

# **The Socio-economic Contribution of Cross Border Higher Education to the Development in Africa: a case of Kenyan Students in Kampala International University (KIU), Uganda**

By

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To promote sustainable development within the global knowledge-based society, most countries have laid policies to attract foreign students. Uganda has been attracting students since pre-independence Kenya to post-independence. Statistics show that there are more than 25,000 Kenyan students in Universities and secondary schools in Uganda. The study was carried out at KIU in Uganda which has attracted most Kenyan students among others. This study aimed at determining the socio-economic contribution of cross border Higher Education (HE) to the sustainable development in Africa at this era of internalization of HE. The objectives of the study were: to establish the cost of the programmes-indirect and direct, identify the social contributions, establish students' participation in social activities and challenges. This study adopted the Human Capital Theory and employed Survey research design. The research instruments used were questionnaires administered to students, interview schedule and document analysis. The data was analysed both descriptively and by use of inferential statistics. The study findings revealed that Ugandan Universities charges low tuition fees and thus encourages cross-border education. They also generate income through indirect costs-accommodation, food and other subsistence cost. The recipient country also benefits from intercultural exchange. The study finding recommends that there should be credit transfer and more information on educational opportunities outside and need for regional cooperation to improve and encourage the cross border education for sustainable development.

**Key words:** sustainable development, cross border Higher Education, intercultural exchange.

## **Introduction**

Knowledge-based competition within a globalizing economy is prompting a fresh consideration of the role of higher education in development and growth (Bloom & Canning et.al, 2006). Globally, educating a nation remains the most vital strategy for the development of the society throughout the developing world (Aikaman & Unterhalter, 2005). Many studies on human capital development

concur that it is the human resources of a nation and not its capital or natural resources that ultimately determine the pace of its economic and social development.

The principal institutional mechanism for developing human capital is the formal education system of primary, secondary, and tertiary training (Nsubuga, 2003). Since education is an investment, there is a significant positive correlation between education and economic-social productivity. When people are educated, their standards of living are likely to improve, since they are empowered to access productive ventures, which will ultimately lead to an improvement in their livelihoods. The role of education therefore, is not just to impart knowledge and skills that enable the beneficiaries to function as economies and social change agents in society, but also to impart values, ideas, attitudes and aspirations important for natural development (Nsubuga, 2006). Uganda expects to earn \$60m (sh135b) from the enrollment of 6,000 foreign students annually through the Marketing Education Services project (Museruka, 2010).

Many authors traditionally attempt to answer the question about why cross-country? Evidence shows that some of developing countries is growing very rapidly, taking advantage of opportunities while other developing countries are growing slowly. Osipian (2009) argue that the difference in the rate of growth among developing nations is due to differences in the quality of governance. They show that productivity growth is higher in better-governed countries. Institutions may be measured differently, and so their operationalization may vary. Knack and Keefer (2008) study possible links between institutions and economic performance.

According to a paper presented at the World Export Development Forum in October 2007 in Switzerland ([www.intracen.org](http://www.intracen.org)), Kenya is the leading source of international students in Uganda, contributing over 60% at the secondary level and 71% at the university level. Tanzania follows with 16% and 12% respectively. Others are Congo, Burundi, Rwanda and Sudan. According to a survey conducted by the Uganda Export Promotion Board in March 2005, most of the foreign students come to Uganda targeting specific courses. These are law, medicine, surgery, pharmacy, agriculture, tourism, computer science, information technology, engineering, commerce, accounting and finance, international studies, purchasing, supplies management and education.

