher education.

Thus, as higher education benefits individuals who will enjoy after their studies a better social position and a higher wage, it is justifiable to share its costs. However, as higher education costs are higher, and yet, as society needs qualified personnel for the social and economic development of the country, it is the responsibility of the government to avoid under investment in higher education and to contribute to the financing of this level of education (Kitaev, 1996:6-7).

In cost sharing canaries, a distinction should also be made between costs of instruction and living costs. There is a consensus that costs of instruction should be met mainly, if not completely, by the public, while living costs of students should be met by the students and their families (Kifaev, 1996:7).

One of the basic propositions of human capital theory, is that the “cost of one’s education are recouped later in life with a profit. Students incurred expenses when studying (even if education is provided “free” by the state, in the form of forgone earnings), but in life the graduates will earn

more than people of the same age who have a lower level of schooling.” (Psacharopoulos, 1996:278). This is a simple trade-off between scarifying something to day for the sake of having more return tomorrow.

Although the issue of most cost-sharing efforts take the form of payment of tuition by the student attending private institutions, public institutions have moved increasingly towards cost-sharing, with students being charged fees in one form or another depending on the country and its constitution.

Supporting the above trend, the World Bank education Policy call for “reduced government role, expanded private sector, and increased student fees and direct support to students, especially at higher education level” (Patrinos, H. and Nicholas B. (1996:275).

### **2.3. Alternative Strategies for Cost-Sharing Scheme**

To meet the rationales of cost-sharing, many countries are using alternative methods of financing education apart from the government funds. Cost-sharing is not a substitute for public financing but is a mechanism by which a shift of at least some of the cost burden from the government or taxpayers to students and their families are made. At secondary and higher education level, cost-sharing can be viewed from four principal parties the government, parents, students, and/or individual or institutional donors.(Johnstone, 2003:1-5).

Governments share costs of education by collecting taxes directly or indirectly from people who pay taxes. Parents share educational costs through payment of tuition fee, or bear some of the costs of student living expense from their income or saving. Students also share the burden of educational cost particularly in higher education by bearing some of the costs mainly through loans. Similarly, individual or institutional donors may also give contributions in financing education through different forms such as providing scholarship to students to share the burden.

Specifically, cost-sharing can take place in the following forms (Johnstone & Shroff – Mehta (2000); Vossensteyn (2000) cited in Zeleza and Adebayo, 2004:88):

1. The introduction or rapid increase of tuition fees where there were none previously.
2. A drastic decrease in subsidizing costs associated with student living expense and books
3. A greater reliance on student loans that need to be repaid after graduation while simultaneously decreasing the amount of student grants (bursaries) received from governments.

4. Finally, an increase in the availability and use of private higher education opportunities. Part of the agreement for shifting costs from government to students/families is based on economic research related to rates of return that found higher education has high rates of return to individual over time. Therefore, it is only fair to expect that those who will benefit most, students, should share those costs with government (Zezeza & Adebayo, 2004: 88-89). However, governments all over the world are also concerned that higher education does not become accessible to only the elite and with costs continuing to rise, most governments are looking for introducing or improving on their national student loan scheme.

### **2.3.1 Tuition and Fees**

Arguments in favor of fees at higher education level are partly based on the substantial private benefits that usually accrue to higher education graduates and on the fact that higher education has high unit costs that cannot easily be borne solely by governments (Bray, 1996:3). Arguments favoring fees are also based on concern for equity. Among higher education enrolments, students from rich families always form a much larger proportion than students from poor families, and it is widely considered unreasonable to subsidize the rich families when doing so will reduce the resources available for the poor (World Bank, 1995:132; Bray, 1996:3; Promise & Peril, 2000: 41-42).

The above discussion seems to favor charging fees for higher education to permit redistribution of resources to the poor. In some parts of the world, governments that used to provide free education throughout the system now fall economic stringency that they have had to introduce tuition and fees, or charges for services for at least some levels (Bray, 1996:14).

Tuition is the charge for instruction. Fees are charged for services like the library, student activities, or the health center. Fees are direct cash payments out of the pocket, which includes tuition fees, examination fees, accommodation fees etc.

Mostly, fees are charged for secondary and higher education. They are not usually high in order not to affect enrolments and to avoid or reduce disparities between the poor and the rich. Generally, fees are imposed to recover the expenses of institutionally provided services (Baum and Tolbert, 1985:120; Befekadu, Berhanu and Getachew, 200/2001).

Baum and Tolbert, (1985:126) further stated that the tendency to charge no fees for public schooling is attributable to government's commitment to "free public education". It is also

believed that a charge would be both inefficient and inequitable. It is inefficient because it might discourage enrolment with a consequent loss to society of the benefits of education and inequitable because it might limit access to those who could afford to pay.

However, studies conducted for the World Bank suggest that in some circumstances imposing or increasing fees may serve both efficiency and equity objectives. When there are minimum or no charges to the individual, demand for education is likely to be encouraged to a point unjustified by economic returns to society. If demand exceeds available access school, experience indicates the poor are most likely to be excluded. When demand is excess charges could be instituted or raised with additional revenue being devoted to expand the system. This could produce greater social benefits than would be very low or no fees.

It is essential that the revenue from fees actually go to improve educational quality or to expand the system, and that it not be diverted to other purposes or used merely to replace other funds that were intended for investment in the sector. It is also important to note that fees not be set high that poor families cannot afford on top of the other direct and indirect costs they pay to educate their children (Baum & Tolbert, 1985:126; Saint, 1992:45).

This is the pattern in many countries, especially in Africa, even though the economic returns to society are higher for primary education than other levels of study. It seems reasonable to assume that fees for higher education, and perhaps even for secondary education, could be raised, since students at these levels are likely to come from families with relatively high incomes (Baum and Tolbert, 1985:126 -127).

It is explained that the tendency to charge no fees for public schooling is attributable to governments' commitment to "free public education". Free public provision of education is enshrined in the national constitutions of many countries. However, education is not free in the sense that no one has to pay for it. The politician who promise fee-free education usually state that all the resources needed by the schools are provided by the government. In most low-income countries like Ethiopia, however, governments are simply unable to meet that are the needed of public schools (Bray, 1996:47). The result is either the schools are starved of resources or parents or other community members decide or are requested to contribute funds to bridge the gap.

One irony of free-education policy is that, at least in the short run, they often deprive schools of essential resources. Because the government promises to meet all needs, parents quite reasonably

withhold their contributions. Only when it becomes obvious that the government will not fulfill its promises do parent and community inputs come forth again, and even then the volume of such input is generally less than it would have been in the absence of official policies fee-free provision (Bray, 1996:47; Saint, 1992:45).

This point suggests that governments might be better advised not to declare that education in public schools will be free of charge, particularly if those governments are unable to provide all the resources that schools need. In fact, this is not necessary to suggest that government should impose fee; rather, school boards should have the formal right to demand fees and other contribution, perhaps subject to maximum ceiling. This is the de facto situation in many countries, including those in which free education is a constitutional right.

Bray, (1996:47-48) recommend that the clauses on free education should be deleted from constitutions, first because free education is not necessarily a good policy, and second in many contexts it is clearly unworkable. However, the recommendation forward by Bray, that fees be introduced permitted raise several questions and requires attention to accompanying frameworks.

The first question is the safety net for the poorest to ensure that they are not barred from school by an inability to pay fees. According to the writer, the importance of local level decision-making on the matter becomes more apparent. It is at the local level that school boards can know personally the individuals and families who face hardship. Moreover, experience in a wide range of context shows that school boards can and do exempt poor families from payments of cash, either by proposing contributions or labor and materials instead or in some cases by not even demanding those contributions. Many school boards also give discounts to families that have more than one child at school.

Contrary to the above idea is that experience in various settings has also shown that local school board is not necessarily sensitive to the needs of the poorest. This fact implies the need for some awareness raising, guidance and monitoring of school level decisions.

Accordingly, the very impoverished high academic achievers, and children of teachers, demobilized soldiers, orphans, children of scarified soldiers, or seriously wounded soldiers, and the former revolutionary combatants should be exempted from payments (Bray, 1996:99).

Such arrangements may give schools clear incentives to enroll such particular types of students. When whole districts are so impoverished that very few families can pay fees, governments must

make regional adjustments by transferring resources from richer areas to the poorest one (Kin Bing, 1994:36; Bray, 1996:49).

Another issue of fees is that the timing of fees, which determine households' ability to make payments. Studies in various parts of the world have pointed out that the demands for fees may be made at inconvenient time of the year. That is, fees are required at the beginning of the academic year even though the months September – November are when the farmers are poor because they have sold their cash crops, have consumed most of what food they have stored, and are waiting to harvest in December. Thus, the governments that do have centrally imposed fees could alleviate that burden of households by being flexible in the timing of their demands (Bray, 1995:52).

### **2.3.2 Mobilizing Greater Private Financing**

This is one of the means of cost-sharing by investors. The private educational institutions and/or training centre can get into an agreement to provide a standard education and/or training for students but being subject to government oversees of the curriculum and other educational standards and policy aspects as to whether or not it is being implemented in line with the government policy (Kin Bing, 1994:36).

Private institutions are considered as cost-sharing schemes in that they reduce government burdens in providing education and/or training in areas where the government would otherwise has to carry out which can be implemented in all levels of schooling.

Private institutions are an important element of some of the strongest higher education system found today in developing countries. They can respond efficiently and flexibly to changing demand, and they increase educational opportunities with little or no additional public cost (World Bank, 1994:5; MOE, 2002:67-68). Governments should therefore encourage the development of private higher education to complement public institutions as a means of managing the costs of expanding higher education enrolments, increasing the diversity of training programs, and broadening social participation in higher education.

A key finding from successful examples is that government encouragement of a sound private sector in higher education requires a policy and regulatory framework which avoids disincentives such as tuition price controls, and includes mechanisms for accreditation, oversight, and evaluation of private institutions (World Bank, 1994:6). There are many ways, in which

governments can mobilize greater private financing: cost-sharing with students, raising funds from alumni and external sources, and engaging in other income generating activities (World Bank, 1994:40).

Accordingly, the financial base of public higher education can be strengthened by mobilizing a greater share of the necessary financing from the students themselves, who can expect significantly greater lifetimes earnings as a result of receiving higher education and who often come from families with ample ability to contribute to the costs of their education (World Bank, 1994:6; World Bank, 1995:107).

This (Cost-sharing) can be perused through tuition fees and the elimination of subsidies for non-instructional costs like costs associated with students living expenses and books. Experiences in many countries shows that countries can reduce sharply, if not eliminate the subsidization of non-instructional expenditures such as housing and meals. In Botswana and Ghana, for instance, subsidies for student meals have been eliminated, the catering function have been privatized, and significant cost saving have been achieved (World Bank, 1994:6).

In sum, increased private financing for higher education through the elimination of non instructional subsidies, the introduction of fees, the pursuit of donations, and the undertaking of income generating activities can provide institutions with a more diversified and more stable funding base.

In addition to reducing their dependence on public funding (financing) and their vulnerability to budget fluctuations, cost sharing makes public institutions more responsive to market signals. It also creates important incentives for students to select their programmes of study carefully and to complete their studies more rapidly (World Bank; 1994:7).

### **2.3.3 Student Loans Programme**

Cost sharing cannot be implemented equitably without function of student loans programme to assist who need to borrow for their education and without scholarship programmes that guarantee necessary financial support for academically qualified poor students to absorb the direct and indirect costs of higher education (World Bank, 1994:7).

In recent years, certain common trends can be observed in various changes that have been proposed or introduced. As evidence accumulates "free" higher education, coupled with grants or student maintenance, does not ensure equality of opportunity, but tends to benefit upper

income families, several countries have reduced subsidies for upper income students (Woodhall, 1991:36). One result of these changes is that in several countries student support is now targeted more sharply on financially needy students.

Loans are given to students with the assumption to be paid back after graduation, in cash or in services. They are provided either by government agencies, commercial banks or by other financial institutions. It can be lent either interest free or with some interest rates. Loans can also be given either for all students or for those who need to be lent (Psacharopoulos, and Woodhall, 1985:152; Salmi, 1999:1). Under this system, the students receive to cover both the direct costs of education and living expenses until they graduate. Loan system is mostly applied in tertiary education where public resources are growing insufficient to finance the education system.

### **2.3.3.1 The Need for Student Loans**

Student numbers in higher education have increased in many parts of the world including African countries since independence, and the costs of free tuition, together with student support, account for an increasingly large share of education budget (Woodhall, 1991:2; Woodhall, 1993:31-32).

Moreover, higher education is highly subsidized in most parts of the world. In many countries students are not only free tuition but also grants or bursaries covering living expenses. The systems of grants, bursaries and allowances that were set up to overcome grave shortages of skilled manpower now impose a heavy burden on public funds at a time of severe financial pressure and this threatens both quality in higher education and the achievement of other important goals, including the provision of basic education for all (Woodhall, 1991:2).

The principle of cost sharing is now widely advocated and increasingly accepted in education, and parents in many countries are expected to pay fees for primary and secondary education. Yet students in higher education, who can look forward a better job prospects and higher incomes than the majority of taxpayers, still enjoy generous subsidies. The introduction of fees for tuition or charges for board and lodging, together with loans have therefore been advocated in many countries in the following grounds (Woodhall, 1991:3; 1993:32-33):

- the need to reduce public expenditure as a result of falling government revenues, economic crisis and the necessity for structural adjustment programmes;
- a wish to allocate resources to lower level of education, or to improve quality in higher education by increasing cost recovery by making resources free for lower level of education.

- a more equitable distribution of the costs of higher education. The concern about equity leads advocates of loans to argue that loans will result in a more equitable sharing of costs of higher education than a system of grants, scholarships and free tuition, financed from government revenue, which mainly benefits students from upper income families, who as repeatedly said earlier in the future are likely to enjoy higher education average income.

### **2.3.3.2 Alternative Loans Scheme Objectives**

While student loans schemes are in place in many countries the central objective and type of policies pursued differ from case to case. Zideman, (2003:27-30) identifies five different set of objectives for student loans schemes which, in turn, will influence the design and operation of the scheme as a whole, as well as its financial sustainability. These are:

#### **i. Cost recovery**

Universities throughout the world, and particularly in developing countries, are under financed. Governments have responded to the growing social demand for higher education through policies leading to expand student enrolment; yet due to national budgetary constraints, the growth in student numbers is largely unmatched by commensurate additional government funding. As a result many university systems have turned to greater cost recovery in an effort to top additional sources of funding. This can be possible by raising student fees, whether for tuition or living expenses so that students are able to finance their education and living expenses through resort to borrowing (Saint, 1992:45; King Bing, 1994:36). It should be noted that loans schemes primarily concerned with cost recovery are also frequently subsidized and targeted to the poor.

#### **ii. Facilitating higher education expansion**

Responding to the pressure of growing social demand for education expansion will require sizeable increases in public expenditures; these increases, we have argued, could be contained by offsetting additional revenues from increase in student fees, by reduced public institutional support.

#### **iii. Meeting specific manpower needs**

Loans schemes may aim specifically at providing support for students who are willing to study in fields of national manpower priority or to work in areas of social importance (doctors or teachers serving remote rural areas).

#### **iv. Easing Student Financial Burdens**

Even when tuition fees are minimal, students (including the non-poor) may face considerable financial burdens. University-level students are of an age of legal and financial independence yet, potential earnings are forgone while studying, and living expenses may be sizeable, especially when the student does not attend a local university. In many countries students are able to combine work with study – the concept of “working your way through college”. However, these possibilities may not be readily available or it may not be the norm for students to work because of timetabling and university regulations fail to facilitate regular employment with study.

Under such conditions, financial pressures, which may have negative effects on student motivation and performance, can be mitigated by the broad availability of student loans. While such burdens may fall relatively heavily on the poor, in principle loans for this purpose could be made available for all students, including the non-poor, but not subsidized.

#### **v. Social Objectives – Increasing access for the poor**

None of the four above reasons for introducing a student loans scheme make out of a case for highly subsidized loans, increasing the educational participation of the poor does. In many countries, the relatively low enrolment of the poor and disadvantaged youth in non-compulsory education is a cause of local social concern; and thus, increasing the access to the schooling among these segments of the population has become a major element in educational and social policy. There is a broad consensus that clear financial incentives need to be offered, not only to overcome the burden of fee payments and living expenses but also to offset parental resistance to reductions in family income and the risk that the benefits of educational process may not be sizeable.

Furthermore, with tuition and fees increasing as rapidly as they are throughout the world, loans schemes appear to be the method that ensures that higher education institutions are able to continue enrolling students who are being drawn more heavily from populations that are financially needy. So loan schemes are able to provide access to a greater number and population of students but the government must show its commitment to the programme by taking care to address many of the details that are known to contribute to the failure of such schemes (Zezeza & Adebayo, 2004:91).

## 2.4 Some Arguments on Cost-Sharing

Cost sharing which refers to all contributions and fees paid by communities and users, whether in kind or in cash, for the delivery of social services has the overriding importance of the demand for government spending (Samoff (1994) in Shimelis, 2004:110). However, regardless of these importances, there are a number of equity and efficiency arguments forwarded and against cost sharing.

### 2.4.1 The Equity Argument

It is explained that the government has two fundamental concerns regarding equity (World Bank, 1995:113-114). The first is to ensure that everyone has a basic education-the basic competencies necessary to function effectively in society. The second concern is to ensure that qualified potential students are not denied access to institutions because they are poor, or female or from ethnic minorities, or live in geographically remote regions, or have special educational needs. No qualified potential students should be unable to be enrolled because of inability to pay. To determine who is qualified at the post compulsory level, a fair and valid means for assessing potential students' qualification for entry is needed.

Based on the above two basic concerns, the equity argument holds that the beneficiaries of higher education are disproportionately from the upper middle and upper classes who have the ability to pay, while the existence of means – test grants and loans can preserve reasonable access for the lower classes (Zezeza & Adebayo, 2004:161; World Bank, 1994:22-24).

There is also the contention that regardless of whether education is offered free or not, a de facto price selection takes place, which favors students from well-to-do families. The fact that education is provided free of charge means that those who go over the selection hurdle are further subsidized; since higher education systems are financed by the entire population but available only to a small minority, the question of equity will not be attainable.

Similarly, it is said that the fact that education is a quasi-public good lends it the characteristic that makes its adequate provision in a free market situation unattainable; education is also considered a merit good in which case the government, which is apparently better and more informed than the general public about the benefits of education, has to intervene for the good of its public (Burgess (1997) in Shimelis, 2004:110).

Furthermore, in certain context such as India where cost sharing is not yet introduced, household expenditure on education has already equaled or exceeded that spent by government making any additional household expenditure very unlikely. Moreover, because of increased educational costs, students may be forced to learn and work at the same time constraining their time for their studies hence decreasing the overall internal efficiency (Colclough (1997) in Shimelis, 2004:110).

To sum up, achieving equity at the first level of schooling is a matter of both increasing the demand for education and meeting that demand through adequate financing. Financing is important at all levels particularly at higher education level for those who cannot afford to go to school – either because they and their parents cannot pay the associated costs or because the household cannot afford to the loss of their labor services.

#### **2.4.2 Efficiency Argument**

Increased attention to equity will also increase efficiency. Considerable evidence now exists that improving the education status of the poor, of women and of indigenous people increase economic growth and reduce poverty (World Bank, 1995:113-114).

The efficiency argument holds that cost sharing encourages institutional efficiency aimed at lower tuition fees and a competitive edge, and for better teaching academic programmes and services (World Bank, 1995:100-103; Zeleza & Adebayo, 2004:161). The assumption is that students – the direct beneficiaries of higher education are the most obvious sources of additional funds as this level's private return of return is greater than its social rate of return: hence recovering at least part of the costs of higher education can be justified on efficiency and equity grounds. Cost recovery is believed to lead to a more efficient use of public and private resources, to make educational systems that tend to attract elites more equitable. There is also an argument that the benefits of education accrue not only to its direct recipients but also to society at large. Therefore, in the absence of government provision, expenditure on education are smaller than would be desirable.

#### **2.4.3 The Enhanced Student Commitment Argument**

The enhanced students' commitment argument asserts that cost-sharing encourages faster completion and perhaps can encourage better study. As Eicher (2000) cited in Zeleza & Adebayo, (2004:161) aptly puts it, tuition fees represent a source of independent income for the

institution and increase its autonomy and capacity for optimal resource allocation. Adding further, on the students' part, they are compelled to carefully select their courses, minimize their time in school and become more responsive to changing market needs.

Similarly, as Johnstone (2002a) cited in Zeleza & Adebayo (2004:161 – 162) observed, the rationale for cost-sharing is equally predicated on rising per-student costs along side sharply rising enrolments arising from rapid student population growth and participation as well as expanding duration and levels. And all these are taking place in the face of the slow growth of economics, limitation on taxing capacity, limitation deficit financing and competing public sector needs.

#### 2.4.4 Arguments for and Against Student Loans

There is widespread acceptance of the idea of student loan in many countries, even though there is recognition of the fact that they do not always work well. According to Woodhall (1991:16; 1993:20-22) a wide variety of arguments have been put forward in favour of student loans in many countries. These are:

**Improved efficiency:** loans can help to reduce drop-out and encourage students to choose sources and careers in the light of labor market need.

