

Higher Education Finance and Cost-Sharing in Tanzania

I. Brief description of the higher education system in Tanzania

Tanzania has a dual system of post-secondary education with a clear distinction between what is categorized as university education and what is categorized as non-university education. Non university education institutions train, prepare, and produce middle level professionals in different occupations—usually not requiring a university degree as a basic entry qualification. Higher education institutions, usually universities, university colleges, and institutes train high-level manpower for occupations requiring a university degree or equivalent as a basic entry qualification in a profession.

There are currently 11 public universities and university colleges and 19 private universities and colleges. With the exception of one private university that has existed as a Catholic owned higher education institution for the past thirty years, private higher education is a recent phenomenon in Tanzania.

The non-university sector is comprised of institutes and colleges offering a multitude of technical, vocational, and professional courses in accounting, computer science, business administration, journalism and mass communication, engineering, teacher education, clinical medicine, agriculture, community development and social welfare.

Admission to public universities is very competitive, and is based on pass mark achievement on the Advanced Certificate of Secondary Education Examinations (ACSEE). A limited number of non-traditional students enter public universities through Mature Age Entry Examinations and through distance learning conducted by the Open University of Tanzania that operates in all 25 regions of Tanzania Mainland. Higher education is also offered through the World Bank sponsored African Virtual University through its Dar es Salaam based campus. Public universities are also allowed to fill vacant places with qualified privately sponsored students.

Higher education access and participation in Tanzania is influenced by socioeconomic status, ethnic origin, religion and gender. The major ethnic groups that had the initial advantage of getting Christian missionary education continue to dominate higher education institutions and positions of power and influence. Moslems are underrepresented in higher education and in positions of power (Ishengoma, J. M. & Deborah, Youngman, 1999).

The 2004 higher education gross enrollment ratio was 1 percent, compared to 3 percent in Kenya and Uganda (UNESCO Global Education Statistics). In the 2006-07 academic year, total enrollment in public universities was 35,821 students, total enrollment in private universities was 5,275 and enrollment in other tertiary institutions (including four public and one private technical colleges) was 11,735. Women make up approximately 33 percent of this total (Msolla 2006).

All public higher education institutions, though semi-autonomous, are regulated and controlled by the government through the Ministry of Science, Technology, and Higher Education and other relevant governmental ministries. The government allocates funds and approves budgets for universities and other higher education institutions, and appoints (and at times fires) the heads of these institutions.

II. Financing Higher Education in 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 student's 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 (SAPS). 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. The first phase became operational during the 1992/93 academic year. 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 stationery allowances, special faculty requirements, registration fees, and field allowances.

During this phase the government also introduced loans that were available to all students to cover on- or off-campus accommodation costs and meals sold in university cafeterias that have been privatized. Parents/guardians were co-signatories for these loans.

In 1996, the University of Dar es Salaam’s Council approved an official proposal for admitting privately sponsored Tanzanian students and in 2002, it officially recommended that the university fill remaining spots not filled by government sponsored students with privately sponsored, tuition fee paying students. Under its dual track policy, the University of Dar es Salaam established criteria and set minimum cut-off points for admission in the individual degree programs that were based on the number of students that the government set for admittance under its sponsorship. Unlike Kenya and Uganda, the government also determined the distribution of students among campuses and programs (Ishengoma, 2004).

Admission to the self-sponsored places is based on results of the Advanced Certificate of Secondary Education Examination. Candidates have to receive principal level passes in appropriate subjects with a total of at least 5 points from three subjects obtained at the same sitting and have to pass the university Matriculation Examination in order to be considered. The different programs have additional admission criteria. Tuition fees for the privately sponsored students for the 2007/08 academic year range between Tsh 724,500 (US\$1,223¹) and 1,124,500 (US\$1,900) (HESLB, 2007).

The third phase of the cost sharing plan was 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.