**Statement of the problem**

For several decades, donor institutions have placed great emphasis on primary and, more recently, secondary education in their development assistance to Sub-Saharan Africa. But they have neglected tertiary education as an added means to improve economic growth and mitigate poverty (Bloom & Canning et al., 2006). Uganda, in the 2004/05 financial year, earned \$32m (sh51b) from foreign students, according to statistics from the Uganda Revenue Authority. This makes education the fourth-largest foreign exchange earner ([www.newvision.co.ug](http://www.newvision.co.ug)). Education can reduce poverty and social injustice by providing the underprivileged resources and opportunities for upward social mobility and social inclusion. Yet, the budgetary allocation for education and political commitment for improvement of higher education and the role of students in economic development is neglected in African countries. There has been debate on “the marketable and unmarketable courses’ but it is generally acceptable that education plays an important role in economic development. European countries have since pre-colonial era attracted foreign students since they acknowledge the role of students in economic development.

**Research Design**

This research employed mixed methods research which is an approach to inquiry that combines both qualitative and quantitative forms. It involves philosophical assumptions, the use of qualitative and quantitative approaches, and the mixing of both approaches in the study ( Ayiro, 2010). Survey was used where 240 questionnaires were administered to Kenyan students in KIU based on Morgan & Krojee (1970) of population sample determination. Purposive, stratified and simple sampling techniques were used to select the respondents. Interview of the programme co-ordinators and focus group discussions with the respondents provided more insight to the study. Document analysis and secondary data from books supplemented the primary data in the study. The data was analysed descriptively and use of inferential statistics.

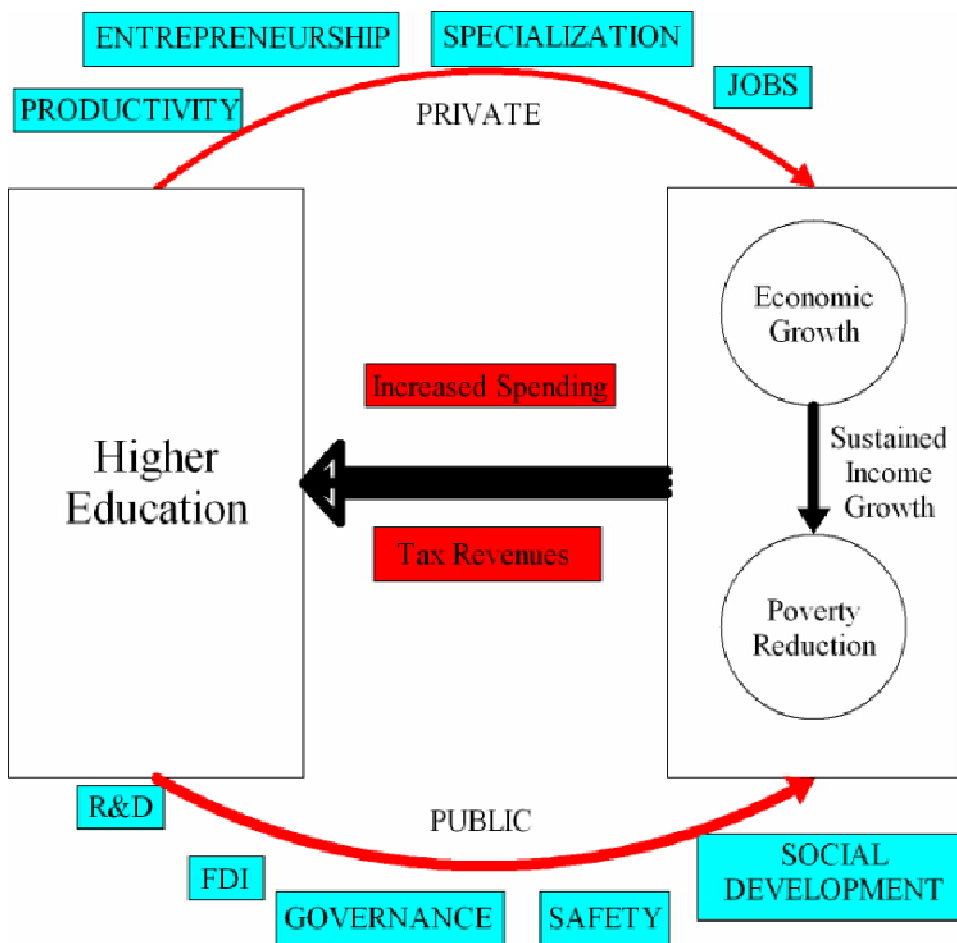
**Human Capital Theory in Investment in Education**