**Increased equity:-** it is recognized that access to higher education is highly inequitable, in most countries of the world, but free tuition or highly subsidized public institutions generally benefit the rich, rather than the poor, and loans are therefore more equitable than grants, although there may be a need for carefully targeted scholarships for those from very poor families.

The argument further extended that if higher education is mainly the preserve of privilege elite, and if graduates can look forward to high life times earnings as a result of their education, then loans are more equitable than the system of free tuition, grants and allowance and now prevailing in many African countries. i.e. higher education should not continue to be the preserve of the relatively privileged, it should be far greater access to the poor.

**Greater responsiveness:-** it is suggested that students with loans may be more highly motivated, and that loans schemes can be more flexible than other forms of student aid. On the other hand, student loans programmed have certainly encountered major problems in some countries, including:

- high rates of inflation, and negative interest rates.
- default has been high in many cases, particularly where there are high level of graduate unemployment.
- excessive burdens of debt, particularly when borrowers are expected to replay loans in a short period.

In nutshell, if there is high graduate unemployment and high rates of default, then the saving generated by a student loan programme will be minimal, and many participants acknowledged that so far recovery of out standing student loans had been very disappointing, and the idea of a 'revolving fund' impossible to achieve.

Such problems can be minimized, however, by ways of improving the administration of loan programmes, increasing recovery rates and reducing default, targeting support on those on in greatest need and ensuring that those who benefit from higher education through better job prospects and high lifetime earnings do recognize and discharge their obligation to repay their loans (Wood hall, 1991:16).

Another critics of loans argue that they may discourage student from entering higher education, on the grounds that those from low-income families will wish to avoid a heavy burden debt, women's will fear that a loan will represent a "negative dowry", and they will be unwilling to choose long courses such as medicine because of the high costs, and unwilling to enter low-paid occupations because the need to repay their loans (Woodhall 1990:14).

#### **2.4.5 Argument for Effective Design and Management of Student Loan Programme**

There is no one universally accepted way of designing and managing student loan programme all over the world. There are considerable differences between countries in the way loans programme are administered, eligibility for student loans and their terms and conditions. However, according to Woodhall, 1991:17-21; 1993:32-33), there is a general consensus among the practitioners that conditions for effective management of student loan programmed include:

- A sound institutional structure for management and administration of loans; whether this involves a government agency, commercial banks or other types of organization will depend up on the particular institutional strengths of each country.

- Sound financial management to ensure that the purchasing power of the capital of a student loan fund is maintained, and the costs of administration of loans are adequately covered; this requires realistic interest rates to be charged on student loans;
- A sound legal framework for students' loans, to ensure that loan recovery is legally enforceable.
- Effective machinery for targeting financial support and selecting recipients of subsidies on grounds of financial need or manpower priorities so that the targeting can be used to meet both efficiency & equity goals.
- Effective machinery for loan recovery, to minimize default.
- Publicity campaigns to ensure widespread understanding and acceptance of the priorities of student loans and the importance of the obligation to repay loans.

## **2.5 Cost Sharing Experiences of Some Countries**

It is evident that in countries like Ethiopia and other developing countries, higher education has been heavily dependent on government funding. However, due to increased enrollment and limited financial resources what we see now is that the quality of teaching/learning and research has declined as a result of inadequate staffing, poor physical facilities as well as poor library resources.

To reduce the burden of government expenditure on higher education and also to improve the quality of teaching/learning the government of Ethiopia like many other countries has introduced cost sharing scheme recently. Thus, the main purpose of this section of the study is therefore, to investigate the experiences of selected countries that introduced cost sharing in their higher education systems and to draw lesson from their experiences with the hope of influencing policy choices and future actions.

### **2.5.1 The Experience of Australia**

The higher education sector in Australia has undergone tremendous changes in terms of organization, supervision, participation, and financing in the last twenty years. In 1989, (H E C S) Higher Education Contribution Scheme was inaugurated to handle the loan scheme. The scheme officially describes that students in higher institutions are subject to cover their education with a fair and equitable contributions. The tuitions they contribute could be borrowed and repaid later at a rate of interest according to the prevailing rate of inflation in Australia (Johnstone, 2003:6).

The cost-sharing schemes in Australian higher education system can generally be seen from three separate attempts. According to Vossensteyn (2003:4-11) these are increasing tuition fees, a shift of student supports from grants to loans, and a gradual reliance on the contributions of parents and student incomes themselves.

#### **a) Increasing Tuition Fees**

The growing of tuition fees in Australia has its own arguments. To begin with, since higher education has a high private rate of return those who have got the opportunity of this benefit should bear part or most of the costs required. Secondly, tuition fees bring about education to have a free market mechanism where customers could have an opportunity to buy from the market, which in turn brings about high quality programs of higher education. Thirdly, while entering higher education, students take decision seriously because they are to pay tuition fees, money that should not be expended without any valuable return.

However, there are opponents of tuition fees in Australia with their own arguments. To start with, they believe that higher education is a benefit of the whole society that should not be limited by the purchasing power of individuals. Moreover, they argue that the quality of and motivation for higher education can be achieved with mechanisms out of price factors. Above all, these groups take fees as filtering barriers to avoid chances of education for disadvantaged groups so that ultimately leading to a social exclusion of the poor.

Be that as it may, like that of most European countries and the USA, however, recent policies of Australian government show that tuition fees are being favored more and more in due course of time. When the HECS was introduced, about a quarter of the instructional costs were covered directly with fees. According to the frameworks of HECS, students were allowed to follow either of the two choices to settle their tuition fees: to pay tuition charges up-front with 25% discount or after graduation with the established system.

The HECS was a uniform charge until 1996. In 1997, however, three different tariffs were introduced: (1) students studying programs that are expensive and have a high rate of return such as law, medicine, etc are subject to high charges, (2) students involved in relatively cheap and with low job expectancy programs pay the lowest rate of charges, and (3) institutions were given the right to establish their own tuition levels for not more than 25% for the students they will enroll.

The effects of HECS have been evaluated at different intervals since its implementation. In general, over since its introduction, this scheme has resulted directly or indirectly in a significant expansion of higher education without any difference in the economic backgrounds of students. Indeed, the relatively low participation of students from the low socio-economic backgrounds is not the result of HECS but rather it is a result of some factors arising from social value systems and attitudes. In other words, the studies all in all tell us that there is no evidence on HECS where it has brought about a reduction of access for higher education among the disadvantaged social groups. This disproves the arguments against tuition fees.

The repayment system of HECS is probably the major benefit for the students. A tax system is used to undertake the repayment. A percentage of the gross income will be directly taken as a repayment after a graduate's income passes a certain threshold. That is graduates with higher incomes repay their debts rapidly, where as those with low incomes will repay only slowly. Thus, the average rate of repayment being as fast as expected, within a period of ten years after graduation, almost all graduates repay their HECS debts.

#### **b) Growing Reliance on Loans**

Since recent years, the roles of loans on student support are growing considerably in Australia. In fact, the system has faced debates of pros and cons like that of tuition fees, particularly it was considered to harm access to higher education and strengthen social inequalities with respect to participation in higher education. Finally, it was concluded that loans are investments with their own future returns. Moreover, since loans are going to be repaid, that result in more thoughtful enrollment decisions they are considered, far more efficient than grants where by additional costs born by the students.

There were two debating parties regarding repayment terms of student loans: a mortgage type student loans and income contingent loans. The former argues the repayment period to be limited to 10-15 years giving a justification that income immediately after graduation is not always that much good. The latter, the predominant argument, on the one hand justifies that more students can be attracted for borrowing when graduates with low incomes repay only small amounts with an extended period or nothing at all. On the other hand, contingent approach argues for larger repayments within a limited period by graduates earning high incomes. The income contingent system was finally ratified to be a repayment scheme in Australia.

### **c) Parental Contributions and Students' own Income**

This is another cost sharing scheme in Australia where by parents and students themselves pay part of the costs for their study. This is a mechanism used not only in Australia but also in most of the countries in the entire world, be it developed or underdeveloped. Increasing the role of parental contributions is meant a growth in the importance of tuition fees and student loans at the expense of grants supplied to students.

Besides parents, students themselves largely share educational expenditures by their own means. One means is a part-time work they undertake side-by-side with their studies. Indeed an indispensable need of financial resources by students, resistance to loans, a rapid increase in the living standards of young people, and an increase in low-paid part-time jobs requiring flexible staff may be the reasons for a growing interest among the students for a part time job. The part-time job has enabled them to share costs of education more easily which otherwise require a more difficult mechanism.

To sum up, in the developments of cost sharing schemes in Australia, we can identify two major patterns. On the one hand, individual contributions on expenditures of higher education increased due to the paradoxical pressures of increasing demand for higher education and shortage of public funds to run it. On the other hand, private contributions to the costs of study are considered fair since the system has protected the conditions of equal access to higher education.

#### **2.5.2 The Experience of Colombia**

Colombia is known to be one of the first countries that introduced a cost-sharing scheme known as student loan. In 1950, Colombia established an institution called I C E T E X, Instituto Colombiano de Credit Education Estudios Exterior, to conduct this task. The institution was expected to raise demand for education by reducing private costs and thereby to bring about enrollment of some poor students to higher education. However, the system lacked to favor the poor in income redistribution. This is because of the fact that most of the loan recipients have come to schools from families with a better income. Moreover, since most student borrowers preferred private universities, the student loan system was not capable to shift the financing of education from government to private sources. Therefore, it can be concluded that the student loan system in the then Colombia did nothing much to shift the financial burden of higher

education away from tax payers or the public to the students except that the private universities and public sector students have got a better chance of getting more funds (Psacharopoulos and Woodhall, 1985:152-153).

### **2.5.3 The Experience of Ghana**

In Ghana, buildings, equipment and all other infrastructure for public higher education are provided by central government. Tuition is free for all Ghanaians attending public educatjions at all levels. (Woodhall, 1991:42).

Ghana is one of the first African countries to introduce a loans programme as a strategy for cost sharing at higher education levels. The first system of loans was proposed in 1968 and detailed proposal were put forward in the 1970/71 by a committee which advocated reducing educational costs of higher education burden from tax paying communities and on the grounds of social justice (Wood hall, 1991:27).

However, the loans scheme that was introduced in 1970/71 in Ghana was short lived; and was abandoned after a change of government in 1972 because of the fact that a failure to mobilize public opinion on the advantages of loans, and a feelings among students that they were being made to control higher education costs (Wood hall, 1991:28).

A revised scheme was introduced in 1975 where any Ghanaian student receive loans for living expenses and purchasing of books and equipments, and must repay these through their contributions to the Social Security and National Insurance Trust (SSNIT). No additional payments are required, but graduates who have received a loan must first repay their loan before they began to qualify for a pension (Wood hall, 1991:12).

In addition to loans, students may qualify for scholarships awarded on grounds of academic merit, or full or partial bursaries, awarded on grounds of manpower needs, to students taking courses judged to be critical or essential for national development. Tuition in Ghana is free, but all graduates must undertake a period of national service and since 1986 loan repayments have been deducted from national service allowance (Woodhall, 1991:12).

Generally, in Ghanalans experience: government continues to bear the costs of tuition and the provision of all facilities in public higher education institutions. All students are required to sign bonds as a condition for accepting a scholarship /bursary/ grant from government. The

implication of the bond are that the students would be required to work in Ghana government establishments or released to work in non-government organization in Ghana for a period of two years for each year of sponsorship received or for a period of five years for sponsorship received or for a period of five years for sponsorship beyond two years. Eligible students are guaranteed a loan after they have entered in agreement with SSNIT for repayment of the loan. The rate of interest on the loan is 19 percent. Government has agreed to pay 16.5 percent on behalf of students; and students therefore pay 3 percent as interest. Government at the beginning of the scheme provided SSNIT with initial seed capital to make the scheme become self-financing and in fulfillment of the obligation to pay interest subsidies of 16.5 percent. The maximum period for the repayment of the loan is 10 years. SSNIT determines the period of repayment for the various categories of students. This is because the duration of courses in higher institutions varies from one year to seven years (Wood hall, 1991:47). In the past the main problem with student loans in Ghana has been the low rate of recovery of loan repayments.

#### **2.5.4 The Experience of Kenya**

Education has expanded rapidly in Kenya, and the government is committed to making basic education accessible to all Kenyas, and has therefore introduced free primary education, first announced in 1974. That is like most African countries, higher education in Kenya was historically free, with the public purse covering both tuition and living allowances (Wood hall, 1991:51).

The rationale for free higher education in Kenya was based among other things, on the country's desire to create highly trained manpower that could replace the departing colonial administrators. In return, graduates were bound to work in the public sector for a minimum of three years. Among other factors, economic difficulties, and the alarming increase in population, coupled with rising oil prices of 1973 (Cutter, 2001 in Woodhall, 1999:51) changed this trend, first resulting in the reduction of the recurrent budget allocated to higher education, and then paving the way for the introduction of user charges in higher education in Kenya. With this strong commitment to cost-sharing in education, local communities, parents, religious and private organizations make direct contributions to education costs under the principle of "Harambee" (Woodhall, 1991:51).

Upon Kenya becoming independent in 1963, all fees for higher education were abolished in order to encourage greater numbers to pursue higher education and there by to accelerate the education of both high-and-middle level manpower for the country. However; in 1974, the government changed the financing of university through the introduction of a loan system as a cost-sharing strategy. At first these covered only living expenses and personal allowances but the very rapid increase in students enrolments les the government of Kenya to introduce tuition fees in 1989 as a means of cost-sharing, and students loans were announced to cover fees which represent 25 percent of tuition costs. (Woodhall, 1991:12).

Further changes in the structure and level of fees and loans were announced in 1991; and students must pay tuition fees and food and accommodation charges, but all students, regardless of income, will be eligible for a loan and in addition a system of scholarship for needy students will be introduced. The cost of university education was increasing with the annual increase in student enrolments.

The loan scheme was introduced as a means of assisting needy students to pursue their higher education, while reducing the burden on public funds. The loan covers items such as accommodation and feeding, books and personal expenses. Currently, students are charged a registration fee which is paid directly in cash from students' pocket.

As indicated by Woodhall (1991:53), student loans in Kenya are generally accepted as a method of financing the high cost of higher education in order to:

- ensure cost-sharing at this level of education, thus enabling the government to sustain the expenditure at the basic and secondary education levels,
- ensure that qualified candidates are not denied opportunities for further education, through assistance with loans;
- maintain the increased numbers of students;
- ensure continued production of high level manpower to meet labor market requirements.
- Create a fund to sustain this level of education in the future.

Accordingly, loans to students are disbursed twice in one academic year. About 34 percent of the loan is earmarked for the students' personal expenses including books while the tuition loan is directed to the universities for the necessary purchases of academic materials. An interest rate of 2 percent has been charged on the loans as a service charge. The repayment period for the loans

is ten years. No grace period to start the repayment. This means that graduates are expected to start repayment immediately on employment.

With regard to loan repayment (administration) two national banks assist with disbursement and the MOE is responsible for collecting repayments, but there are proposals to establish an autonomous board to administer loans.

### **2.5.5 The Experience of Tanzania**

Sharing of higher education costs is not a new phenomenon in Tanzania. The practice existed in various guises from before independence through 1974 when the government took over all responsibility for paying for higher education in exchange for a students working for two years in the public sector. Formal cost sharing in higher education was re-introduced in the late 1980's due to economic crisis during this period that reduced the government's financial support to the sector and as part of wide-ranging economic and social reforms under the IMF/World Bank sponsored structural adjustment programs (SAP). The government first formally adopted cost sharing in higher education in 1988, but for political reasons, made its formal announcement in January 1992, two years after the general elections.

Due to the fact that higher education in Tanzania was "free" for more than 25 years, the government decided that the implementation of cost sharing should be in three successive phases (Ishengoma, 2004: 105-106). The first phase became operational during the 1992/93 academic years. In this phase, students and their parents were required to pay their own fares to and from their respective places of domicile to universities. Prior to the introduction of this new measure, students were entitled to travel free in second-class coaches. Students were also entitled a 50% discount on domestic air travel.

The second phase of the cost sharing policy was implemented during the 1993/94 academic year. In this phase, students were required to pay for food and accommodation, student union fees, and caution money. The so-called higher education allowance was eliminated during this phase. The government retained responsibility for covering tuition fees, examination fees, book and stationary allowances, special faculty requirements, registration fees, and field allowances. During this phase the government also introduced loans that are available to all students to cover on-or-off campus accommodation costs and meals sold in university cafeteria that have been privatized.

The third phase is envisaged to involve partial payments by parents and students of the following costs: tuition fees; examination, books, and stationery allowances; special faculty requirements; and field practice allowances.

In October 1998, a comprehensive Report of the Task Force on Financial Sustainability of Higher Education in Tanzania was organized. This report recommended several funding options for higher education and different ways of improving and/or modifying the implementation of cost sharing. Among the recommendations to be implemented by the central government is the introduction of a means-testing system to ensure that those who have the ability to pay do not get government loans and grants. It is proposed that means-testing system should also include the so-called "democratic public confirmation of the ability to pay of such candidates directly involving the community." At present, local leadership confirms the ability or inability of the candidates to pay higher education costs – and as expected, this "means testing system" has been grossly abused.

The major concern of many parents, students, and higher education practitioners has been how loans will be repaid in the situation where university graduates are not guaranteed jobs and graduate unemployment is rampant. At present, students have to pay these loans when they finish their studies whether they have a job or not. Other than the general expectation that loans will be repaid over the period of 16 years after graduation, no recovery mechanism is yet in place.

Generally, when cost-sharing was introduced into education financing in Tanzania, there were two main justifications: It would be a means of generating money at community level to make good the shortfall in what could no longer be guaranteed from central government; secondly, community in turn would generate community ownership of schools, meaning accountability at community level, to address some of the quality of education.

## **2.6 Summary of Experiences of Some Countries**

- The experiences of many countries that introduced cost sharing scheme indicated that the implementation of such a scheme is not an easy matter.
- Many countries apply cost sharing scheme in their higher education institution.
- Most countries cost sharing scheme officially describes that students in higher education are subject to share their education costs with a fair and equitable distribution.
- Cost sharing is meant to improve the overall quality of higher education. The major rationale for cost sharing is that it promotes equity, efficiency, enhanced students commitment.

- In most countries cost sharing is not a substitute for government financing of higher education system.
- In most countries (almost in all) student loan programme is the main strategy for cost sharing scheme at higher education levels.
- The rate of interest on loan and repayment is country specific.
- The repayment period of loan ranges between 10-15 years.
- There is no universally accepted modern way of repayment mechanisms.
- One of the serious problems to implement cost sharing is collecting student loan.
- The experience of African countries indicates that there is a lot to be improved in the higher education institutions.
- In most countries government is the sole financing source higher education institution.

### **2.7. Lesson to be learned**

- The implementation of cost sharing scheme require careful planning and adoption.
- The adoption of cost-sharing scheme should be differential on the basis of disciplines.
- The adoption and implementation of cost sharing scheme should reflect the principle of equity with regard to access to and benefit from higher education, accommodation of students from lower-social-economic position. This implies that scholarships, loans, grants, and bursary awards programme should be put in place before adapting and implementing cost-sharing scheme (measure). This would considerably help to minimize students' resistance usually associated with the adoption and implemented of cost sharing scheme.
- There has been a market shift since the late 1980s towards greater reliance on loans as a form of financial support, both for tuition fees and living expenses.
- Student loans are feasible in Africa but they needed to be very carefully designed to overcome the high level of default.
- The Ethiopia situation remains to be seen.

### **2.8 The Introduction of Cost-Sharing in Ethiopia Higher Education Institution**

Since the advent of modern education to Ethiopia, governments have been using different mechanisms of motivations to attract students to come to schools. Among the mechanisms, covering education expenditures, accommodation and meal, living expenses, educational materials, health care, etc and even to the extent of provision of pocket money had been the major ones. Such efforts along with others gradually succeeded in bringing high demand for education among the society (MOE, 2003:1).

The motivating factors and growth of societal consciousness for education gradually brought about an increased influx of students to schools that called for a growth in the number of schools. This, on the other hand, created difficulties for the government to maintain its scheme on educational expenditure. Thus, the government left some educational costs such as that of the pocket money to be covered by the students (Abebayehu, 2003:1-2, MOE, 2003:1-4).

A major turning point regarding costs of education in the history of Ethiopian education, however, came in 1994. This was the time when a New Education and Training Policy was adopted which stipulated the boundary between the provisions of "free" education and education subject to cost sharing by the user. Article 3.9.1 of this policy document indicates that it is only the general education (grades 1 – 10) that will totally be given free, that is run with public finance. The rest of the education and training programs are to be conducted through cost sharing schemes that are to be rapid through services or payments after graduation. Indeed the policy indicates that outstanding students, students from disadvantaged regions and female students will be given special financial assistance. The policy further states that the government will create favorable conditions to encourage private investors to participate in the field of education, and the educational and training institutions to generate and use incomes with their own mechanisms. In general, the 1994 Education and Training Policy is at least a theoretical introduction of the issues and concepts of cost sharing scheme in the education system of Ethiopia (ETP 1994: 31-32). More specifically, the Education and Training Policy of 1994 states the following major points concerning the educational finance (ETP, 1994:31- 32).