It was prior to the initiation of this third phase that the Higher Education Student Loans Regulations, 2005, introduced means-tested, interest free student loans (July 2005) for the 2005-06 academic year to cover tuition fees, other academic fees, room and board for all qualified higher education students² in public and private universities. All borrowers must provide a guarantor’s declaration in which he/she agrees to guarantee the student’s loan using immovable property as security. Initially, the student loan covered 100 percent of tuition and living costs for qualified students. However, due to financial and logistical problems, the loan guidelines and criteria were revised in 2006 so that only 60 percent of tuition fees are covered by the loans on a means tested basis with the other 40 percent to be covered upfront by the students themselves³. Repayment must begin one year after course completion and be completed within 10 years.

¹ Using 2006 purchasing power parity estimate of US\$1=592.11 Tanzanian Shillings)

² First and second division holders in National Form VI examination results.

³ The 2007/08 Loan Guidelines state that the Board may provide means-tested tuition fee loans of 0 percent to 100 percent based on the rates charged by public institutions.

III. Expenses of higher education

Table 1 shows estimates of the expenses of higher education that are borne by parents and students.

Table 1
Estimated Expenses of Higher Education Borne by
Parents and Students in Tanzania,
First Degree, Academic Year 2006-07

[National currency (Shillings) converted to \$US by [2006] purchasing Power parity estimate \$1 = 592.11 Shillings]

		Public government sponsored	Public fee paying	Private
	Special "One-Time" Or "Up Front" Fees	Tshs. 20,000 (\$US34)	Tshs 5,000 (\$US8)	Tshs 20,000 (\$US34)
Instructional Expenses	Tuition	Tshs. 600,000 (\$US1,013) ⁴	Tshs. 924,500 ⁵ (\$US1,560).	Tshs. 3,650,000 (\$US6,164) ⁶
	Other Fees	Tshs. 100,000 ⁷ (US\$168) upfront	0	Tshs 383,000 (\$US646)
	Books & Other Educational Expenses	Tshs. 120,000 (US\$202) ⁸	Tshs. 140,000 (US\$236)	Tshs 675,000 (\$US1,140) ⁹
	Subtotal Expenses of Instruction	Tshs. 840,000 (US\$1,418)	Tshs1,069,500 (\$US1,806)	Tshs4,728,000 (\$US7,985)
Student Living Expenses	Lodging	Tshs.525,000 can be deferred	Tshs1,050,000 (US\$1,773)	Tshs. 900,000 (\$US 1,520)
	Food	(US\$886)		Tshs. 1,320,000 (2,229)
	Transportation	Tshs50,000 (\$US84)	Tshs50,000 (\$US84)	Tshs50,000 (\$US84)
	Other Personal Expenses	Tshs150,000 (\$US253)	Tshs 150,000 (\$US253)	Tshs300,000 (\$US506)
	Subtotal Expenses of Student Living	Tshs.725,000 (US\$1,224)	Tshs1,250,000 (\$US2,111)	Tshs 2,570,000 (\$US4,340)
	Total Cost to Parent & Student	Tshs. 1,565,000 (US\$2,643)	Tshs2,319,500 (\$US3,917)	Tshs. 7,298,000 (\$US12,325)

Public: U of Dar es Salaam, living in dormitory.

Public fee paying: low private tuition, living in dormitory.

Private: private tuition, living in dormitory

⁴ Of which Tshs. 240,000 (\$US405) must be paid upfront and Tsh. 360,000 (\$US608) can be deferred if eligible for HESLB loan

⁵ Of which a certain amount may be deferrable if eligible for the HESLB loans. Includes registration fee, examination fee, medical capitation fee and identify card costs.

⁶ Of which a certain amount can be deferred if eligible for HESLB loan.

⁷ Upfront medical capitation fee

⁸ Can be deferred if eligible for HELSB loan

⁹ Of which up to Tsh 120,000 (US\$202) can be deferred for books and up to Tshs 36,000 (US\$60) can be deferred for special faculty requirements and field work

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