The first economist to write about the correlates of growth was David Hume (1711–1776). Hume emphasized foreign trade as a primary engine for economic growth saying that both nations involved get an advantage from international trade (Rostow, 1990). Even though Hume is known more as a philosopher, his contribution to the understanding of economic growth at the early stages of development of economic thought is undeniable.

There is an abundant literature on estimated rates of return to education based on Mincer’s approach. Generally, these returns are estimated to be somewhere between 5 and 15%. Psacharopoulos (1985) has collected many of these studies and drawn some general conclusions. He concludes that returns are higher in developing countries than in developed countries that highest returns accrue to primary education and that returns to University education may be higher than those for secondary education.

**Conceptual Framework**

**Fig 1 Higher education for economic growth**



**Source:** Bloom et al, 2006

Fig 1 reveals that HE is a form of entrepreneurship, leads to productivity, specialization and job creation and employability of graduands. At a private level.at public level, supports: R&D, FDI,

sound governance, encourages safety and social development. Increased spending and tax revenues leads to economic growth, poverty reduction and sustained income growth.

## **Review of Related Literature**

### **Brief History of Higher Education in Uganda**

Historically, in pre-independence Uganda, educational opportunities were limited and only a few lucky ones were able to take the advantage of them. According to Kasozi (2003), public universities in Uganda dated back to the pre-colonial era when Makerere University was established in 1922 as a technical college to train public servants for civil service, teaching and parastatals. In 1937, the College metamorphosed into an institution of higher education and subsequently became a constituent College of the University of London in 1949. Makerere College served the students from other British colonial territories of Kenya, Tanganyika and Zanzibar.

### **The Role of Human Capital in the Development of a Country**

According to Osipian (2009), in order to identify the nature of economic growth and the role of human capital in the initiation of sustainable growth in the post-transition economies of market type, it is necessary to use the following estimation criteria: volume, density, and structure of external inflows to the national economy, including foreign direct and portfolio investments, capital outflow, external debt volume and service; level of socialization of the economy, and presence or absence of the social trajectory in the current development; level of socioeconomic development and presence of economic environment that favors involvement of human capital in production, including development of the labor market and the stock market; level of involvement of human capital in the national production for each national economy; scale of reproduction of human capital (increased, stable, reduced); forms of connecting workers with the means of production, the system of production relations, and the trajectory of its development; vectors Human development rationale (Bloom et al.).

Literacy is often understood as something that is ‘good’ for the individual and for society (Ayot & Briggs, 1992). Large subsidies on education are justified on the basis of perceived externalities of education. Parents and students do not take into account that their investments in human capital may be of social value above the private return on education, so that they underinvest in human capital

(Hartog & Henriettee, 2007). Many scholars in Economics of Education contend that education is integral in economic development due to the following rationales:-

**Economic rationale:** Numerous claims have been put forward that a given minimum rate of literacy is prerequisite for economic growth in developing countries e.g. in the agricultural sector, studies have been undertaken which support the notion that an additional year of primary schooling can directly affect wages and output ( Indede , 2007)

**Social rationale:** Literacy may also have social consequences that are important objectives for national policy planning. In developing countries, the gender dimension of illiteracy has been raised in this regard, as the majority of illiterate or low-literate adults tend to be female in the poorest developing nations (Bloom et al. 2006).

**Political rationale:** There is a long tradition of utilizing literacy programmes in general, and literacy campaigns in particular, as a way to achieve political goals (Krueger et al, 2002). In the 1500s, Sweden engaged in one of the earliest known natural literacy campaigns in order to spread the state religion through bible study. This was done through education. The colonialists in Africa used literacy to colonize Africans through Bible and gospel.