*The priority for government financial support will be up to the completion of general secondary education and related training (grade 10) with increased cost-sharing at the higher levels of education and training; Mechanisms will be created for students to cover their educational expenses through service or payment after graduation; Scholarship will be given to deserving (outstanding) students; Special financial assistance will be given to those who have been deprived of educational opportunities, and steps will be taken to raise the educational participation of deprived regions; The government will give financial support to raise the participation of women in education. The government will create the necessary conditions to encourage and give support to private investors to open schools and establish various educational and training institutions; and The necessary condition will be created for*

*educational and training institution to generate their income and to use it to strengthen the educational process;*

When examining the backgrounds of cost sharing schemes of education in Ethiopia, it has passed through different forms up to now. Among these, the major ones, according to MOE (2003:10-11), are the following.

1. Most of the students in Ethiopia learn in primary and secondary public schools by covering all the expenses of education except tuition fees.
2. Not little number of students attends in primary and secondary private schools by covering all the costs of education including tuition fees.
3. Students who completed secondary education and performed a passing grade but did not join university in a regular program, proceed their education either through the extension program in government institutions or presently through a regular program in private colleges covering the whole cost of education by themselves.
4. There are also students who learn to upgrade themselves either through government support or through their own expenses (be it in a regular, extension or summer programs).
5. Still others learn abroad with scholarship grants through the government funds, international donor supports or covering the cost by themselves.
6. Parents and the community also participate not only by tax paying but also by contributing different materials and labor directly to the schools.

In all these schemes, students more or less participate in covering the cost of education in one way or the other. Particularly, since the 1990s the number of public and private schools and colleges has increased and along with the enrollment rates have raised (Ababayhu, 2003:1).

Nevertheless, enrollments, particularly secondary and higher education are plagued with problems of access, equity and quality. To solve the problems two measures are required to be taken: measures of diversifying the resource bases of education costs beyond public funding and creating mechanisms for a wise utilization of the public subsidy. The former gets rid of Ethiopian vestiges of "free" education while the latter calls for a better effect of the existing scarce resource (Ababayehu, 2003:1-2).

It is also explained that the only long term means of generating significant non government funding is through cost-sharing from students, which requires institutions to charge tuition fees and eliminate all subsidies for non educational costs such as accommodation and food services. Perhaps, because of this serious consideration is now under way to genuine cost sharing through the levying of tuition and residence fees.

As stated by Derebassa (2004:115-116), several studies have recommended that universities should aim at generating income equivalent to 30% of their recurrent expenditure requirements from student fees. This implies that the remaining 70% of their fund should be covered by other means. It is therefore of some concern that the introduction of cost sharing calls for the possibilities of other forms of financing (relatively limited) over the introduction of tuition fees, on the grounds that charging fees is too sensitive issue because of the possible adverse consequences on issues of social justice, mobility and equity.

### **2.8.1 The Rationale of Cost Sharing**

The rationale for tuition, accommodation and catering fees can be briefly be summarized as follows:

- As a result of attending a university, students will benefit through significantly greater lifetime earnings (i.e. high private rates of return from higher education), and therefore should pay at least a reasonable proportion of the cost.
- Some students often come from families with at least a degree of ability to contribute to the cost of higher education.
- They must make institutions more responsive to student needs and develop the concept of treating students as clients, with consequent improvements in efficiency, quality and level of service.
- If students have to pay for their education they will value it more, there will be an incentive for them to complete the programs quickly in order to reduce the costs, and they will be less likely to take action that disrupts their education or reduces the quality of the service they are receiving.
- In a competitive, fee paying environment, universities will be forced to become more efficient and economical (tackling such issues as gross overstaffing) or risk losing students to alternative forms of higher education.
- Pressure/incentives will be applied for universities to privatize non-core activities (such as catering, cleaning, security), thus offering further opportunities for dialogue with the private sector.
- Universities will have to relate to the market for graduates: they will have to react quickly and adapt to changing markets or lose market share in terms of students; students will be

applying pressure as they will see where the market for graduates is and demand appropriate training programs at the universities.

- Promotes better governance?

If realistic student fees were introduced, fee income would become a major source of funding for universities and the possibility of these being multiple sources of funding for universities becomes reality. In the Ethiopian context, where there is a high government subsidy on education there is still high education inaccessibility for children of the poor, women, and rural, pastoralist areas (MOE, 2002:24-28). According to Abebayehu (2003:2), the problem arises from lack of creating cost sharing schemes in higher education. The government shall, therefore, raise the capacity for higher education to alleviate resource problems of education, which in turn is achieved through implementing user charges or cost sharing in higher education.

In a country where education has been subsidized by the government since its foundation, it could be hardly possible to convince the society to be involved in cost sharing. Whatever smart a policy is, its implementation and effect is highly determined by the support of the public. Therefore, to appropriately implement policies and make them achieve their goals, a huge and exhaustive effort is required to get accompanied by the general public (Abebayehu, 2003:5-6).

To summarize, it was recognized that the Ethiopian government covers the entire tuition fee, food, housing and medical expenses of undergraduate students of Ethiopian Public Higher Education Institutions. This practice had been justifiable in the past because the government had to provide special incentives to attract the younger generation to formal education. However, now the situation has changed in that:

- The demand for higher education has increased rapidly and nowadays the problem is not lack of sufficient number of students but lack of Universities and Colleges.
- The number of students being admitted to Universities and Colleges increased rapidly which in turn increased the government expenditure on higher education.
- Due to lack of funds, the Public Institution's admission capacity could not increase proportionally to the rate of increment in the number of High School graduates. Therefore, many youngsters could not join Universities and colleges.
- Even after admission, students cannot join the field of their choice. Rather, institutions assign students to academic fields.

These all indicate that additional sources of higher education financing should be searched in order to expand the supply. One of such sources is cost-sharing – a scheme in which the

immediate beneficiaries of public higher education, starting from a year after formal employment, shall pay the food, housing, medical expenses and 15% of the tuition.

### 2.8.2 The Goals of Cost sharing

The major goals of this scheme are to:

- rapidly increase access to higher education in Ethiopia;
- increase the quality of higher education in Ethiopia;
- rationally utilize the available resources and develop the culture of saving; and
- make citizen more responsible and develop cooperation between citizens and the government.

Beneficiaries of higher education in Ethiopia will share the cost according to the following formula.

Amount to be =  $\frac{[\text{Food exp.} + \text{Housing} + \text{Medical expenses}] + [0.15 \times \text{Education Fee}] \times [\text{No. years spend on education}]}{120}$

Paid Monthly

120

- The payment period shall not exceed 10 years (120 months)
- The amount of monthly payment shall not exceed 20% of the beneficiary's monthly salary.
- The payment shall be done together with the tax payment and shall be collected by the Inland Revenue Office.

To benefit from this scheme, one should; be Ethiopian citizen, not be more than 40 years old, get admission to a public higher learning institution, sign a contract. Furthermore, to encourage early payment the following incentives are designed: 25% discount for those who pay the year's share at once and at beginning of the year; 15% discount for those who pay their debt within a year; the government and institutions may wave the payment for students in more important areas like teaching, for girls and disadvantaged groups.

To successfully implement this scheme the Prime Minister's Office, Ministry of Education, Ministry of finance and economic development (MOFED) and Ministry of Revenue shall work in collaboration. According to MOE, 2003 this scheme has been implemented starting from September 2003 in all Ethiopian higher education system.

## Chapter III

### Presentation, Analysis and Interpretation of the Data

This chapter deals with the presentation, analysis and interpretation of data gathered through questionnaire. The chapter consists of two parts. Part one presents the characteristics of the sample population involved in the study. Accordingly, the study groups students and administrators were discussed in terms of sex, age, college type, years of study, qualification, service years and students' fields of study. Part two of this chapter focuses on presenting, analyzing and interpreting the data that are more pertinent to the problem under study.

#### Part one: 3.1. Characteristics of the Respondents

The study consisted a total of 500 respondents drawn from students and administrators of the two college groups -- three TTC and two TVET Colleges.

Accordingly, the questionnaire that contained 60 and 50 items was distributed to 445 students and 45 college administrators respectively. Of the total number of questionnaire 490 distributed to the two groups of respondents a total of 431 questionnaires were appropriately filled in and returned; while 59 questionnaires were wrongly filled in and were discarded. The return rate is therefore 88.8 percent.

Based on the responses obtained from students and administrators, the characteristics of the study group were examined in terms of sex, age, college type, year of study, qualification, service years and field of study; and these are presented in Table 1-4.

**Table 1: Respondents by Sex, Age and College type**

| No | Item               | Respondents |        |                |        |
|----|--------------------|-------------|--------|----------------|--------|
|    |                    | Students    |        | Administrators |        |
|    |                    | No          | %      | No             | %      |
| 1  | Sex                |             |        |                |        |
|    | Male               | 227         | 56.3   | 27             | 96.4   |
|    | Female             | 176         | 43.7   | 1              | 3.6    |
|    | <b>Total</b>       | 403         | 100.0  | 28             | 100.0  |
| 2  | Age                |             |        |                |        |
|    | Below 15 years     |             |        |                |        |
|    | 16-20 years        | 239         | 59.3   |                |        |
|    | 21-25 years        | 161         | 40     | 5              | 17.9   |
|    | 26-30              | 3           | .7     | 8              | 28.6   |
|    | 31-35 years        |             |        | 12             | 42.8   |
|    | 36-40 years        |             |        | 3              | 10.7   |
|    | 41 years and above |             |        |                |        |
|    | <b>Total</b>       | 403         | 100.00 | 28             | 100.00 |
| 3  | College Type       |             |        |                |        |
|    | TVET               | 121         | 30.00  | 5              | 17.9   |
|    | TTC                | 282         | 70.00  | 23             | 82.1   |
|    | <b>Total</b>       | 403         | 100.00 | 28             | 100.0  |

Table 1 shows sex, age and college type distribution of the sample population of the two study groups. Students and administrators who accounted for 56.3 percent and 96.4 percent respectively were male respondents. Female representation in this study was only 43.7 percent for students and 3.6 percent for administrators.

As female representation rate in Ethiopian education has been low; their participation in college education as well as in college administration position has also been low; and the proportion of their representation in this study would obviously take the same pattern. This signifies that there was a considerable gender gap in college education and college administration positions.

As regard to age distribution, of the total sampled population, 59.3 percent of the students were in the age range; 16 to 20 years. A considerable proportion, 40 percent of students and 17.9 percent of the administrators were in the age categories of 21 to 25 years. Greater proportion 42 percent of administrators were in the age range of 31 to 35 years. Thus, there would probably be

no barrier that age differences might have caused for the two groups of respondents to freely respond to the questionnaires as per their beliefs, feelings and attitudes.

Regarding college type 70, percent and 30 percent students were drawn from TTC and TVET colleges respectively. This shows that the samples taken for this study were proportional to the total population of the two groups of college in which TVET colleges have a small population of students with compared to TTC; while the number of administrators for both college groups are equal as per the guideline of Oromia Regional college man power requirement. 17.9 and 82.1 percent of administrators were drawn from TVET and TTC respectively. It could be deduced from this that the majority of the respondents were from TTC.

**Table 2: Respondents by Year of Study and Qualification**

| No | Items                               | Respondents |      |                |      |
|----|-------------------------------------|-------------|------|----------------|------|
|    |                                     | Students    |      | Administrators |      |
|    |                                     | No          | %    | No             | %    |
| 1  | <b>Year of study</b>                |             |      |                |      |
|    | Year 1                              | 159         | 39.4 | -              | -    |
|    | Year 2                              | 170         | 42.2 | -              | -    |
|    | Year 3                              | 74          | 18.4 | -              | -    |
|    | <b>Total</b>                        | 403         | 100  | -              | -    |
| 2  | <b>Qualification</b>                | -           | -    | -              | -    |
|    | Second-degree<br>(M.A/M.sc or M.Ed) | -           | -    | 10             | 35.7 |
|    | First degree (B.A/B.sc<br>or B.Ed)  | -           | -    | 17             | 60.7 |
|    | Diploma                             | -           | -    | 1              | 3.6  |
|    | <b>Total</b>                        | -           | -    | 28             | 100  |

The data on Table 2 shows respondents by year of study and qualification. As indicated in item 1 of Table 2, the majority, 42.2 percent were year II students, and a considerable number, 39.4 percent and 18.2 percent were year II and I respectively. This implies that student respondents were reasonably drawn from each year as to their population distribution.

Table 2 also indicated the administrators' qualification. A great proportion 60.7 percent of the respondents were first degree followed by 35.7 percent of respondents with second degree holders. The administrators with college diploma accounts for, 3.6 percent of the total. This would suggest the tendency of preferring second-degree holders in administration and teaching at college level.

**Table 4: Student Respondents by Field of Study**

| No           | Items                            | Responses |      |
|--------------|----------------------------------|-----------|------|
|              |                                  | No        | %    |
| I            | <i>TTC</i>                       |           |      |
|              | 1. Language                      | 108       | 38.3 |
|              | 2. Natural Science               | 77        | 27.3 |
|              | 3. Social Science                | 62        | 21.9 |
|              | 4. Mathematics and Basic Science | 23        | 8.2  |
|              | 5. Aesthetics                    | 12        | 4.3  |
|              | <i>Total</i>                     | 282       | 100  |
| II           | <i>TVET</i>                      |           |      |
|              | 6. Woodwork                      | 15        | 12.4 |
|              | 7. Surveying                     | 15        | 12.4 |
|              | 8. Drafting                      | 12        | 9.9  |
|              | 9. Building Construction         | 15        | 12.4 |
|              | 10. IT                           | 17        | 14.1 |
|              | 11. Accounting                   | 20        | 16.5 |
|              | 12. Marketing                    | 12        | 12.4 |
|              | 13. SSID                         | 15        | 12.4 |
| <b>Total</b> | 121                              | 93.5      |      |

- IT = Information Technology SSID= Small Scale Irrigation and Drainage.

Table 4 reveals the distribution of student respondents between the two college types TTC and TVET colleges. Accordingly, students from TTC were drawn from five streams; namely; languages, Natural science, Social science. Mathematics and Basic science, and Aesthetics which accounted for 70 percent of the total sample size of this study groups. The remaining proportion 30 percent was drawn from eight fields of TVET colleges; namely: Woodwork, Surveying, Drafting, Building construction, IT, Accounting, Marketing and SSID.

Concerning the distribution of respondents within each college, of 38.3 percent was from language, 27.3 percent from natural science, 21.9 percent from social science, 8.2 percent from mathematics and basic science and 4.3 percent were drawn from aesthetics within the TTCs.

As regard to TVET colleges, an equal proportion 12.4 percent of student respondents was drawn from four fields of study; woodwork, surveying building construction and SSID. The majority

14.1 percent of them was taken from IT. A small proportion of the respondents, 9.9 percent for each, were taken from drafting and marketing respectively.

The distribution between the two groups of colleges might seem somewhat biased; but it was not. The sample size of respondents from two groups of colleges as well as among streams/departments within the colleges depends on the total population. Thus, since students assigned to TTC would relatively be greater in number than TVET college students, the sampling distribution in terms of college type and streams/departments would be justifiable.

### Part Two: 3.2. Analysis of the Data

**Table 5: Students' Awareness of Government's Challenges in Financing Education**

| No. | Items   | Respondents (N=403) |      |      |      |    |      |    |      |     |      | Mean |
|-----|---|---------------------|------|------|------|----|------|----|------|-----|------|------|
|     |   | Rating Scale        |      |      |      |    |      |    |      |     |      |      |
|     |   | 5                   |      | 4    |      | 3  |      | 2  |      | 1   |      |      |
|     |   | N                   | %    | N    | %    | N  | %    | N  | %    | N   | %    |      |
| 1   | The number of students being admitted to colleges and Universities increased rapidly.   | 230                 | 57   | 120  | 29.8 | 33 | 8.2  | 14 | 3.5  | 6   | 1.5  | 4.37 |
| 2   | The rapidly expanding primary and secondary school enrolments increased the demand for higher education.  | 189                 | 46.9 | 13.4 | 33.3 | 55 | 13.6 | 21 | 5.2  | 4   | 1.0  | 4.20 |
| 3   | Although public budget of higher education was increasing, it is unable to cope up with increasing demand for education.  | 152                 | 37.7 | 116  | 28.8 | 67 | 16.6 | 43 | 10.7 | 25  | 6.2  | 3.81 |
| 4   | Colleges have inadequate learning facilities such as library, etc.  | 227                 | 56.3 | 76   | 18.9 | 37 | 9.2  | 34 | 8.4  | 29  | 7.2  | 4.09 |
| 5   | Government could not fully finance education at higher levels   | 146                 | 36.2 | 98   | 24.3 | 74 | 18.4 | 41 | 10.2 | 44  | 10.9 | 3.65 |
| 6   | The government should not give a priority to provide higher education to all graduates of secondary schools and to meet the demands for college diploma.          | 144                 | 35.7 | 94   | 23.3 | 75 | 18.6 | 44 | 10.9 | 46  | 11.4 | 3.61 |
| 7   | The government should meet mainly if not completely the costs of instruction. While the living costs of students should be covered by students and their families | 55                  | 13.6 | 64   | 15.9 | 65 | 16.1 | 68 | 16.9 | 151 | 37.5 | 2.51 |
| 8   | I believe that financial burden of education should be distributed among all beneficiaries.   | 197                 | 48.9 | 86   | 21.3 | 57 | 14.1 | 32 | 7.9  | 31  | 7.7  | 3.96 |

Key: 5 = Strongly agree 4 = Agree 3 = Undecided 2 = Disagree 1 = Strongly disagree

20.91  
8 3.22  
2.38  
6 1.11

Table 5 presents students' awareness of government's challenge of financing education institutions as rated by respondents against the 8 items. The rating was made into five points scale representing 5-strongly agree, 4-agree, 3-undecided, 2-disagree and 1- strongly disagree. The mean scores are then interpreted in such away that the mean scores below 3.00 indicate that the awareness of students against the corresponding items was low (negative attitude or view). Inversely, mean scores 3:00 and above are interpreted indicating student awareness on particular item was high (positive attitude or view). The mean scores were also used for further statistical analysis. To indicate whether there was a significant difference between the two independent means t-test and chi-square were used. These are used in all the tables of this chapter.

Accordingly, as indicated in the table 5 above, the majority (76.8%; mean = 4.37) of the respondents agreed that the number of students being admitted to colleges and universities increased rapidly. While a small proportion, (5%) disagreed to this idea. In the same way as illustrated in item 2, a great proportion (40.2%; mean = 4.20) of students agreed that the rapidly expanding primary and secondary school enrollments increased the demand for higher education.

As depicted in item 3 of the table, (66.5%; mean = 3.81) of the students agreed that although public budget of higher education was increasing, it is unable to keep up with increasing demand for education. While (16.9%) of the students dieagreed to the idea.

Table 5 also shows that the majority (75.2%, mean = 4.09) of the respondents agreed that colleges do not have adequate learning facilities; while a small number (15.6%) of the respondents disagreed that Colleges do not have adequate learning facilities.

Regarding whether the government could not fully finance education at higher levels or not, still in the same pattern the majority (60.5%; mean = 3.65) of the respondents agreed that the government could not fully finance education at higher levels. Conversely, a considerable number (21.7) of the respondents disagreed to the idea that the government could not fully finance education at higher levels.

With regard to whether the government gives a priority to provide higher education to all graduates of secondary schools to meet the demands for college diploma or not, the majority (60%; mean = 3.61) of respondents agreed that the government should not give a priority to

Handwritten calculations:  
4.55  
18.18  
21.72  
4.55  
5.09

provide higher education to all graduates of secondary schools to meet the demands for college diploma. Inversely, (21.2%) of them disagreed to the idea.

Item 7 of Table 5 shows that the minority (29.5%; mean = 2.51) of the respondents agreed that the government should meet mainly, if not completely, the costs of instruction; while they said students and/or their families should cover the living costs of students. Contrary to this, the majority (54.4%) of the respondents disagreed that the government should meet mainly if not completely, the costs of instruction; while students and/or their families should cover the living costs of students. This may indicate that students are unwilling to share their educational costs and that the government should cover completely the costs of instruction.

With respect to their beliefs a great majority (60.2%; mean = 3.96) of the respondents agreed that the financial challenges of education should be distributed among all beneficiaries. However, a small number (15.6%) of them disagreed to the idea.

To generalize, as indicated in the table, all item except item number 7, have very high mean scores ranging from 3.61 to 4.37 out of the maximum possible scores of 5. These high mean scores indicate that a high proportion of the student respondents have adequate awareness about the government's challenges of financing education institutions. This adequate awareness of students might be attributed to adequate orientation provided to students. Obviously, the more the assumed awareness, the more the challenges of government's financing of education institutions understood. However, the effects of students adequate awareness may result in either a positive or negative attitude towards cost-sharing scheme.

Thus, it could be justified or suggested that students would have adequate knowledge and recognition of cost-sharing scheme and might have the feeling of sharing their educational costs in one way or the other. Contrary to this, the data also show that a small proportion of the respondents were not made adequately aware of cost sharing and thus might have negative or indifferent attitude towards it.

**Table 6: Students' Awareness of Government's Challenges in Financing Education by College Type**

| No | Items   | Respondents by college type | Responses    |      |    |      |    |      |    |      |    |      | X <sup>2</sup> -test | P-value |
|----|---|-----------------------------|--------------|------|----|------|----|------|----|------|----|------|----------------------|---------|
|    |   |                             | Rating scale |      |    |      |    |      |    |      |    |      |                      |         |
|    |   |                             | 5            |      | 4  |      | 3  |      | 2  |      | 1  |      |                      |         |
|    |   |                             | No           | %    | No | %    | No | %    | No | %    | No | %    |                      |         |
| 1  | The number of students being admitted to colleges and universities increased rapidly.   | TTC                         | 191          | 67.7 | 64 | 22.7 | 17 | 6    | 6  | 2.1  | 4  | 1.4  | 41.524               | <0.05   |
|    |   | TVET                        | 39           | 32.2 | 56 | 46.3 | 16 | 13.2 | 8  | 6.6  | 2  | 1.7  |                      |         |
| 2  | The rapidly expanding primary and secondary school enrolments increased the demand for higher education.  | TTC                         | 146          | 51.8 | 91 | 32.3 | 35 | 12.4 | 8  | 2.8  | 2  | .7   | 12.813               | <0.05   |
|    |   | TVET                        | 43           | 35.5 | 43 | 35.5 | 20 | 16.5 | 13 | 10.7 | 2  | 1.7  |                      |         |
| 3  | Although public budget of higher education was increasing, it is unable to cope up with increasing demand of education.   | TTC                         | 120          | 42.6 | 75 | 26.6 | 41 | 14.5 | 26 | 9.2  | 20 | 7.1  | 5.99                 | <0.05   |
|    |   | TVET                        | 32           | 26.4 | 41 | 33.9 | 26 | 21.5 | 17 | 14   | 5  | 4.1  |                      |         |
| 4  | Colleges have inadequate learning facilities such as library, etc.  | TTC                         | 172          | 61   | 60 | 21.3 | 24 | 8.5  | 13 | 4.6  | 13 | 4.6  | 17.079               | <0.05   |
|    |   | TVET                        | 55           | 45.5 | 16 | 13.2 | 13 | 10.7 | 21 | 17.4 | 16 | 13.2 |                      |         |
| 5  | Government could not fully finance education at higher levels   | TTC                         | 106          | 37.6 | 60 | 21.3 | 55 | 19.5 | 25 | 8.9  | 36 | 12.8 | .058                 | >0.05   |
|    |   | TVET                        | 40           | 33.1 | 38 | 31.4 | 19 | 15.7 | 16 | 13.2 | 8  | 6.6  |                      |         |
| 6  | The government should not give a priority to provide higher education to all graduates of secondary schools to meet the demands for college diploma.              | TTC                         | 107          | 37.9 | 66 | 23.4 | 49 | 17.4 | 26 | 9.2  | 34 | 12.1 | 1.787                | >0.05   |
|    |   | TVET                        | 37           | 30.6 | 28 | 23.1 | 26 | 21.5 | 18 | 14.9 | 12 | 9.9  |                      |         |
| 7  | The government should meet mainly if not completely the costs of instruction. While the living costs of students should be covered by students and their families | TTC                         | 29           | 10.3 | 39 | 13.8 | 45 | 16   | 44 | 7.6  | 12 | 43.3 | 20.763               | <0.05   |
|    |   | TVET                        | 26           | 21.5 | 25 | 20.7 | 20 | 16.5 | 24 | 19.8 | 26 | 21.5 |                      |         |
| 8  | I believe that financial challenges of education should be distributed among all beneficiaries  | TTC                         | 169          | 59.9 | 50 | 17.7 | 31 | 11   | 15 | 5.3  | 17 | 6    | 43.501               | <0.05   |
|    |   | TVET                        | 28           | 23.1 | 36 | 29.8 | 26 | 21.5 | 17 | 14   | 14 | 11.6 |                      |         |

Key: - 5 = Strongly agree 4 = Agree 3 = Undecided 2 = Disagree 1 = Strongly disagree

The aim of Table 6 is to assess 'students' awareness of government's challenges of financing education institutions by college type. As depicted in item 1, the majority of TTC and TVET college students 90.4 (67.7 Plus 27.7) and 68 (32.2 plus 46.3) percent respectively agreed that the number of students admitted to colleges and universities has increased rapidly. On the other hand, quite a small number 3.5 (2.1 plus 1.4) percent of TTC and 8.3 (6.6 plus 1.7) percent of TVET students disagreed to the statement mentioned above. While 6 and 13.2 percent of TTC and TVET students respectively could not identify their awareness of government's challenges of financing education. The chi-square result ( $\chi^2 = 41.5$ ) at alpha 0.05 levels also confirmed that there was statistically significant difference between the responses given by the two groups of respondents. This implies that both groups of college respondents have an equivalent understanding of financial challenges of governments of education institutions.

Table 6 shows that 84.9 (51.8 plus 23.1) percent of TTC and 71 (35.5 plus 35.5) percent of TVET students agreed that the rapidly expanding primary and secondary education enrollments increased the demand for higher education. Conversely, 3.5 (2.8 plus 7) percent of TTC and 12.4 (10.7 plus 1.7) percent of TVET students disagreed that the rapidly expanding primary and secondary schools enrolments increased the demand for higher education. Only 12.4 and 16.5 percent of TTC and TVET students respectively were indifferent to it. The chi-square result (12.813) at alpha 0.05 level reveals that statistically there was a significant difference between the two responses. This shows that the two study groups have no similar/the same/ awareness about the fact that primary and secondary student enrollment resulted in the increased demand for higher education.

As it can be seen from item 3, the majority 69.2 (42.6 plus 26.6) percent of TTC and 60.3 (26.4 plus 33.9) percent of TVET students agreed that through public budget of higher education was increasing, it was unable cope up with the increasing demand for education. While a considerable number 16.3 (9.2 plus 7.1) percent of TTC and 18.1 (14 plus 4.1) percent of TTC and TVET students respectively was disagreed that although public budget of higher education was increasing, it is unable to cope up with increasing demand for education. The chi-square result (5.99) at alpha 0.05 level indicated a non-significant difference between the responses given by the two groups of respondents. This indicates that there was no substantial difference in respondents' awareness of the study groups. In other words, a similar level of awareness was

observed between TTC and TVET students about the challenges of governments financing of education.

As agreed by 81.3 (61 plus 21.3) percent of TTC and 58.7 (45.5 plus 13.2) percent of TVET students, colleges do not have adequate learning facilities. Conversely 9.2 (4.6 plus 4.6) and 30.6 (17.4 plus 13.2) percent of TTC and TVET students respectively disagreed that colleges do not have adequate learning facilities. 8.5 and 10.7 percent of TTC and TVET students respectively indifferent. The chi-square result (17.079) at alpha 0.05 level also confirmed that there was statistically significant difference between the two groups of respondents. It could therefore be inferred that the sampled colleges have different learning facilities.

Under item 6 of Table 5, 58.9 (37.6 plus 21.3) percent of TTC and 64.5 (33.1 plus 31.4) percent of TVET students agreed; conversely, 21.7 (8.9 plus 12.8) percent of TTC and 19.8 (13.2 plus 6.6) percent of TVET students respectively disagreed that the government could not fully finance education at higher levels. The remaining, 19.5 and 15.7 percent of TTC and TVET respondents respectively were indifferent to it. The chi-square result (.058) at alpha 0.05 level also confirmed that there was no statistically significant difference between the two groups of respondents. This shows that a similar level of awareness was observed between TTC and TVET students concerning government challenge of financing education.

Item 6 of Table 6 shows whether the government should not give priority to the provision of higher education for all graduates of secondary schools to meet the demand for college diploma. In this regard, 61.3 (37.9 plus 23.4) percent of TTC and 53.7 (30.6 plus 23.1) percent TVET students agreed; 21.3 (9.2 plus 12.1) percent of TTC and 24.8 (14.9 plus 9.9) percent of TVET students disagreed to the idea that the government should not give priority to provide higher education to all graduates of secondary schools to meet the demands for college diploma. Only 17.4 and 21.5 percent of TTC and TVET students respectively were indifferent to the idea. The chi-square result (1.787) at alpha 0.05 level indicated that there was no statistically significant difference between the responses of the two study groups. This shows that, as was the case in item 5, in this item too the respondents suggested what the government should do to respond to the demand for higher education.

As it can be seen in item 7 of Table 6, the minority of the respondents that accounted for 14.1 (10.3 plus 13.8) percent of TTC and a considerable number 42.2 (21.5 plus 20.7) percent of TVET students agreed; the majority 50.9 (7.6 plus 43.3) percent of TTC and 40.3 (19.8 plus 21.5) percent of TVET respondents disagreed to the idea that the government should meet mainly if not completely the costs of instruction; while the living costs of students should be covered by students and their families. Yet the rest of the respondents 16 and 16.5 percent of TTC and TVET students replied that they are indifferent to the idea. The chi-square result (20.763) at alpha 0.05 level shows that there was statistically significant difference between the two groups of respondents. This revealed that the knowledge of the respondents about government's challenges of financing education institutions considerably varies among the respondents of the study groups.

Regarding item 8 of the same Table, a great majority 77.6 (59.9 plus 17.7) percent of TTC and 52.9 (23.1 plus 29.8) percent of TVET students agreed; whereas 11.3 (5.3 plus 6) percent of TTC and 25.6 (14 plus 11.6) percent of TVET students disagreed that the financial burden of education should be distributed among all beneficiaries. 11 percent of TTC and 21.5 percent of TVET respondents reported that they are indifferent to it. The chi-square result (43.501) at alpha 0.05 levels also indicated that there was statistically significant difference between the two study groups. This may revealed that both the study groups have different beliefs to share the financial burden of higher education from the government.

**Table 7 Views on Objectives of Cost Sharing Scheme**

| No | Items   | Respondents   | Responses    |      |     |      |    |      |    |      |    |      | Mean | T-value | P-value |  |
|----|---|---------------|--------------|------|-----|------|----|------|----|------|----|------|------|---------|---------|--|
|    |   |               | Rating scale |      |     |      |    |      |    |      |    |      |      |         |         |  |
|    |   |               | 5            |      | 4   |      | 3  |      | 2  |      | 1  |      |      |         |         |  |
|    |   |               | No           | %    | No  | %    | No | %    | No | %    | No | %    |      |         |         |  |
|    | The objectives of cost-sharing scheme are to:   |               |              |      |     |      |    |      |    |      |    |      |      |         |         |  |
| 1  | Generate additional revenue sources   | Student       | 125          | 31   | 103 | 25.6 | 75 | 18.6 | 45 | 11.2 | 55 | 13.6 | 3.49 | 1.097   | >0.05   |  |
|    |   | Administrator | 7            | 25   | 15  | 53.6 | 2  | 7.1  | 1  | 3.6  | 3  | 10.7 | 3.79 |         |         |  |
| 2  | Rapidly increase access to higher education   | Student       | 88           | 21.8 | 101 | 25.1 | 77 | 19   | 65 | 16.1 | 72 | 17.9 | 3.17 | .947    | >0.05   |  |
|    |   | Administrator | 6            | 21.4 | 12  | 42.9 | 2  | 7.1  | 4  | 14.3 | 4  | 14.3 | 3.43 |         |         |  |
| 3  | Improve the quality of higher education   | Student       | 74           | 18.3 | 84  | 20.8 | 88 | 21.8 | 85 | 21.1 | 72 | 17.9 | 3.03 | 1.247   | >0.05   |  |
|    |   | Administrator | 4            | 14.3 | 15  | 53.6 | 1  | 3.6  | 4  | 14.3 | 4  | 14.3 | 3.39 |         |         |  |
| 4  | Rationally utilize the available resources, and develop the culture of saving.                | Student       | 103          | 25.6 | 94  | 23.3 | 86 | 21.3 | 55 | 13.6 | 65 | 16.1 | 3.29 | 1.849   | >0.05   |  |
|    |   | Administrator | 7            | 25   | 14  | 50   | 3  | 10.7 | 2  | 7.1  | 2  | 7.1  | 3.79 |         |         |  |
| 5  | Make citizen more responsive and develop cooperation between citizens and the government      | Student       | 87           | 21.6 | 93  | 23.1 | 80 | 19.9 | 55 | 13.6 | 88 | 21.8 | 3.09 | 3.144   | < 0.05  |  |
|    |   | Administrator | 9            | 32.1 | 12  | 42.9 | 4  | 14.3 | 3  | 10.7 | -  | -    | 3.96 |         |         |  |
| 6  | Mobilize new resources funds to improve teaching and research                                 | Student       | 108          | 26.8 | 103 | 25.6 | 78 | 19.4 | 66 | 16.4 | 48 | 11.9 | 3.39 | 1.245   | >0.05   |  |
|    |   | Administrator | 7            | 25   | 11  | 39.6 | 6  | 21.4 | 3  | 10.7 | 1  | 3.6  | 3.71 |         |         |  |
| 7  | Enable the government to sustain the expenditure of the primary and secondary education level | Student       | 67           | 16.6 | 127 | 31.5 | 96 | 23.8 | 60 | 14.9 | 53 | 13.2 | 3.24 | 1.959   | >0.05   |  |
|    |   | Administrator | 6            | 21.4 | 12  | 42.9 | 6  | 21.4 | 4  | 14.3 | -  | -    | 3.71 |         |         |  |

Key: - 5 = Strongly agree 4 = Agree 3 = Undecided 2 = Disagree 1 = Strongly disagree

Table 7 presents respondents' views on objectives of cost sharing scheme by rating against 7 items of objective of cost sharing scheme. To this effect, both students and administrators were asked to show their agreement or disagreement to elements related to objectives of cost sharing scheme. Accordingly, the majority (56.6%; mean = 3.49) of students and (78.6%; mean = 3.79) of administrators agreed that the objective of cost-sharing is to generate additional revenue sources. While a considerable number (24.8%) of students and (14.3%) of administrators disagreed that the objectives of cost sharing is to generate additional sources. This shows that additional revenue generation is one of cost-sharing objectives has viewed positively by the majority of the respondents.

With regard to increase access to higher education, (46.9%; mean = 3.17) of students and (44.3% mean = 3.43) of administrator agreed that increasing access to higher education is another objective of cost-sharing. Inversely, (24%) and (28.6%) of students and administrators respectively disagreed to this idea. This implies that rapidly increasing access to higher education was recognized as one of the objectives of cost sharing by the majority of the respondents.

In item 3, respondents were asked whether the objective of cost-sharing is to improve the quality of higher education; and consequently, (39.1%; mean = 3.03) and (67.9%; mean = 3.39) of students and administrators respectively agreed that the objective of cost sharing is to improve the quality of higher education. Conversely, (38%) of students and (28.6%) of administrators showed their disagreement that the objective of cost sharing is to improve the quality of higher education.

Item 4 treats the rational utilization of available resources (efficiency) and development of culture of saving. Accordingly, the majority (48.9%; mean = 3.29) of students and (75%; mean = 3.79) of administrators agreed that the objective of cost-sharing is to rationally utilize the available resources and to develop the culture of saving. Thus, it could be said that one of the objective of cost-sharing is efficiency issues.

In item 5 of the same table, (44.4%; mean = 3.09) of students and (75%; mean = 3.96) of administrators agreed that making citizens more responsive and developing cooperation between citizens and the government is another objective of cost-sharing. While (35.4%) and (10.7%) of students and administrators respectively disagreed that the objective of cost-sharing is to make

citizen more responsive and develop cooperation between citizens and the government. This implies cost sharing also deals with responsiveness and cooperation issues.

Item 6 treats respondents view with regard to mobilization of new resource funds to improve teaching and research. Accordingly, a great majority (52.4%; mean = 3.39) of students and (64.6%; mean = 3.71) of administrators agreed that the objective of cost-sharing is to mobilize new resource funds and to improve teaching and research. Conversely, a considerable number (28.3%) of students and (14.3%) of administrators disagreed with the idea in item 6.

As regards the last item of the same table, a great proportion (48.1%; mean = 3.24) of the students and (44.3%; mean = 3.71) of the administrators agreed that one of the objective of cost sharing is to enable the government to sustain the expenditure of the basic and secondary education level. On the contrary, (28.1%) of students and (14.3%) of the administrators expressed their disagreement to the idea under item 8. This implies that one of the objective of cost sharing is to shift the expenditure of higher education to the lower level of education.

As indicated in items 1 to 7 student respondents agreed to the mean scores of (3.49), (3.17), (3.03), (3.29), (3.09), (3.39), and (3.24) against the statements listed from item 1 to 7 respectively. Similarly, administrators agreed to the mean scores of (3.79), (3.43), (3.39), (3.79), (3.71), (3.86) and (3.71) against the objectives of cost-sharing stated from item 1 to 7 respectively.

This data shows that the mean scores of the respondents are above the average (3) with a slight variation in the mean scores between the two groups of respondents. With regard to the difference in mean scores of the two independent groups, the t-test was calculated to check whether significant differences exist between the two study groups or not. Accordingly, the result of the calculated t-value revealed that except for items 1, 5 and 6, the t-value does not show significant statistical difference at alpha 0.05 level between the two groups of respondents. With regard to item 5 and 6, there was a statically significant difference between the responses of the study groups at alpha 0.05 level.

This shows that the majority of the respondents viewed the objectives of cost-sharing positively. There were also a considerable number of respondents who viewed the objectives of cost sharing negatively as well as indifferently. Furthermore, as it can be seen from the table, administrators

relatively scored high mean than students. Thus, it could be inferred that administrators viewed the objectives of cost sharing more positively than students.

In general, as indicated in Table 7, the majority of the respondents' mean scores ranged from 3.03 to 3.96 showing their positive view on the objectives of cost sharing. Therefore, one can deduce from the data that a good number of the objectives of cost-sharing policy seem to be accepted and recognized by the respondents.

**Table 8 Views on Rationale of Cost Sharing**

| No | Items   | Respondents   | Responses    |      |     |      |      |      |    |      |     |      | Mean | T-value | P-value  |
|----|---|---------------|--------------|------|-----|------|------|------|----|------|-----|------|------|---------|----------|
|    |   |               | Rating scale |      |     |      |      |      |    |      |     |      |      |         |          |
|    |   |               | 5            |      | 4   |      | 3    |      | 2  |      | 1   |      |      |         |          |
| No | %   | No            | %            | No   | %   | No   | %    | No   | %  |      |     |      |      |         |          |
| 1  | The need to reduce public expenditure as a result of failing government revenue   | Student       | 63           | 15.6 | 95  | 23.6 | 10.5 | 26.1 | 60 | 14.9 | 80  | 19.9 | 3.00 | 1.638   | >0.05    |
|    |   | Administrator | 4            | 14.3 | 11  | 39.3 | 8    | 28.6 | 3  | 10.7 | 2   | 7.1  | 3.43 |         |          |
| 2  | A wish to allocates resources to lower level of education or improve quality in higher education.   | Student       | 123          | 30.5 | 140 | 34.7 | 54   | 13.4 | 45 | 11   | 41  | 10.2 | 3.64 | 2.889   | * < 0.05 |
|    |   | Administrator | 13           | 46.4 | 12  | 42.9 | 3    | 10.7 | -  | -    | -   | -    | 4.36 |         |          |
| 3  | A more equitable distribution of costs of higher education.   | Student       | 77           | 19.1 | 131 | 32.5 | 82   | 20.3 | 63 | 15.6 | 50  | 12.4 | 3.30 | 2.395   | * < 0.05 |
|    |   | Administrator | 7            | 25   | 11  | 39.3 | 10   | 35.7 | -  | -    | -   | -    | 3.89 |         |          |
| 4  | Cost sharing encourages faster competition and better study.  | Student       | 67           | 16.6 | 88  | 21.8 | 85   | 21.1 | 81 | 20.1 | 82  | 20.3 | 2.94 | 1.283   | >0.05    |
|    |   | Administrator | 6            | 21.4 | 4   | 14.3 | 12   | 42.9 | 4  | 14.3 | 2   | 7.1  | 3.29 |         |          |
| 5  | Higher education should not continue to be the preserve of the relatively privileged; it should be for greater access to the poor.  | Student       | 204          | 59.6 | 65  | 16.1 | 41   | 10.2 | 29 | 7.2  | 28  | 6.9  | 4.14 | .141    | >0.05    |
|    |   | Administrator | 11           | 39.3 | 11  | 39.3 | 4    | 14.3 | 2  | 7.1  | -   | -    | 4.11 |         |          |
| 6  | Higher private return from higher education and should pay at least a reasonable proportion of the cost.  | Student       | 178          | 44.2 | 129 | 32   | 46   | 11.4 | 31 | 7.7  | 19  | 4.7  | 4.04 | .33     | >0.05    |
|    |   | Administrator | 7            | 25   | 13  | 46.4 | 8    | 28.6 | -  | -    | -   | -    | 3.96 |         |          |
| 7  | If students have to share their education costs they will value it more. there will be an incentive for them to complete the programs quickly in order to reduce the costs. | Student       | 70           | 17.4 | 108 | 26.8 | 83   | 20.6 | 62 | 15.4 | 80  | 19.9 | 3.06 | 2.697   | <0.05    |
|    |   | Administrator | 8            | 28.6 | 12  | 42.9 | 3    | 10.7 | 4  | 14.3 | 1   | 3.6  | 3.79 |         |          |
| 8  | To make Colleges to react quickly and adapt to changing market demands.   | Student       | 105          | 26.1 | 112 | 27.8 | 90   | 22.3 | 56 | 13.9 | 40  | 9.9  | 3.46 | 1.305   | >0.05    |
|    |   | Administrator | 7            | 25   | 13  | 46.6 | 4    | 14.3 | 3  | 10.7 | 1   | 3.6  | 3.79 |         |          |
| 9  | The income for the beneficiaries would become a major sources of funding higher education.  | Student       | 95           | 23.6 | 117 | 29   | 94   | 23.3 | 51 | 12.7 | 46  | 11.4 | 3.41 | .657    | >0.05    |
|    |   | Administrator | 8            | 28.6 | 7   | 25   | 7    | 25   | 5  | 17.9 | 1   | 3.6  | 3.57 |         |          |
| 10 | Cost-sharing scheme creates important incentives for students to select their programme of study carefully and to complete their studies more rapidly.                      | Student       | 62           | 15.4 | 95  | 23.6 | 91   | 22.6 | 52 | 12.9 | 103 | 25.6 | 2.90 | 2.718   | * < 0.05 |
|    |   | Administrator | 7            | 25   | 8   | 28.6 | 9    | 32.1 | 4  | 14.3 | -   | -    | 3.64 |         |          |
| 11 | Cost sharing makes public institutions more responsive to market signals.   | Student       | 61           | 15.1 | 107 | 26.6 | 91   | 22.6 | 72 | 17.9 | 72  | 17.9 | 3.03 | 3.201   | * < 0.05 |
|    |   | Administrator | 10           | 35.7 | 9   | 32.1 | 5    | 17.9 | 3  | 10.7 | 1   | 3.6  | 3.86 |         |          |
| 12 | To promote equity   | Student       | 41           | 10.2 | 59  | 14.6 | 53   | 13.2 | 51 | 12.7 | 199 | 49.4 | 2.24 | 4.400   | * < 0.05 |
|    |   | Administrator | 6            | 21.4 | 10  | 35.7 | 5    | 17.9 | 5  | 17.9 | 2   | 7    | 3.46 |         |          |
| 13 | The more the level of education of the person the better the prospects for his/her labor market   | Student       | 132          | 32.7 | 124 | 30.8 | 81   | 20.1 | 39 | 9.7  | 27  | 6.7  | 3.80 | .551    | >0.05    |
|    |   | Administrator | 9            | 32.1 | 11  | 39.3 | 7    | 25   | 1  | 3.6  | -   | -    | 4.00 |         |          |

Key: - 5 = Strongly agree 4 = Agree 3 = Undecided 2 = Disagree 1 = Strongly disagree

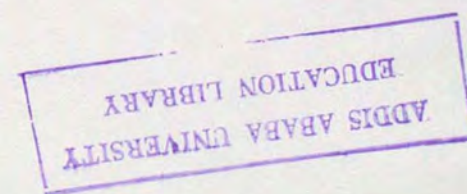


Table 8 presents respondents' view on the rationale of cost sharing. Accordingly, student respondents agreed to the mean scores ranging from 3 to 4.14 except for items 4, 10 and 12. Similarly, administrators agreed to the mean scores ranging from 3.29 to 4.36. As one can see from the table, it seems that the administrators tend to favor the rationale of cost sharing more than students. Moreover, from the distribution of mean scores, one can clearly see that a great majority of the respondents' mean scores were found to be above the expected mean average point of the rating scale (3). This shows that more than half of the respondents viewed the rationale of cost-sharing positively.

The t-test significance of proportional difference between the two groups of respondents was also found to be statistically non-significant for items 1, 4, 5, 6, 8, 9, and 13, at alpha 0.05 level. Contrary to this, for items 2, 3, 7, 10, 11 and 12 that the t-value showed that there was statistically significant difference between the responses of the two study groups at alpha 0.05 level.

These mean scores above the average revealed that the two groups of respondents were convinced with the rationale of cost-sharing scheme designed for higher education. On the other hand, quite a small proportion of the respondents disagreed with rationale of cost sharing scheme with mean scores of 2.38 and 2.79. It appears therefore, the two study groups were in favor of the rationale of cost sharing scheme significantly so that they have a positive view towards its effective implementation.

**Table 9: Views on the Need to Share Educational Costs**

| No | Items   | Respondents   | Responses    |      |     |      |    |      |    |      |     |      | Mean | T-value | P-value |
|----|---|---------------|--------------|------|-----|------|----|------|----|------|-----|------|------|---------|---------|
|    |   |               | Rating scale |      |     |      |    |      |    |      |     |      |      |         |         |
|    |   |               | 5            |      | 4   |      | 3  |      | 2  |      | 1   |      |      |         |         |
|    |   |               | No           | %    | No  | %    | No | %    | No | %    | No  | %    |      |         |         |
| 1  | The expansion of heavily subsidized higher education has taken the public resources from the lower level of education.        | Student       | 60           | 14.9 | 66  | 16.4 | 79 | 19.6 | 55 | 13.6 | 143 | 35.5 | 2.62 | 3.10    | <0.05   |
|    |   | Administrator | 8            | 28.6 | 6   | 21.4 | 7  | 25   | 6  | 21.4 | 1   | 3.6  |      |         |         |
| 2  | Free higher education does not ensure equality of opportunity.  | Student       | 60           | 14.9 | 43  | 10.7 | 64 | 15.9 | 65 | 16.1 | 171 | 42.4 | 2.39 | 3.214   | <0.05   |
|    |   | Administrator | 7            | 25   | 7   | 25   | 5  | 17.9 | 6  | 21.4 | 3   | 10.7 |      |         |         |
| 3  | The government alone cannot bear full responsibility for funding colleges   | Student       | 123          | 30.5 | 81  | 20.1 | 84 | 208  | 53 | 13.2 | 62  | 15.4 | 3.37 | 1.876   | >0.05   |
|    |   | Administrator | 10           | 35.7 | 13  | 46.4 | 1  | 3.6  | -  | -    | 4   | 14.3 |      |         |         |
| 4  | The beneficiaries who take more the advantage of higher education should contribute to the cost of their education            | Student       | 89           | 22.1 | 110 | 27.3 | 82 | 20.3 | 49 | 12.2 | 73  | 18.1 | 3.23 | 3.394   | <0.05   |
|    |   | Administrator | 12           | 42.9 | 11  | 39.3 | 2  | 7.1  | 3  | 10.7 | -   | -    |      |         |         |
| 5  | By its nature and tradition, education in generally is a public good guaranteed by the government and accessed by everybody.  | Student       | 267          | 66.3 | 56  | 13.9 | 37 | 9.2  | 23 | 5.7  | 20  | 50   | 4.31 | 3.272   | <0.05   |
|    |   | Administrator | 5            | 17.9 | 11  | 39.3 | 9  | 32.1 | 1  | 3.6  | 2   | 7.1  |      |         |         |
| 6  | Cost-sharing schemes in the financing of education will not resolve the problem of quality, efficiency, relevance and equity. | Student       | 115          | 28.5 | 73  | 18.1 | 67 | 16.6 | 63 | 15.6 | 85  | 21.1 | 3.17 | 1.345   | >0.05   |
|    |   | Administrator | 11           | 39.3 | 5   | 17.9 | 5  | 17.9 | 3  | 10.7 | 4   | 14.3 |      |         |         |
| 7  | Fee free higher education, is likely to give greater resources to the poor families.  | Student       | 288          | 71.5 | 61  | 15.1 | 23 | 5.7  | 16 | 4.0  | 15  | 3.7  | 4.47 | .375    | <0.05   |
|    |   | Administrator | 13           | 46.4 | 13  | 46.4 | 2  | 7.1  | -  | -    | -   | -    |      |         |         |

Key: - 5 = Strongly agree      4 = Agree      3 = Undecided      2 = Disagree      1 = Strongly disagree

In Table 9 attempts were made to assess respondents' views on the need to share educational costs. As it can be observed from the item 1 of table 9, students disagreed to mean score of 2.62 and administrators agreed to mean score of 3.50 that the expansion of heavily subsidized higher education has taken the public resources from the lower levels of education. Regarding the difference in responses between the two groups of the respondents, the calculated t-value confirmed that there was statistically significant difference at alpha 0.05 level. This shows that the government needs to reduce the heavy subsidization of higher education.

The respondents were also asked to rate if free higher education does not ensure equality of opportunity. Accordingly, student respondents disagreed to mean score of 2.39 while administrators agreed to mean score of 3.32 that free higher education does not ensure equality of opportunity. The difference between the mean scores of the two groups was a statistically significant at alpha 0.05 level.

Regarding item 3 of table 9, students and administrators agreed to mean scores of 3.37 and 3.85 respectively that the government alone cannot bear full responsibility for funding colleges. This shows that there is a moderate support among respondents for the need to share the financial challenges of funding colleges. The difference between the mean scores of both groups was not statistically significant at alpha 0.05 level.

As it can be observed from item 4, students and administrators agreed to the mean scores of 3.23 and 4.14 respectively that the beneficiaries who take more advantage of higher education should contribute to the costs of their education. This may imply that students (the direct beneficiaries of higher education) contribute to the costs of their education. The t-value also shows statistically significant difference in mean scores of the two study groups at alpha 0.05 level.

Nevertheless, as item 6 reveals, both students and administrators agreed to mean scores of 4.31 and 3.57 respectively that by its nature and tradition, education generally is a public good guaranteed by the government and accessed to every body. This seems to suggest that education is a public good and no one has to pay for it. The t-value confirmed that there was statistically significant difference between mean scores of the two study groups at alpha 0.05 level.

Regarding respondents' view on financing of higher education through cost sharing scheme as depicted in item 6, students fairly agreed to the mean scores of 3.17 and the administrators agreed to mean scores of 3.57 that cost sharing scheme in financing of education will not resolve the problem of quality efficiency, relevance and equity. The difference between the mean scores of both groups was not statistically significant at alpha 0.05 level. This may reveal that there was no/little evidence to show that the problem of quality, efficiency, relevance and equity was resolved because of cost-sharing scheme.

As illustrated in table 9, students to mean scores of 4.47 and administrators to mean scores of 4.39 agreed that free higher education is likely to give greater resources to the poor families. The t-value also indicated that there was no statistically significant difference between the two study groups at alpha 0.05 level.

**Table 10: Views on possible provision for Students to Accept Cost Sharing**

| No | Items   | Respondents   | Responses    |      |     |      |    |      |    |      |    |      | Mean | T-value | P-value |
|----|---|---------------|--------------|------|-----|------|----|------|----|------|----|------|------|---------|---------|
|    |   |               | Rating scale |      |     |      |    |      |    |      |    |      |      |         |         |
|    |   |               | 5            |      | 4   |      | 3  |      | 2  |      | 1  |      |      |         |         |
|    |   |               | No           | %    | No  | %    | No | %    | No | %    | No | %    |      |         |         |
| 1  | Students accept cost sharing:   | Student       | 126          | 31.3 | 131 | 32.5 | 28 | 6.9  | 32 | 7.9  | 1  | 2    | 3.71 | 1.353   | >0.05   |
|    | If the revenue from fees actually go to improve educational quality or to expand the system.                    | Administrator | 6            | 21.4 | 7   | 25   | 10 | 35.7 | 2  | 7.1  | 3  | 10.7 | 3.39 |         |         |
| 2  | If fees are not to be set high that poor families cannot afford on top of other direct and indirect costs.      | Student       | 130          | 32.3 | 105 | 26.1 | 70 | 17.4 | 48 | 11.9 | 50 | 12.4 | 3.54 | 1.473   | >0.05   |
|    |   | Administrator | 10           | 35.7 | 10  | 35.7 | 5  | 17.9 | 2  | 7.1  | 1  | 3.6  | 3.93 |         |         |
| 3  | If they perceive that the income level of their parents are increased to the level that can enable them to pay. | Student       | 89           | 22.1 | 111 | 27.5 | 80 | 19.9 | 63 | 15.6 | 60 | 14.9 | 3.26 | 1.045   | >0.05   |
|    |   | Administrator | 3            | 10.7 | 13  | 46.4 | 9  | 32.1 | 2  | 7.1  | 1  | 3.6  | 3.54 |         |         |
| 4  | If they perceive that their education will be highly demanded on the labor market.                              | Student       | 88           | 21.8 | 92  | 22.8 | 96 | 23.8 | 65 | 16.1 | 62 | 15.4 | 3.20 | .746    | >0.05   |
|    |   | Administrator | 5            | 17.9 | 9   | 32.1 | 10 | 35.7 | -  | -    | 4  | 14.3 | 3.39 |         |         |
| 5  | If they sense a significant improvement in the quality of services and education they receive.                  | Student       | 96           | 23.8 | 131 | 32.5 | 93 | 23.1 | 55 | 13.6 | 28 | 6.9  | 3.53 | .922    | >0.05   |
|    |   | Administrator | 7            | 25   | 9   | 32.1 | 11 | 39.3 | -  | -    | 1  | 3.6  | 3.75 |         |         |
| 6  | If they join fields of studies according to their interest.   | Student       | 170          | 42.2 | 81  | 20.1 | 53 | 13.2 | 46 | 11.4 | 53 | 13.2 | 3.67 | .424    | >0.05   |
|    |   | Administrator | 8            | 28.6 | 8   | 28.6 | 8  | 28.6 | 2  | 7.1  | 1  | 3.6  | 3.79 |         |         |

Key: - 5 = Strongly agree    4 = Agree    3 = Undecided    2 = Disagree    1 = Strongly disagree

Table 10 presents views on possible provisions for students to accept cost-sharing scheme. Accordingly, students and administrators to mean scores of 3.71 and 3.39 respectively that students accept cost-sharing if the revenue from fees actually go to improve educational quality or to expand the system. The t-value at alpha 0.05 level also confirmed that there was no statistically significant difference between the mean scores of the two study groups. This may reveal that students are ready to accept cost sharing scheme if the revenue from fees actually go to improve educational quality or to expand the system.

According to item 2 of Table 10, both students and administrators agreed to mean scores of 3.54 and 3.93 respectively that students accept cost-sharing scheme if fees are not to be so high that poor families cannot afford on top of other direct and indirect costs. The t-value at alpha 0.05 level ascertained that there was no statistically significant difference between the responses of the two groups of respondents. This was an indication that the majority of respondents are ready to accept cost-sharing scheme if fees are not to be so high in the sense that poor families cannot afford.

In the same way in item 3, students agreed to mean scores of 3.26 and the administrators also agreed to mean scores of 3.54. These mean scores show that students accept cost sharing scheme if they perceive that the income level of their parents are increased to the level that can enable them to pay. The t-value at alpha 0.05 level also indicated that there was a strong association between the responses of the two groups of respondents. This implies that the crucial controversial problem revolving around cost-sharing scheme centers on the reasonable level of tuition fees and other charges to be introduced rather than whether such fees should be introduced.

As regard to item 4, both students and administrators agreed to mean scores of 3.20 and 3.39 respectively that students accept cost-sharing scheme if they perceive that their education will be highly demanded on the labor market. The calculated t-value at alpha 0.05 level also confirmed that there was no statistically significant difference between the mean scores of the two study groups. This seems to indicate higher education institutions to make need assessment on the labor market before the delivery or design of any courses.

Similarly, in items 5, students to mean scores of 3.53 and administrators to mean scores of 3.75 agreed that the students accept cost sharing scheme if they sense a significant improvement in the quality of services and education they receive. The calculated t-value at alpha 0.05 level also

ascertained that there was no statistically significant difference between the responses of the two study groups. This may reveal that students' fear or doubt that cost-sharing scheme will not bring significant improvement on their instructional quality and other services.

As indicated in the last item of Table 10, in both the study groups there was a strong association between their responses as confirmed by calculated t-value at alpha 0.05 level. According to item 6 of this table, students and administrators agreed to mean scores of 3.67 and 3.79 respectively that the students are ready to accept cost sharing scheme if they join fields of studies according to their interest.. This implies that students claim (argue) for their placement in higher education institutions according to their choice of study.

**Table 11: Views and Reactions on Implementation Mechanisms of Cost sharing**

| No | Items  | Respondents   | Responses    |       |     |      |    |      |    |      |    |      | Mean | T-value | P-value |  |
|----|--|---------------|--------------|-------|-----|------|----|------|----|------|----|------|------|---------|---------|--|
|    |  |               | Rating scale |       |     |      |    |      |    |      |    |      |      |         |         |  |
|    |  |               | 5            |       | 4   |      | 3  |      | 2  |      | 1  |      |      |         |         |  |
|    |  |               | No           | %     | No  | %    | No | %    | No | %    | No | %    |      |         |         |  |
|    | Cost-sharing cannot be implemented equitably without   |               |              |       |     |      |    |      |    |      |    |      |      |         |         |  |
| 1  | Student loans programme to assist the needy to borrow for their education.   | Student       | 128          | 31.76 | 119 | 29.5 | 58 | 14.4 | 47 | 11.7 | 51 | 12.7 | 3.56 | 1.395   | >0.05   |  |
|    |  | Administrator | 9            | 32.1  | 10  | 35.7 | 8  | 28.6 | -  | -    | 1  | 3.6  | 3.93 |         |         |  |
| 2  | Scholarship programmes that guarantee necessary financial support for academically qualified poor students to absorb the direct and indirect cost of higher education. | Student       | 187          | 46.4  | 94  | 23.3 | 65 | 16.1 | 33 | 8.2  | 24 | 6    | 3.96 | 0.890   | >0.05   |  |
|    |  | Administrator | 5            | 17.9  | 15  | 53.6 | 6  | 21.4 | -  | -    | 2  | 7.1  | 3.75 |         |         |  |
| 3  | Combination of work and study programme.   | Student       | 134          | 33.3  | 103 | 25.6 | 72 | 17.9 | 48 | 11.9 | 46 | 11.4 | 3.75 | .813    | >0.05   |  |
|    |  | Administrator | 6            | 21.4  | 14  | 50   | 7  | 25   | 1  | 3.6  | -  | -    | 3.79 |         |         |  |
| 4  | Financial incentives offered to over-come the burden of fee payment and living expenses.   | Student       | 115          | 28.5  | 114 | 28.3 | 92 | 22.8 | 49 | 12.2 | 33 | 8.2  | 3.57 | 1.344   | >0.05   |  |
|    |  | Administrator | 7            | 25    | 12  | 42.9 | 6  | 21.4 | 2  | 7.1  | 1  | 3.6  | 3.89 |         |         |  |
| 5  | Participation of private investors to establish standard educations and training institution.  | Student       | 128          | 31.8  | 133 | 33   | 70 | 17.4 | 40 | 9.9  | 32 | 7.9  | 3.71 | .934    | >0.05   |  |
|    |  | Administrator | 7            | 25    | 14  | 50   | 5  | 17.9 | 2  | 7.1  | -  | -    | 3.93 |         |         |  |
| 6  | Having institutionally based revenue generation initiatives  | Student       | 64           | 15.9  | 126 | 31.3 | 95 | 23.6 | 58 | 14.4 | 60 | 14.9 | 3.19 | 2.430   | *<0.05  |  |
|    |  | Administrator | 4            | 14.3  | 14  | 50   | -  | -    | 10 | 35.7 | -  | -    | 3.79 |         |         |  |
| 7  | Parental contributions and students own income.  | Student       | 91           | 22.6  | 106 | 26.3 | 85 | 21.1 | 70 | 17.4 | 51 | 12.7 | 3.29 | 1.245   | >0.05   |  |
|    |  | Administrator | 6            | 21.4  | 9   | 32.1 | 10 | 35.7 | 2  | 7.1  | 1  | 3.6  | 3.61 |         |         |  |
| 8  | college fees from local residents.   | Student       | 156          | 38.7  | 89  | 22.1 | 72 | 22.9 | 54 | 13.4 | 32 | 7.9  | 3.70 | 1.355   | >0.05   |  |
|    |  | Administrator | 4            | 14.3  | 9   | 32.1 | 10 | 35.7 | 3  | 10.7 | 2  | 7.1  | 3.36 |         |         |  |
| 9  | Exemption of poor students   | Student       | 119          | 29.5  | 73  | 18.1 | 77 | 19.1 | 65 | 16.1 | 69 | 17.1 | 3.27 | .824    | >0.05   |  |
|    |  | Administrator | 5            | 17.9  | 9   | 32.1 | 10 | 35.7 | 3  | 10.7 | 1  | 3.6  | 3.50 |         |         |  |

Key: - 5 = Strongly agree 4 = Agree 3 = Undecided 2 = Disagree 1 = Strongly disagree

Table 11 presents respondents' views and reactions towards mechanisms applied to implement cost-sharing scheme. Accordingly, as agreed upon by both students and administrators with mean scores of 3.56 and 3.39 respectively, showing no statistically significant difference between the two mean scores at alpha 0.05 level, cost-sharing cannot be implemented equitably without the function of student loans programme to assist the needy to borrow for their education. This implies that student loans programme targeted to support more sharply financially needy students.

The respondents were also asked to rate their views and reactions as indicated in item 2. In this regard, both students and administrators agreed to mean scores of 3.96 and 3.75 respectively, that for cost-sharing scheme to be implemented, scholarship programmes that guarantee necessary financial support for academically qualified poor students to absorb the direct and indirect cost of higher education should be available. The difference between the mean scores of the two groups was not statistically significant at alpha 0.05 level. This shows that scholarship programme is available only for academically qualified poor student at higher education. This is one of the means to ensure that the poor are not barred from college by inability to pay fees.

As illustrated in item 4, both students and administrators respectively agreed to mean scores of 3.71 and 3.39 that cost-sharing scheme cannot be implemented equitably without the participation of private investors to establish standardize education and training institutions. The t-value at alpha 0.05 level also revealed that statistically there was no significant difference between the responses given by students and administrators. This was an indication that participation of private investors in providing and establishing standardized education and training institutions reduce government's challenges in doing so.

Regarding institutionally base revenue generation initiative as could be seen in item 6, students and administrator respectively agreed to mean scores 3.19 and 3.79 that for cost-sharing scheme to be implemented equitably institutionally based revenue generation should be initiated by respective colleges. The t-value at alpha 0.05 level also confirmed that there was difference between the responses given by the two study groups. This shows that on top of government budgets college based income generating activities should be initiated. However, some respondents did not appreciate this initiative.

Regarding combination of work study programme as indicated in item 3, both students and administrators agreed to mean scores of 3.75 and 3.79 that cost-sharing cannot be implemented equitably without the function of combination of work study programme. The difference between the mean scores of both groups was not statistically significant at alpha 0.05 level. This may reveal that a combination of work study programme the concept of working your way through college should be available for students in all college which may not be the case for students to work while attending their colleges.

Similarly, as indicated in item 4, students and administrators respectively agreed to mean scores of 3.57 and 3.89 that financial incentives need to be offered to overcome the burden of fee payments and living expenses for cost-sharing to be implemented equitably. The calculated t-value at alpha 0.05 level also shows that the responses given by both groups of respondents are strongly associated. This may indicate that to increase access for college education financial incentive need to be offered for those poor and disadvantaged groups.

As regards to item 7, both students and administrators respectively agreed to mean scores of 3.29 and 3.61 that cost-sharing scheme cannot be implemented equitably with out parental contributions and students own income. The difference in mean scores of the two groups was not found statistically significant at alpha 0.05 level. This may call for parents and students to contribute to their education.

According to item 8, students and administrators respectively agreed to mean scores of 3.70 and 3.36 that for cost-sharing scheme to be implemented, college fees from local residents should be encouraged. The t-value at alpha 0.05 level also did not show statistically significant difference between the responses of the two groups. This implies that it is important for local level beneficiaries to contribute to the reduction of financial expenses of colleges.

Similarly, in the last item of Table 11, both students and administrator respectively agreed to mean scores of 3.27 and 3.50 that cost-sharing scheme cannot be implemented equitably without the exemption of poor students. The calculated t-value at alpha 0.05 level also confirmed that there was no statistically significant difference between the two groups of respondents. This implies the importance of a safety net for the poorest to ensure the opportunity for college education even if they are unable to pay for it.

**Table 12: Preferred Funding Sources for Cost Sharing**

| No | Items                  | Respondents   | Responses    |      |    |      |    |      |    |      |     |      | Mean | T-value | P-value  |       |
|----|------------------------|---------------|--------------|------|----|------|----|------|----|------|-----|------|------|---------|----------|-------|
|    |                        |               | Rating scale |      |    |      |    |      |    |      |     |      |      |         |          |       |
|    |                        |               | 5            |      | 4  |      | 3  |      | 2  |      | 1   |      |      |         |          |       |
| No | %                      | No            | %            | No   | %  | No   | %  | No   | %  |      |     |      |      |         |          |       |
|    | <b>Funding Sources</b> |               |              |      |    |      |    |      |    |      |     |      |      |         |          |       |
| 1  | Parents                | Student       | 65           | 16.1 | 54 | 13.4 | 68 | 16.9 | 90 | 22.3 | 126 | 31.3 | 2.61 | 3.044   | * < 0.05 |       |
|    |                        | Administrator | 7            | 25   | 7  | 25   | 9  | 32.1 | 2  | 7.1  | 3   | 10.7 |      |         |          | 34.46 |
|    | Students loan          | Student       | 69           | 17.1 | 83 | 20.6 | 86 | 21.3 | 65 | 16.1 | 100 | 24.8 | 2.89 | 1.95    | > 0.05   |       |
|    |                        | Administrator | 6            | 21.4 | 6  | 21.4 | 11 | 39.3 | 4  | 14.3 | 1   | 3.6  |      |         |          | 3.43  |
| 3  | Part time work         | Student       | 47           | 11.7 | 97 | 24.1 | 80 | 19.9 | 95 | 23.6 | 84  | 20.8 | 2.82 | 3.219   | * < 0.05 |       |
|    |                        | Administrator | 6            | 21.4 | 10 | 35.7 | 9  | 32.1 | 2  | 7.1  | 1   | 3.6  |      |         |          | 3.64  |
| 4  | Scholarship            | Student       | 126          | 31.3 | 81 | 20.1 | 65 | 16.1 | 65 | 16.1 | 66  | 16.4 | 3.34 | 1.588   | > 0.05   |       |
|    |                        | Administrator | 7            | 25   | 11 | 39.3 | 8  | 28.6 | 1  | 3.6  | 1   | 3.6  |      |         |          | 3.79  |
| 5  | Bank loan              | Student       | 51           | 12.7 | 45 | 11.2 | 94 | 23.3 | 81 | 20.1 | 132 | 32.8 | 2.51 | 3.055   | * < 0.05 |       |
|    |                        | Administrator | 3            | 10.7 | 11 | 39.3 | 9  | 32.1 | 2  | 1.7  | 3   | 10.7 |      |         |          | 3.32  |

Key: -5 = Strongly agree    4 = Agree    3 = Undecided    2 = Disagree    1 = Strongly disagree

Respondents were asked their preferred funding sources for college education for cost-sharing. Their responses are summarized and presented in table 12. While the majority of respondents identified the universally accepted funding sources for college education, a considerable number of students thought that parents, student loan, part-time work, and bank loan are not the preferred funding sources of college education for cost sharing.

As it can be seen in the table, the mean scores of students for item (1), (2), and (7) lay below the average mean (3). This means that the preferred funding sources are scholarship as rated by student respondents (mean score 3.34). Inversely, for administrators for all funding sources listed in the Table, the mean scores lay above the average mean (3) ranging from 3.18 to 4.46 which are relatively high mean score. This means that for administrators, the preferred funding sources of college education for cost sharing are parents, student loan, part time work, and bank loan. The calculated t-value at alpha 0.05 level also confirmed that there was statistically significant difference between the two study groups. This shows that the responses of the respondents were proved to differ significantly.

**Table 13: Views on Eligibility for Student Loan**

| No | Items                             | Respondents   | Responses    |      |    |      |    |      |    |      |     |      | Mean | T-value | P-value  |  |
|----|-----------------------------------|---------------|--------------|------|----|------|----|------|----|------|-----|------|------|---------|----------|--|
|    |                                   |               | Rating scale |      |    |      |    |      |    |      |     |      |      |         |          |  |
|    |                                   |               | 5            |      | 4  |      | 3  |      | 2  |      | 1   |      |      |         |          |  |
| No | %                                 | No            | %            | No   | %  | No   | %  | No   | %  |      |     |      |      |         |          |  |
|    | Eligible persons                  |               |              |      |    |      |    |      |    |      |     |      |      |         |          |  |
| 1  | All students                      | Student       | 114          | 28.3 | 62 | 15.4 | 82 | 20.3 | 70 | 17.4 | 75  | 18.6 | 3.17 | .644    | >0.05    |  |
|    |                                   | Administrator | 5            | 17.9 | 8  | 28.6 | 8  | 28.6 | 6  | 21.4 | 1   | 3.6  | 3.36 |         |          |  |
| 2  | Students from low income families | Student       | 123          | 30.5 | 98 | 24.3 | 71 | 17.6 | 52 | 12.9 | 19  | 54.6 | 3.43 | 2.622   | * < 0.05 |  |
|    |                                   | Administrator | 12           | 42.9 | 10 | 35.7 | 4  | 14.3 | 2  | 7.1  | -   | -    | 4.14 |         |          |  |
| 3  | Students with high score          | Student       | 80           | 19.8 | 55 | 13.6 | 93 | 23.1 | 70 | 17.4 | 105 | 26.1 | 2.86 | .004    | >0.05    |  |
|    |                                   | Administrator | 4            | 14.3 | 4  | 14.3 | 11 | 19.3 | 2  | 7.1  | 7   | 25   | 2.86 |         |          |  |
| 4  | Students without families         | Student       | 158          | 39.2 | 65 | 16.1 | 64 | 15.9 | 50 | 12.4 | 66  | 56.4 | 3.49 | .511    | >0.05    |  |
|    |                                   | Administrator | 9            | 32.1 | 6  | 21.4 | 10 | 35.7 | -  | -    | 3   | 10.7 | 3.64 |         |          |  |

Key: - 5 = Strongly agree    4 = Agree    3 = Undecided    2 = Disagree    1 = Strongly disagree

With regard to eligibility for student loan four key possible eligible groups were listed to have respondent's view and reaction. Accordingly, as it can be observed in table 13, the mean scores of students for item (3) and(4) were below the average mean (3) ranging form 2.54 to 2.86, showing that to be eligible for student loan, , students of certain age group and students with high score were not in favored to be considered as eligible criteria.

However, both groups of respondents agreed to mean scores ranging from 3.04 to 4.14 that student loan should be available for all students, for students from low income families and students without families. Contrary to this, both students and administrators disagreed with mean scores ranging from 2.43 to 2.86 that, students of certain age groups and those with high scores were not suggested as eligible for student loan. There was no statistically significant difference except item (2) between the views of the two study groups at alpha 0.05 level. This implies that although there was a slight variation between the mean scores, the large variations in responses indicated that there is a widespread lack of knowledge on student loan scheme details.

## Chapter IV

### 4. Summary, Conclusions and Recommendations

This final chapter of the thesis deals with the major findings of the study, conclusions drawn on the basis of the findings, and recommendations that are assumed to contribute to the alleviation of the problems related to students' attitude towards cost sharing scheme.

#### 4.1. Summary

The principal purpose of this study was to assess students' attitude towards cost-sharing scheme in Oromia Regional Colleges. Research questions addressing issues related to students attitude towards cost sharing scheme such as students' awareness, views, and reactions towards objectives and rationale of cost sharing, possible provisions for students to accept cost sharing and other cost-sharing related issues were raised. To this effect, the study attempted to address the following research questions.

1. Are students' aware of government's challenges in financing education?
2. What are the views of students' and college administrators' regarding the rationale and objectives of cost-sharing?
3. What are students' and college administrators' views and reactions towards the mechanisms applied to implement cost sharing scheme?
4. What are the possible provisions for students to accept cost-sharing scheme?
5. How could cost sharing scheme be made more beneficial to all parties concerned?

It is the belief of the researcher that there might be limitations following the newly introduced cost sharing scheme in public Ethiopian HEI and there is also a considerable room to take corrective measures to achieve the intended purpose. Therefore, in this regard the findings will be of paramount importance to scratch the problem, and generate valuable information for educational planners, college administrators and implementers of the policy at large. Furthermore, it may encourage others for detailed investigation.

To deal with these research questions, related literature was reviewed; a questionnaire was administered with the aim of gathering primary data from students' and college administrators.

The sample population comprised 445 students and 45 college administrators, a total of 490 respondents drawn from five Oromia Regional Colleges, of which three TTC and two TVET colleges. The two college groups were selected using stratified sampling technique based on their fields of study. Accordingly, one TTC from East Showa; one TVET from West Showa (Woliso), one TTC from Jimma, lastly another two, TTC and TVET one from each college were from East Wollega (Nekemte).

The selection of students in the sample was guided by stratified sampling criteria that finally ended up with sample random sampling section. Consequently the student respondents drawn from different streams and years of study, were taken. With respect to the selection of college administrators the choice was tied to purposive sampling technique.

A total of 490 copies of each of the students' and college administrators' questionnaire were distributed to the sampled population; of which 403 copies of the completed students' questionnaire were available for analysis, signifying a recovery rate of 90.5%. The total number of copies of completed college administrators' questionnaire available for analysis was 28(62%) return rate.

Two sets of primary data were elicited. The first covers students' attitudes, views and perceptions of cost-sharing and associated problems. The second was related to college administrators' perceptions, views and reactions towards cost-sharing scheme and its mechanism of implementation. Separate questionnaire was designed for students in Afan Oromo and in English. for those who were non Afan Oromo speakers in TVET Colleges. For college administrators the questionnaire was designed in English.

A pilot study was carried out to help among other things to improve the research instruments as well as to provide a guide to the execution of the main study. For the purpose of analysis descriptive statistics such as means and percentages were used along with inferential techniques (statistics) such as t-test and chi-square. Accordingly, the student researcher has summarized the major findings as follows.

- 4.1.1 The Study revealed that the majority (50.5-86.8%) of students in the sampled colleges recognized the challenges of the government in financing education. However, there are also a considerable number of students who were not yet aware of the government's financial challenges of financing education institutions.
- 4.1.2 As the findings of the study disclosed, the majority (53.4-84.9%) of the student respondents agreed that factors like the rapidly expanding primary and secondary schools enrollments, insufficient resource allocation by the government due to lack of funds, inadequate learning facilities to increase public education admission capacity adds to the challenges of government on top of other activities.
- 4.1.3 It was found out by this study that the knowledge base of respondents about government's challenges of financing education institutions considerably varies among the respondents of the two college groups.
- 4.1.4 The study also showed that due to lack of funds, the public education admission capacity could not be increased proportionally with the increasing demand. As a result the resources allocated by the government for all education levels failed to cope up with increased demands.
- 4.1.5 The out come of the study revealed that, a great proportion (60.2%) of the respondents ascertained that the financial burden of education should be distributed among all beneficiaries.
- 4.1.6 According to the findings of the study, the majority (mean score ranging from 3.03-3.96) of the respondents viewed the objectives of cost sharing positively. However, there were a small proportion of respondents who disagreed to the stated objectives of cost-sharing. Moreover, when students and administrators are compared the latter viewed objectives cost sharing more positively than the former.
- 4.1.7 With regard to the rationale of cost sharing, a great majority of the respondents were convinced with the stated rationale of cost sharing designed to be implemented. Inversely, a small number of the respondents did not appreciate the currently designed cost-sharing rationale for higher education institutions.

4.1.8 As the findings of the study revealed, the need to share educational costs as supported by the majority of the respondents were:

- the expansion of heavily subsidized higher education has taken the public resources from the lower levels of education. However, the majority of students respondents disagreed to this idea.
- free higher education does not ensure equality of opportunity. Similarly, as the case in the above statement, student respondents disagreed to it.
- the government alone cannot bear full responsibility for funding college educations.
- the beneficiaries who take more advantage of higher education should contribute to the costs of their education.
- free higher education is likely to give greater resources to the poor families.

4.1.9 The study also found out that the majority of respondents ascertained that students are ready to accept cost-sharing if:

- the revenue from fees actually go to improve educational quality or expand the system.
- fees are not be so high that poor families cannot afford on top of other direct and indirect costs.
- the income level of their parents is increased to the level that can enable them to pay.
- that their education will be demanded on the labor market.
- they sense a significant improvement in the quality of services and education they receive.
- they join fields of studies according to their interest and choice.

4.1.10 According to the findings of the study, the majority of the respondents viewed and reacted positively towards the mechanisms to be applied to implement cost sharing scheme as rated against the nine possible mechanisms such as student loan, scholarship, combination of work study program, provisions of financial incentive, and participation of private investors, parent contributions, fees from local residence and exemption of poor students. However, there were still considerable number of respondents who viewed and reacted negatively

4.1.11 It was found out by this study that parents, student loan, part time work, and bank loan were not preferred by the majority of the students as funding sources for cost sharing though the majority of administrators preferred them. However, still, there were a considerable number who were indifferent to it.

4.1.12 The study also indicated that there was widespread lack of the knowledge among respondents about the details of eligibility criteria for student loan.

## 4.2. Conclusions

*On the basis of the findings the following conclusions are made.*

It is explained that higher education in Ethiopia is characterized currently by the rapid increase in students' enrollments and inadequacy of public funds needed to meet adequately the student population growth. On the other hand, the public higher education institutions are totally dependent on the government for their funding. This is because public funding is essential in ensuring access and equity as well as investment in the most effective programmes. However, with the rapid growth of enrollment of students and declining funding from the government, it has become a matter of urgency to develop alternative approaches to funding. One alternative approach is found to be cost sharing scheme.

4.2.1. Various research findings showed that the implementation of any reform or policy change requires adequate understanding among all the stakeholders before any sort of implementation is done. Accordingly, the findings from this study revealed that the majority of the students have awareness of government's challenges of financing education institutions. Contrary to this, the finding also showed that, a considerable number of students lack adequate awareness about government's challenges of financing education institutions. Thus, it is reasonable to conclude that there was little effort done by the government in awareness creation activities.

- 4.2.2. The main objective of cost sharing in higher education is to reduce the financial challenges of government by making student/parents to share their educational expenses from the government. However, the findings of this study confirmed that the objectives of cost sharing were not widely articulated and were not well known among the students and college administrators of the sampled colleges. But still, when we compare administrators with students, the former viewed it more positively than the latter. Hence, the absence of common vision or unifying objectives constrains the implementation and risks the chance of success. From this, it is logical to conclude that consensus building activities around the objectives of cost-sharing were not done well in advance.
- 4.2.3. In the context of the study, the rationale of cost-sharing did not convince students and college administrators to the expected level. Going further, when students are compared with administrators concerning the rationale, administrators tend to favor the rationale cost sharing more than students. Thus, the existence of the gap implies that cost sharing scheme does not function effectively and that it requires more to be done in its implementation.
- 4.2.4. As it is shown in the findings, a great majority of the students and the administrators in the sampled colleges ascertained that students' willingness to accept cost sharing will be higher if: the revenue from fees actually go to improve educational quality or expand the system; fees are not set so high that poor families cannot afford on top of other direct and indirect costs; their education will be demanded on the labor market; they sense a significant improvement in the quality of services and education they receive; and if they join fields of studies according to their interest and choice. Therefore, it can be concluded that it is difficult to convince students to accept cost sharing at the expenses of the aforementioned facilities or conditions.

- 4.2.5 According to the findings of this study a high proportion of both students and administrators expressed positive views towards the implementation mechanisms of cost-sharing scheme. Thus, it is safe to conclude that different mechanisms of cost sharing scheme are imperative for the sampled colleges.
- 4.2.6 It was found out that parents, student loans, part time work were not preferred as funding sources as viewed by students; rather they preferred scholarship as funding sources for cost sharing scheme. Conversely, administrators preferred parents, student loan, part time work and bank loan as sources for cost sharing. The most popular choice of funding sources for cost sharing other than the government was the scholarship as rated by both students and administrators; followed by student loan. Hence, it is possible to conclude that there was a widespread divergence of views or perception about aforementioned possible funding sources in students and administrators. This might be attributed to a genuine fear of indebtedness, in favor of free higher education or greater government subsidies, lack of certainty of employment and/or unwillingness to pay for loans.
- 4.2.7 As revealed in the findings of this study, the majority of the students and administrators acknowledged that the student loan should be available for all students, students from low-income families and students without families. Conversely, students of certain age group and students with high score were not favored by students and administrators. Thus although there was a variation towards the eligibility criteria for student loan among students and administrators in their responses, it is reasonably concluded that there was a widespread lack of information about student loan programme details.

### **4.3. Recommendations**

*On the basis of the findings and conclusions, the following recommendations are forwarded in the hope that they would help minimize the problems associated with students' attitude towards cost-sharing scheme.*

- 4.3.1 The financial problems to higher education have been well documented in recent years. Declining quality due to overcrowding, increasing demand for access and constraints on government budget imply that higher education systems must seek alternative sources of income. One alternative source is found to be cost-sharing among the beneficiaries.

However, the common feature of the educational financing in developing countries is that a high proportion of funds come from the government.

Thus, it could be suggested that the principal source of higher education funding must continue to be the government, or taxpayer, and that cost-sharing must be seen as a way to supplement this revenue. The principal beneficiaries of cost sharing students and their families have to share the burden (pain) from the government. This could be possible by making arrangements for student loan and gradually eliminating all government subsidies for non-educational costs such as accommodations and food services.

4.3.2 The findings of the study indicated that there was low consensus or understanding among the students of sampled colleges about government's challenges of financing education. In a situation where there was no or little consensus about governments financial challenges of education among students, it is unrealistic to expect students to acknowledge the problem and develop positive attitude to share their educational expenses. Apparently, if the awareness of students about the financial challenges of government in financing education was anything to do by, then it expresses their willingness and cooperation to embrace it. This then makes a successful starting point for the take-off for the cost-sharing scheme. Similarity, since their awareness about government financial challenges of education influence their attitude towards cost-sharing, concerted efforts should be made and emphasis placed on adequate orientation services and students' awareness in higher education about cost-sharing scheme. Furthermore, orientation centers should be established in their respective colleges with various services directed towards meeting the needs of the students especially on the basis of mechanisms to cover the expenses among others. Students may develop a positive attitude towards cost-sharing if the orientation providers do all their bests.

4.3.3 It was found out by the findings of this study that there was low consensus around the objectives of cost-sharing the rationale of cost-sharing and mechanisms applied among students and administrators. However, cost sharing needs clear understanding of the objectives, the rationale and the mechanisms to be applied by affected parties to minimize resistance and to mobilize the needed and available resources. The existence of shared vision and clarity among the students and administrators as well as policy implementers

facilitates the implementation of cost sharing scheme. Hence, orientation programme like conferences, workshops, seminars and panel discussion should be organized to mobilize both administrators and the stakeholders (students and/or parents) at large. In order to enhance the understanding of the objectives and build strong support, publicizing through media, publications and public discussion (dialogue) forums organized at regional, zonal, colleges, schools and wereda levels should be used as means to an end. Then, feedback from discussions has to be used for planning, making necessary adjustments and implementation of effective cost sharing scheme.

4.3.4 The findings of this study revealed that the policy of cost sharing was not well understood by the students and the administrators to meet fully the implementation of cost sharing objectives. Research findings on many other countries and in this study too shows that the crucial controversial problems surrounding cost sharing centers on the reasonable level of tuition fees and the other charges to be introduced, rather than whether such fees or charges should be introduced. Therefore, for cost-sharing scheme to be accepted by the students, the following conditions should be fulfilled/managed:

4.3.4.1 Students should be well informed about cost sharing objectives, mechanisms used to implement, its long and short term advantages and disadvantages, by respective college deans together with Regional Education and Capacity Building Bureau.

4.3.4.2 The ability of members of the poor to pay tuition fees and other charges should be assessed and reflect the principle of equity with regard to access to and benefit from higher education, to accommodate students from lower socio-economic groups. To overcome the problems of such groups the government should increase its support to all deserving students to alleviate the pressure on the students and minimize their financial deficiencies.

4.3.4.3 The revenue from fees should go to improve educational quality and other services or expand the system, and not be diverted to other purposes or not used merely to replace other funds that were intended for investment in the sector.

4.3.4.4 As students, administrators and the consumer in general differ in their socio-economic background, their attitudes, views and opinions towards cost sharing scheme all these needs to be considered in implementing the scheme. Obviously, implementing cost-sharing scheme without any arrangements and awareness creation activities to convince students can adversely affect the proper utilization of the scheme. Upon achieving these, there should be student loan programme with a view of assisting needy students who qualify for college or university admission. It will also used as a means of revolving fund out of which the government would continue to assist other needy students.

To put this need into effect, there should be bodies responsible to run the programme. Having established responsible bodies, they should solicit for more funds other than allocating by the government to make the revolving fund from which its obtained money is more stable. It is then; disburse loans equitably to needy qualified but poor students. The recovery mechanisms should then be streamlined to ensure that every loan beneficiaries repays the loan.

Furthermore scholarships, grants and bursary award programme should be available and put in place by the government and colleges. This could be possible when colleges and governments, identify more donors and sponsors to award scholarship and bursaries to brilliant needy students.

If this strategy is employed students who resist/tend to resist cost sharing will be refrained from doing so. This would considerably help to minimize students' resistance usually associated with the adoption and implementation of the scheme. Moreover, the government should create conducive environment for private investors and NGOs to participate in the programme.

4.3.4.5 Colleges should establish viable income-generating projects and manage them under work-study programme to benefit more students. However, these may not seem possible or it may not be the norm for students to combine work with study because timetabling and college regulations fail to facilitate regular employment with study.

4.3.4.6 It is true that full implementation of cost sharing may be realized gradually when all the stakeholders are nearly aware of, cultured and get involved actively. Nevertheless, the introduction of cost-sharing in all public higher education has its own benefit from the point of equitable placement of students. As was indicated in the findings of this study, students want to join fields of study according to their interest and choice. Therefore, it is advisable to assign students to the field which they are interest as much as possible. The criteria to be used in assigning students to different fields of study have far reaching impact on the resistance and performance of students. Then, the mechanisms used should be so rational and transparent to encourage efficient utilization of cost-sharing scheme if students' resistance is to be minimized and if their academic performance is to be efficient.

## References

- Abebayehu Amero (2003). **Cost-Sharing in Higher Education in Ethiopia Demystifying the Myth.** New York: University of Buffalo.
- Activities at the Universities of Nairobi" In **Journal of Higher Education in Africa: An inter disciplinary International Journal of Research and Policy.** Vol.2 No. 2.
- Albrecht, D. and Ziderman A. (1992). **Financing Universities in Developing Countries** Washington, D.C: The Falmer Press.
- Atchoarena, David (1996) **Financing Vocational Education Concepts, Examples and Tendencies.** Paris: UNESCO International Institute to Educational Planning.
- Baum Warren, C. and Stokes M. Tolbert (1985). **Investing in Development: Lessons of World Bank Experience.** New York: Oxford University Press.
- Befekadu Degfe, Berhanu Nega, and Getahun Tafesse (2000/2001). **Second Annual Report on The Ethiopian Economy.** Ethiopian Economics Policy Research Institute.
- Bray, Mark (1996), **Counting the Full Cost. Parental and Community Financing of Education in East Asia.** Washington, D.C: World Bank.
- \_\_\_\_\_ (1986). "Community Financing of Schools in Less Developed Countries." **Mechanisms and Issues in Community Development Journal.** Vol. 21, Nos 1-4.
- Burnett, Nicholas** (1996) "Special Issues: World Bank's Education Sector Review: Priorities and Strategies in Education". In **International Journal of Educational Development.** Vol. 16, No. 3
- Chung, Yue Ping (2003) **The Student Loans Scheme in Kong Hong.** UNESCO: Bangkok.
- Derebssa Dufera (1998) "Student Loans in Higher Education." **IER Flambeau.** Vol. 5 No. 1.
- Gassvol Vladimir (1994) **Alternative Schemes of Financing Training.** Geneva: ILO
- Gill, I. Fred F. and Amit Dar (2000). **Vocational Education and Training Reform: Matching Skills to Market and Budget.** Washington, D.C.: Oxford University Press.
- Hallak, J. (1969). **The Analysis of Educational costs and Expenditure.** Paris: UNESCO. International Institute for Educational Planning.
- Ishengoma M. Johnson (2004) Cost Sharing In Higher Education in Tanzania: Fact or Fiction?" In **Journal of Higher Education in Africa: An inter disciplinary International Journal of Research and Policy.** Vol.2 No. 2.
- Johnstone, D. Bruce (2003) **The Finance and Politics of Cost-Sharing in higher Education.** New York: University of Buffalo.
- Johnstone, D. Bruce and Preeti Shroff-Mehta (2003). **Higher Education Finance and Accessibility: An International Comparative Examination of Tuition and Financial Assistance Policies.** International Partner Centers.

- Kiamba, C. (2004) "Privately Sponsored Students and other Income Generating
- Kitaev, I. et.al (2003) **Student Loans in the Philippine: Lessons from the Past**. UNESCO Bangkok.
- Kitaev, Igor (1996) **Educational Finance in Central Asia and Mongolia**. Paris: UNESCO
- Lauglo, Jan (1996) "Banking on Education and the Uses of Research A critique of: World Bank Priorities and Strategies for Education." In **Internal Journal of Education Development** Vol. 16, No. 3, July 1996.
- Mbanefoh, Nkechi (1990). "Family and Community Involvement in Financing Education for All". In **Africa Thoughts on the Prospects of Education for all**. Selections from Papers Commissioned for the Regional Consultation on Education for all, Dakar 27-30 Nov. 1989.
- MOE (1994). **Education and Training Policy**. Addis Ababa: EMPA.
- \_\_\_\_\_ (2002) **The Education and Training Polity and its Implementation**. Addis Ababa.
- \_\_\_\_\_ (2003). **Financing Technical and vocational Education and Training in Ethiopia: National Strategy to Raise Resources**. Addis Ababa: Berhanena Salam.
- \_\_\_\_\_ (2003). **Higher Education Cost-Sharing Scheme**. Addis Ababa
- Patrinis, A. and Nicholas B. (1996) "Response to Critique of Priorities and Strategies for education: A World Bank review". In **International Journals of Education Development** vol. 16. No. 3.
- Promise and Peril (2000). **Higher Education in Developing countries. The Task force on Higher Education and Society**. Washington, D.C: The World Bank.
- Psacharopoulos, G. (1996) "Designing Educational Policy: A Mini-Primer on Values, theories and tools". In **Internal Journals of Education Development** Vol. 16, No. 3.
- \_\_\_\_\_ (1985). **Education for Development: An Analysis of Investment Choices**. Oxford University Press.
- Ransom, A. et.al (1993) **Improving Higher Education in Developing Countries. Economic Development Institute of the World Bank**. The World Bank.
- Robinson - Pant, Anna (2001). "Cost-Sharing in Education: Public Finance, School and Household Perspectives". In **International Journal of Education Development**. Vol. 21 No. 2.
- Saint, William (1992) **Universities in Africa Strategies for Stabilization and Revitalization**. Washington: D.C: The World Bank.
- Salmi, Jamil (1999). **Student Loans in an International Perspective: The World Bank Experience**.
- Samoff, Joel (1996) "Which Priorities and Strategies for Education." In **International Journals of Education Development** Vol. 16, No. 3.
- Shimelis Tsegaye (2004) "The Introduction of Cost-Sharing at the Addis Ababa University and the inevitable concomitant Demands for Good Academic Governance: Preliminary Observations". **The Ethiopian Journal of Higher Education** Vol. 1, No. 1 June 2004.
- Vandyke, Nancy (2001) **Access to Education for the Poor in Europe and Central Asia. Preliminary Evidence and Policy Implications**. Washington, D.C: The World Bank.

- Vossensteyn, Hans (2003). **Cost-Sharing and Understanding Students Choice: Developments in Western Europe and Australia.** The International Comparative Higher Education Finance and Accessibility Project: The State University of New York.
- Woodhall, M. (1990). **Student Loans in Higher Education: 1 Western Europe and the USA,** Educational Forum Series No. 1 IIEP, Paris.
- \_\_\_\_\_ (1991). **Students Loans in Higher Education: 2 Asia,** Educational Forum Series No. 2, IIEP, Paris.
- \_\_\_\_\_ (1991). **Student Loans in Higher Education: 3 English Speaking Africa,** Educational Forum Series, No. 3 IIEP, Paris.
- \_\_\_\_\_ (1993). **Student Loans in Higher Education; 4 Latin America and the Caribbean,** Educational Forum Series, No. 4, IIEP, Paris.
- World Bank (1994). **Higher Education: The Lessons of Experience Development in Practice.** Washington, D.C.
- \_\_\_\_\_ (2002). **Constructing Knowledge Societies: New Challenges for Tertiary Education.** Washington, D.C.: The World Bank.
- \_\_\_\_\_ (2003). **Life Long Learning in the Global Knowledge Economy. Challenges for Developing Countries.** Washington, D.C.
- \_\_\_\_\_ (2003). **Priorities and Strategies for Education: Development in Practice.** Washington, D.C.
- WU Kin Bing (1994). **Mongolia: Financing Education during Economic Transition. World Bank Discussion Paper.** Washington, D.C.: The World Bank.
- Zezeza, P.T and Adebayo O. (2004). **African Universities in the Twenty-first Century. Volume 1 Liberalization and Internationalization.** Dakar: Codesria.
- Ziderman, Adrian (2003). **Student Loans in Thailand: Are they Effective, Equitable, Sustainable?** UNESCO Bangkok.
- \_\_\_\_\_ (2003). **Financing Vocational Training in Sub-Saharan Africa: African Region Human Development Series.** Washington, D.C: The world Bank.

## Appendix-A

### Addis Ababa University School of Graduate Studies College of Education Department of Educational Planning and Management

These questionnaires are to be filled in by Students' of Oromia Regional Colleges and College administrator.

The main purpose of the responses to this questionnaire is to assess the attitude of College students towards the introduction of cost-sharing schemes in your respective College.

Hence, knowing that your responses will be used only for research purpose, your responses will be used only for research purpose, you are kindly requested to fill in the questionnaire.

For genuinely doing so by devoting your time and exerting effort, the researcher really remains very grateful to you; mean while, he likes to bring into your attention that the outcome of this study will highly depend upon your responsible, sincere and timely response.

Thank you in advance for your Cooperation.

#### General Directions

1. You do not need to write your name
2. Indicate you opinion (response) by making either a tick "✓" mark or by writing as necessary in space provided.

#### Part One: Background Information

1. Name of Your College \_\_\_\_\_  
Type of college TTC \_\_\_\_\_ TVET \_\_\_\_\_
3. Sex: Male \_\_\_\_\_ Female \_\_\_\_\_
4. Age: 15 years and below \_\_\_\_\_  
16 – 20 years \_\_\_\_\_  
21 – 25 years \_\_\_\_\_  
25-30 years \_\_\_\_\_  
31 years and above \_\_\_\_\_
5. Field of Specialization \_\_\_\_\_
  - Stream/Department/ \_\_\_\_\_
  - Specific subject specialization \_\_\_\_\_
6. Year: I \_\_\_\_\_ II \_\_\_\_\_ III \_\_\_\_\_

## Part Two

**This is not a test:** There are no right or wrong answers and no tricky question. Please answer as you really think and feel. Your answer will be confidential. Read each statement carefully and respond by ticking the answer that most accurately represent your thinking and feeling.

If you strongly agree, tick - 5

If you undecided, tick - 3

If you strongly disagree, tick, - 1

If you agree, tick - 4

If you disagree, tick - 2

| No.      | Statements  | Responses |   |   |   |   |
|----------|---|-----------|---|---|---|---|
|          |   | 5         | 4 | 3 | 2 | 1 |
| <b>A</b> | <b>Students' awareness of government challenges of financing education</b>  |           |   |   |   |   |
| 1        | The number of students being admitted to colleges and Universities increased rapidly.   |           |   |   |   |   |
| 2        | The rapidly expanding primary and secondary school enrolments increased the demand for higher education.  |           |   |   |   |   |
| 3        | Although public budget of higher education was increasing, it is unable to keep up with increasing demand of education.   |           |   |   |   |   |
| 4        | Oromia Colleges have inadequate learning facilities such as libratory, etc.   |           |   |   |   |   |
| 5        | Government could not fully finance education at higher levels   |           |   |   |   |   |
| 6        | The government should not give a priority to provide higher education to all graduates of secondary schools and to meet the demands for college diploma.          |           |   |   |   |   |
| 7        | The government should meet mainly if not completely the costs of instruction. While the living costs of students should be covered by students and their families |           |   |   |   |   |
| 8        | I believe that financial burden of education should be distributed among all beneficiaries.   |           |   |   |   |   |
| <b>B</b> | <b>The objectives of cost-sharing scheme are to:</b>  |           |   |   |   |   |
| 9        | Generate additional revenue sources   |           |   |   |   |   |
| 10       | Rapidly increase access to higher education   |           |   |   |   |   |
| 11       | Improve the quality of higher education   |           |   |   |   |   |
| 12       | Having rationally utilize the available resources, and develop the culture of saving.   |           |   |   |   |   |
| 13       | Make citizen more responsive and develop cooperation between citizens and the government  |           |   |   |   |   |
| 14       | Mobilize new resources funds to improve teaching and research   |           |   |   |   |   |
| 15       | Enable the government to sustain the expenditure of the basic and secondary education level   |           |   |   |   |   |

|          |   |  |  |  |  |  |
|----------|---|--|--|--|--|--|
| <b>C</b> | <b>Rationale of cost sharing</b>  |  |  |  |  |  |
| 16       | The need to reduce public expenditure as a result of failing government revenue   |  |  |  |  |  |
| 17       | A wish to allocates resources to lower level of education or improve quality in higher education.   |  |  |  |  |  |
| 18       | A more equitable distribution of costs of higher education.   |  |  |  |  |  |
| 19       | Cost sharing encourages faster competition and better study.  |  |  |  |  |  |
| 20       | Higher education should not continue to be the preserve of the relatively privileged; it should be for greater access to the poor.                                      |  |  |  |  |  |
| 21       | Higher private return from higher education and should pay at least a reasonable proportion of the cost.  |  |  |  |  |  |
| 22       | If students have to pay for their education they will value it more, there will be an incentive for them to complete the programs quickly in order to reduce the costs. |  |  |  |  |  |
| 23       | To make Colleges to react quickly and adapt to changing market demands.   |  |  |  |  |  |
| 24       | The income for the beneficiaries would become a major sources funding higher education.   |  |  |  |  |  |
| 25       | Cost-sharing scheme creates important incentives for students to select their programme of study carefully and to complete their studies more rapidly.                  |  |  |  |  |  |
| 26       | Cost sharing makes public institutions more responsive to market signals.   |  |  |  |  |  |
| 27       | To promote equity   |  |  |  |  |  |
| 28       | The more the level of education of the person the better the prospects for his/her labor market   |  |  |  |  |  |
| <b>D</b> | <b>The need to sharing educational costs</b>  |  |  |  |  |  |
| 29       | The expansion of heavily subsidized higher education has taken the public resources from the lower level of education.  |  |  |  |  |  |
| 30       | Free higher education does not ensure equality of opportunity.  |  |  |  |  |  |
| 31       | The government alone cannot bear full responsibility for funding colleges   |  |  |  |  |  |
| 32       | The beneficiaries who take more the advantage of higher education should contribute to the cost of their education  |  |  |  |  |  |
| 33       | By its nature and tradition, education in generally is a public good guaranteed by the government and accessed by everybody.  |  |  |  |  |  |
| 34       | Cost-sharing schemes in the financing of education will not resolve the problem of quality, efficiency, relevance and equity.   |  |  |  |  |  |
| 35       | Fee free higher education, is likely to give greater resources to the poor families.  |  |  |  |  |  |

|          |  |  |  |  |  |  |
|----------|--|--|--|--|--|--|
| <b>E</b> | <b>Possible Conditions for students to accept cost-sharing</b>   |  |  |  |  |  |
| 36       | If the revenue from fees actually go to improve educational quality or to expand the system.   |  |  |  |  |  |
| 37       | If fees are not to be set high that poor families cannot afford on top of other direct and indirect costs.   |  |  |  |  |  |
| 38       | If they perceive that the income level of their parents are increased to the level that can enable them to pay.  |  |  |  |  |  |
| 39       | If they perceive that their education will be highly demanded on the labor market.   |  |  |  |  |  |
| 40       | If they sense a significant improvement in the quality of services and education they receive.   |  |  |  |  |  |
| 41       | If they join fields of studies according to their interest.  |  |  |  |  |  |
| <b>F</b> | <b>Mechanisms applied to implement cost sharing scheme:<br/>Cost-sharing cannot be implemented equitably without:</b>  |  |  |  |  |  |
| 42       | Student loans programme to assist who need to borrow for their education.  |  |  |  |  |  |
| 43       | Scholarship programmes that guarantee necessary financial support for academically qualified poor students to absorb the direct and indirect cost of higher education. |  |  |  |  |  |
| 44       | Combination of work study programme.   |  |  |  |  |  |
| 45       | Clear financial incentives need to be offered to over-come the burden of fee payment and living expenses.  |  |  |  |  |  |
| 46       | Participation of private investors to establish standard educations and training institution.  |  |  |  |  |  |
| 47       | Institutionally based revenue generation initiatives   |  |  |  |  |  |
| 48       | Parental contributions and students own income.  |  |  |  |  |  |
| 49       | College fees from local residents.   |  |  |  |  |  |
| 50       | Exemption of poor students   |  |  |  |  |  |
| <b>G</b> | <b>Preferred sources for cost sharing</b>  |  |  |  |  |  |
| 51       | Parents  |  |  |  |  |  |
| 52       | Students loan  |  |  |  |  |  |
| 53       | Part time work   |  |  |  |  |  |
| 54       | Scholarship  |  |  |  |  |  |
| 55       | Bank loan  |  |  |  |  |  |
| <b>H</b> | <b>Eligible for student loan</b>   |  |  |  |  |  |
| 56       | All students   |  |  |  |  |  |
| 57       | Students from low income families  |  |  |  |  |  |
| 58       | Students of certain age group  |  |  |  |  |  |
| 59       | Students with high score   |  |  |  |  |  |
| 60       | Students without families  |  |  |  |  |  |

## Appendix –B

### Addis Ababa University School of Graduate Studies College of Education Department of Educational Planning and Management

#### A Questionnaire to be filled in by Administrators of Sampled Oromia Regional Colleges

The purpose of this questionnaire is to gather information and opinion regarding the attitude of college students towards cost sharing. Thus, your frank and sincere responses to the items in the questionnaire help to meet the objective of the study. Be sure that the information and opinion you provide will be kept confidential and used only for the academic purpose.

Thank you in advance for your Cooperation.

#### General Directions

1. You do not need to write your name
2. Indicate your opinion (response) by making either a tick “✓” mark or by writing as necessary in space provided.

#### Part One: Background Information

1. Name of Your College \_\_\_\_\_
2. Type of college TTC \_\_\_\_\_ TVET \_\_\_\_\_
3. Sex: Male \_\_\_\_\_ Female \_\_\_\_\_
4. Nationality \_\_\_\_\_
5. Age: 120 years and below \_\_\_\_\_  
21 – 25 years \_\_\_\_\_  
26 – 30 years \_\_\_\_\_  
31--36 years \_\_\_\_\_  
36-40 years \_\_\_\_\_  
41 years and above \_\_\_\_\_
6. Education qualification
  - 2<sup>nd</sup> degree (MA/M.Sc or B.Ed) \_\_\_\_\_
  - 1<sup>st</sup> degree (BA/B.Sc or B.Ed) \_\_\_\_\_
  - Diploma \_\_\_\_\_
7. Total Service years in teaching
  - 5 years and below \_\_\_\_\_
  - 6-10 years \_\_\_\_\_
  - 11-15 years \_\_\_\_\_
  - 16-20 years \_\_\_\_\_
  - 21 years and above \_\_\_\_\_

## Part Two

**This is not a test:** There are no right or wrong answers and no tricky question. Please answer as you really think and feel. Your answer will be confidential. Read each statement carefully and respond by ticking the answer that most accurately represent your thinking and feeling.

If you strongly agree, tick - 5

If you undecided, tick - 3

If you strongly disagree, tick, - 1

If you agree, tick - 4

If you disagree, tick - 2

| No. | Statements  | Responses |   |   |   |   |
|-----|---|-----------|---|---|---|---|
|     |   | 5         | 4 | 3 | 2 | 1 |
| A   | <b>The objectives of cost-sharing scheme are to:</b>  |           |   |   |   |   |
| 1   | Generate additional revenue sources   |           |   |   |   |   |
| 2   | Rapidly increase access to higher education   |           |   |   |   |   |
| 3   | Improve the quality of higher education   |           |   |   |   |   |
| 4   | Having rationally utilize the available resources, and develop the culture of saving.   |           |   |   |   |   |
| 5   | Make citizen more responsive and develop cooperation between citizens and the government  |           |   |   |   |   |
| 6   | Mobilize new resources funds to improve teaching and research   |           |   |   |   |   |
| 7   | Enable the government to sustain the expenditure of the basic and secondary education level   |           |   |   |   |   |
| B   | <b>Rationale of cost sharing</b>  |           |   |   |   |   |
| 8   | The need to reduce public expenditure as a result of failing government revenue   |           |   |   |   |   |
| 9   | A wish to allocates resources to lower level of education or improve quality in higher education.   |           |   |   |   |   |
| 10  | A more equitable distribution of costs of higher education.   |           |   |   |   |   |
| 11  | Cost sharing encourages faster competition and better study.  |           |   |   |   |   |
| 12  | Higher education should not continue to be the preserve of the relatively privileged; it should be for greater access to the poor.                                      |           |   |   |   |   |
| 13  | Higher private return from higher education and should pay at least a reasonable proportion of the cost.  |           |   |   |   |   |
| 14  | If students have to pay for their education they will value it more, there will be an incentive for them to complete the programs quickly in order to reduce the costs. |           |   |   |   |   |
| 15  | To make Colleges to react quickly and adapt to changing market demands.   |           |   |   |   |   |
| 16  | The income for the beneficiaries would become a major sources funding higher education.   |           |   |   |   |   |
| 17  | Cost-sharing scheme creates important incentives for students to select their programme of study carefully and to complete their studies more rapidly.                  |           |   |   |   |   |
| 18  | Cost sharing makes public institutions more responsive to market signals.   |           |   |   |   |   |
| 19  | To promote equity   |           |   |   |   |   |
| 20  | The more the level of education of the person the better the prospects for his/her labor market   |           |   |   |   |   |

|           |  |  |  |  |  |  |
|-----------|--|--|--|--|--|--|
| <b>C</b>  | <b>The need to sharing educational costs</b>   |  |  |  |  |  |
| 21        | The expansion of heavily subsidized higher education has taken the public resources from the lower level of education.   |  |  |  |  |  |
| 22        | Free higher education does not ensure equality of opportunity.   |  |  |  |  |  |
| 23        | The government alone cannot bear full responsibility for funding colleges  |  |  |  |  |  |
| 24        | The beneficiaries who take more the advantage of higher education should contribute to the cost of their education   |  |  |  |  |  |
| 25        | By its nature and tradition, education in generally is a public good guaranteed by the government and accessed by everybody.   |  |  |  |  |  |
| 26        | Cost-sharing schemes in the financing of education will not resolve the problem of quality, efficiency, relevance and equity.  |  |  |  |  |  |
| 27        | Fee free higher education, is likely to give greater resources to the poor families.   |  |  |  |  |  |
| <b>D</b>  | <b>Provisions for students to asserts cost sharing students accept cost-sharing</b>  |  |  |  |  |  |
| 28        | If the revenue from fees actually go to improve educational quality or to expand the system.   |  |  |  |  |  |
| 29        | If fees are not to be set high that poor families cannot afford on top of other direct and indirect costs.   |  |  |  |  |  |
| 30        | If they perceive that the income level of their parents are increased to the level that can enable them to pay.  |  |  |  |  |  |
| 31        | If they perceive that their education will be highly demanded on the labor market.   |  |  |  |  |  |
| 32        | If they sense a significant improvement in the quality of services and education they receive.   |  |  |  |  |  |
| 33        | If they join fields of studies according to their interest.  |  |  |  |  |  |
| <b>.E</b> | <b>Mechanisms applied to implement cost sharing scheme: Cost-sharing cannot be implemented equitably without:</b>  |  |  |  |  |  |
| 34        | Student loans programme to assist who need to borrow for their education.  |  |  |  |  |  |
| 35        | Scholarship programmes that guarantee necessary financial support for academically qualified poor students to absorb the direct and indirect cost of higher education. |  |  |  |  |  |
| 36        | Combination of work study programme.   |  |  |  |  |  |
| 37        | Clear financial incentives need to be offered to over-come the burden of fee payment and living expenses.  |  |  |  |  |  |
| 38        | Participation of private investors to establish standard educations and training institution.  |  |  |  |  |  |
| 39        | Institutionally based revenue generation initiatives   |  |  |  |  |  |
| 40        | Parental contributions and students own income.  |  |  |  |  |  |
| 41        | College fees from local residents.   |  |  |  |  |  |
| 42        | Exemption of poor students   |  |  |  |  |  |
| <b>F</b>  | <b>Preferred sources and cost sharing</b>  |  |  |  |  |  |
| 43        | Parents  |  |  |  |  |  |
| 44        | Students loan  |  |  |  |  |  |
| 45        | Part time work   |  |  |  |  |  |
| 46        | Scholarship  |  |  |  |  |  |
| 47        | Bank loan  |  |  |  |  |  |
| <b>G</b>  | <b>Eligible for student loan</b>   |  |  |  |  |  |
| 48        | All students   |  |  |  |  |  |
| 49        | Students from low income families  |  |  |  |  |  |
| 50        | Students of certain age group  |  |  |  |  |  |
| 51        | Students with high score   |  |  |  |  |  |
| 52        | Students without families  |  |  |  |  |  |

## Appendix-C

### Yuunivarsiitii Finfinneetti

### Sagqantaa Barnootaa Digirii Lamaffa Muummee

### Karoora fi Hogansa Barnootaa

Unki gaafilee kun barattoota kolleejjota Naannoo Oromiyaan kan guutamanidha.

Kaayyoo inni guddaan deebii unka gaafilee kanneenii ilaalcha barattootni kolleejii keessanii baasii barnootaa hirachuurratii qaban gamaagamuuf.

Kanaafuu, deebiin ykn yaadi isin laattan qo'annoofi qorannoo geggeessuu qofaaf waan fayyaduuf akka isin deebii ykn yaada keessan unkaalee gafilee kanneeni keessatti naaf guutta isin gaagadha.

Haaluma kanaan egaa yeroo keessa arsa'a gootanii akkasumas dadhabdaniin deebii ykn yaada keessan waan naaf lataniif baayeen isiin galateefadha.

#### **Tuumsa keessaniif baayee galatooma.**

Qajeelfma waliigalaa

1. Maqaa keessaan barreessuun hin barbaachisu.
2. Yaada (deebii) keessan mallattoo kana (x) gochuun ykn barreessuun bakka duwaa laatametti guutuun akka agarsistani.

#### **Kutaa tokko**

#### **Odeeffannoo duraa**

1. Maqaa kolleejjii keessanii \_\_\_\_\_
2. Gosa Koollejicha: \_\_\_\_\_
3. Saala: Dhiira \_\_\_\_\_ Dhalaa \_\_\_\_\_
4. Umurii: waggaa 15 gad fi isa gad \_\_\_\_\_  
Waggaa 16-20 \_\_\_\_\_  
Waggaa 21-25 \_\_\_\_\_  
Waggaa 25-30 \_\_\_\_\_  
Waggaa 31 fi isaa ol \_\_\_\_\_
5. Damee barnootaa (field of specialization) \_\_\_\_\_  
Mummee \_\_\_\_\_ Gosa baroota qo'atanii \_\_\_\_\_
6. Waggaa: I \_\_\_\_\_ II \_\_\_\_\_ III \_\_\_\_\_

### **Kuutaa lama**

Unkaaleen gaaffii kuneen akka qormaataa (battallee) tokkootti deebii sirrii ta'efi sirrii hin taane hinqaban. Kanaaf, akka isinitti ofitti amanamuummaan yaada ykn deebii keessa guutaa. Tokkoon tokkon himmootaa siirriitti dubiisaatii yaada keessan ibsaa.

Yaada ykn deebii keessan **siirriitti itti amantu** yoo ta'e lakkoofsa 5 duratti mallattoo (x) agarsiisaa.

Yoo itti amantu ta'e lakkoofsa 4 duratti mallattoo (x) agarsiisaa.

Yoo nimamtuu ta'e lakkoofsa 3 durattii mallattoo (x) agarsiisaa.

Yoo itti hin amantan ta'e lakkoofsa 2 duratti mallattoo (x) agarsiisaa.

Yoo sirriitti mormituu ta'e lakkoofsa 1 duratti mallattoo (x) agarsiisaa.

### **A. I Baasiin dhaabbileen barnoota itti geeggeefaman mootummaa qofaan ta'uu isaa baratoonni hammam beeku**

| La | Yaadolee deebii barbaadan   | Deebii |   |   |   |   |
|----|---|--------|---|---|---|---|
|    |   | 5      | 4 | 3 | 2 | 1 |
| 1  | Baay'inni barattoota kolleejjootaafi Yunivarsiitotaatti barataa jiran dabalaa jiru.   |        |   |   |   |   |
| 2  | Manneen barnootaa sadarkaa lffaa fi lammaaffaa baay'inaan banama jirachuu isaanii fedhii barnoota olanaa akka dabaluu goheera.  |        |   |   |   |   |
| 3  | Yoodhuma bajata biyyattiin barnoota olaanaaf ramadu tureyyuu, fedhii barnoota olaanaa dabalaa jiru waliin walsimuu hindandeenye |        |   |   |   |   |
| 4  | Kolleejjooni Oromiyaa waantoota baruu fi barsiisuu mijeessaan kaneen akkaa Labraatoorii, Mana kitaabaa ga'oo ta'an hin qaban.   |        |   |   |   |   |
| 5  | Mootummaan guutummaa guutuutti barnoota ol aanaa maallaqaan deegaruu hin dandeenye.   |        |   |   |   |   |
| 6  | Mootummaan barattoota barnoota sadarkaa lammaaffaa xumuraan hundaaf fedhii barnoota kolleejjiif xiyyeefannaa hin kennine.       |        |   |   |   |   |
| 7  | Motummaan guutummaa guutuutti ykn hamma tokko baasii  |        |   |   |   |   |

|          |   |  |  |  |  |
|----------|---|--|--|--|--|
|          | barnootaa yoo danda'e barattoonnimmoo baasii barnoota barachuuf isaan barbaachiisu dnada'achuu qabu.  |  |  |  |  |
| 8        | Akka ilalcha kootti baasiin barnootaaf bahu lammii hundaan tumsuu qaba.   |  |  |  |  |
| <b>B</b> | <b>Ilaalchaa barattoonni kaayyoo baasii hirachuurratti qaban</b>  |  |  |  |  |
| 9        | Galii dabalataa mootummaaf burqisiisa   |  |  |  |  |
| 10       | Caraa barnoota olaanaa atattaman dabala.  |  |  |  |  |
| 11       | Qulqulina baranootaolaanaa dabala   |  |  |  |  |
| 12       | Qabeenya sirritti fayyadamufi aadaa qusannaa guddisa  |  |  |  |  |
| 13       | Waliigalten akka ummataa fi mootummaa jidduutti guddatu taasisa   |  |  |  |  |
| 14       | Qabeenya jiruutti fayyadamuun caalaatti ga'umsa barnootaa fi galii dabala.  |  |  |  |  |
| 15       | Mootumaan baasii barnoota bu'uraafi sadarkaa 2ffaa danda'u taasisuuf  |  |  |  |  |
| <b>C</b> | <b>Ilaalchaa baratonni sababoolee baasii barnoota hirachuun barbachiiisu irraati qaban.</b>   |  |  |  |  |
| 16       | Sababii galiin biyyattii kufaa jiruuf baasii biyyaatii xiqeesuu waan barbaachiiseef   |  |  |  |  |
| 17       | Barnoota sadarkaa 1ffaa babbalisuun waan barbachiiiseef ykn qulqullina barnoota olaana foyeesuuf  |  |  |  |  |
| 18       | Baasii wlaqixaa ta'e barnoota olaanaaf ramaduuf   |  |  |  |  |
| 19       | Baasii barnoota hirachuun akka barnoonni dafee xumuramu gargaara akasuumas akka barnoonii siriittii qo'atamuu cimisa  |  |  |  |  |
| 20       | Barnoonni olaanaan wara sorreeyyii qofaaf ta'ee itti fufuu hinqabu. Warri harka qaleeyiiniis carraa barnoota olaana argachuu qabu   |  |  |  |  |
| 21       | Bu'aan barnoota olanaa irraa gtii iti baratame waajiin haala qabatamaa ta'een wla simuu qaba.   |  |  |  |  |
| 22       | Baratoonni yoo barnoota olaanaaf kafaluu qabu ta'e, caalait bu'aa barnootaa ni hubatuu akkasumas akka isaan jajjabatanii barnoota isaanii dafanii xumuranii baasii barnootichaa xiqeesan fayyaada |  |  |  |  |
| 23       | Kolleejoonis basii barnootaa barbaachisummaa gabaa waliin jijjiiruu   |  |  |  |  |

|          |   |  |  |  |  |
|----------|---|--|--|--|--|
|          | qabu  |  |  |  |  |
| 24       | Gaaliin baasii barnoota olaana irra argamu akka mootumman baasii barnoota olaanaa danda'uu taasisa.   |  |  |  |  |
| 25       | Karoorii basii barnoota hirachuu barattoonni akka sagantaa barnootaa filatanii haala gaarii mijeesaaf akkasumas akka isaan barnootaa isaanii dafanii xumuran taasisaa   |  |  |  |  |
| 26       | Baasii barnootaa hirachuun akka dhaabilleen barnootaa jijjiirama gabaaf qophaa'an taasisa   |  |  |  |  |
| 27       | Walqixuma barnootaa guddisuuf   |  |  |  |  |
| 28       | Sadarkaan barnoota nama tokkoo yoo olaana ta'ee keesuummaa iyyuu sadarkaa kolleejii ykn Yuiversitii ta'ee hojii waayya'a kafaltii garii fi fayidaa hawasaa irraa argata |  |  |  |  |
| <b>D</b> | <b>Ilaalcha barattoonni barachisuummaa baasii barnootaa hirachuuf qaban</b>   |  |  |  |  |
| 29       | Baasiin Mootuummaan barnoota olaanaaf oolchu akka barnoonni sadarkaa gadaanaa hin babballanne taasisa   |  |  |  |  |
| 30       | Barnoota olaanaa tola barachuun akka carraa barnoota olaana walqixa hin arganne taasisa.  |  |  |  |  |
| 31       | Mootummaan qofti baasii kolleejjootaaf oolu danda'uu qaba.  |  |  |  |  |
| 32       | Kanneen fayyadamtoota barnoota olaana ta'an baasii barnoota olaanaf oolu gumaachuu qabu.  |  |  |  |  |
| 33       | Walumaagalatti barnoonni qabeenyaa uummataa mootummaan keennamu waan ta'eef hudumtuu carraa barachuu argachuu qaba  |  |  |  |  |
| 34       | Baasii barnootaa hirachuun rakkoo qulquliinaa, ga'uumsaa, wlatii dhufeenyaa fi walqixummaa barnootaa hin furu.  |  |  |  |  |
| 35       | Barnoonni tola ta'uunsaa irra caalaa barattoota maatii harka qalleeyyii ta'a fayyada.   |  |  |  |  |
| <b>E</b> | <b>Haalootaa Barattoon Baasii Barnootaa akka deeggeraan godhan</b>  |  |  |  |  |
| 36       | Galiin gatii bahuu irraa argamu qulqullina barnootaa fooyeessaa ta'e ykn barnoota biyaatii kessatii babal'isa ta'e.   |  |  |  |  |
| 37       | Gatiin barnootaaf bahuu qabu guddaa ta'uu baatee fi barattoonni maatii harka qaleenyii irraa dhufan kafaluu danda'u ta'e  |  |  |  |  |

|          |   |  |  |  |  |
|----------|---|--|--|--|--|
| 38       | Sadarkaan mindaa ykn galiin waarra issanii sadarkaa isaan kafallanii barachuu dnada'anii irra jira jedhanii amanuu ta'e |  |  |  |  |
| 39       | Foyyaa'iinni ami tokko qulqulina tajajila argatanii fi barnoota keessatti ni argama wantii jedhu yoo itti dhaga'ame     |  |  |  |  |
| 40       | Feedhiisaaniin goosa barnoota barbaadan ni baratuu ta'e   |  |  |  |  |
| <b>F</b> | <b>Ilaalchaa fi deebii yaada laatotaa maleen karoori basii hirmaachuu hojiirrati oolu.</b>                              |  |  |  |  |
| 41       | Barattoonni haallii liqiidhaan baratan mijaa'eef malee  |  |  |  |  |
| 42       | Baratoonni harka qaleeyyii ta'a carraa tola barachuu argatan malee  |  |  |  |  |
| 43       | Hojjeta barachuu  |  |  |  |  |
| 44       | Maalaqi dabalataa gatii barnootaa xiqeesuuf mootumaa biraa kennamee   |  |  |  |  |
| 45       | Abbootiin qabeenya dhaabbilee barnootaa adda addaa dhaabuu keessat qodaa fudhatani malee                                |  |  |  |  |
| 46       | Burqaan galii dhaabbilee addaa addaa irraa burqisifame malee.   |  |  |  |  |
| 47       | Warri baratootaa fi baratoonni galii isaanii gargaran malee   |  |  |  |  |
| 48       | Galiin manneen kolleejii hawwaasa nannoo irra argamee malee   |  |  |  |  |
| 49       | Barattoonni harka qalleeyiin basii barnootaa irraa walaba ta'an malee   |  |  |  |  |
| <b>G</b> | <b>Baasii kolleejootaa baasuuf kanneen armaan gadii keessa kamtu wayya</b>  |  |  |  |  |
| 50       | Maatii baratoota  |  |  |  |  |
| 51       | Baratoonni liqaan barachuu  |  |  |  |  |
| 52       | Hojii dabalataa hojeechuu   |  |  |  |  |
| 53       | Tola barsiisuu  |  |  |  |  |
| 54       | Bankiirraa liqeefachun  |  |  |  |  |
| <b>I</b> | <b>Baratoota warra kamtuu carraa liqaan barachuu argachuu qaba?</b>   |  |  |  |  |
| 55       | Baratoota hunda   |  |  |  |  |
| 56       | Baratoota galii gadii anaa qaban  |  |  |  |  |
| 57       | Baratoota umurii murta'ee keesa jiran   |  |  |  |  |
| 58       | Baratoota qabxii olaanaa qaban  |  |  |  |  |
| 59       | Baratoota abbaa fi hadha hin qabne  |  |  |  |  |
| 60       | Hojjeta barachuu  |  |  |  |  |