**Endogenous rationale:** There may be strong pressure to provide literacy and basic skills programmes at the community level. They are often organized by non-governmental organizations (NGOs). Such programmes tend to be small in scale and focused on particular segments of the population (for example, adolescents, out of school, young mothers, the elderly, the homeless and the like).

**Exogenous rationale:** the pressure appears in two major ways. Bilateral regional and multinational agencies may offer financial support if certain types of educational initiatives are promoted and educational targets reached. Promotion of primary schooling has been a Centre piece of multinational education support to LDCs at the expense of higher education.

Ayot and Briggs (1992) asserts that education is commonly regarded today as an important area of investment for society as a whole and the social return analysis is an attempt to calculate the returns on this investment for the society. Education has both “external benefits”, both economic and non-economic since they cannot be adequately quantified (Vaizey, 2002).

## Findings and Discussions

The study sought to establish the cost of the degree programmes (both direct and indirect, social contributions and students participation in social activities).

### i. Income from the Students

The tuition fees paid by foreign and local students Kampala International University (KIU) was as is presented in table 1.

Table 1 Amount payable by foreign students to the University

S/N	Degree Programmes	Duration (Years)	Cost Ksh.	Approx.\$
1	Bachelor in Business studies/Computer Scie	3		820
2	Bachelor of Education Arts	3		500
3	Bachelor of laws	4		800
4	Bachelor of Engineering courses	4 1/2		1230

Source: KIU, 2010

Table 1, indicates the tuitions fees payable KIU University. Interview schedule to the Programme Coordinators revealed that the income from students was used to improve the infrastructure, pay the lecturers and other non-teaching staff. It met the current and recurrent expenditure of the institution. Part of the surplus was ploughed back. The income to the institution is taxed thus contributes to the national income (GDP).

This improves the economy of the country. In addition, students spend averagely \$ 100 (Ksh.8, 000) per month as indirect cost. This covers accommodation, food, purchase of stationery and other consumable goods; this trickles down to the economy. Medical fee and students' activity fee is also payable by students. It is instructive to note that most business have mushroomed and flourished at Kansanga, around KIU. The economy has thus improved. This supports Stansfied & Connolly (2008) who contends that globalization has led to the blurring of national educational boundaries, leading to the globalization of education, with many higher education institutions developing new markets that were previously unobtainable. KIU and other private Universities are reaping out of this favourable environment in education.

## **ii. Social and Research Contribution**

According to Ayot & Briggs (1992), education helps to bring about improvement and innovations by promoting research and inquiring attitudes of mind. Educated people, it is said, are less inclined to accept methods, situations and procedures because they are traditional, but will constantly question and criticize, trying to improve things (Ayot & Briggs, 1992). Interview schedule reveals that foreign students interact with each other and engage in social activities such as going for recreation facilities and research together. This cements the relationship from students from various diverse background, fosters coexistence and spirit of tolerance thus development within the region. The Universities represent the highest level of manpower training and research for both developed and developing nations. For Africa in general and Uganda in particular, universities are agencies of technological innovation in economic growth and development. The proceedings on the Role of African Universities in the Attainment of the Millennium in Development Goals (Kenyatta University, 2006)

According to Indede (2007), education is regarded as one of the central institutions that can transform a culture of the society to a beneficial one. The Universities mission is to provide a setting for development of intellect, skills, attitudes and values through quality teaching and learning, to promote discovery and knowledge through research and to provide services and stewardship to others. The university is in fact an instrument of transformation.as an engine of development it has a responsibility to promote ethical values that will make knowledge itself transformative knowledge that would help society develop ( Indede,2007).

According to Bloom et al. (2006), tertiary schooling can also have less direct benefits for economies. By producing well-trained teachers, it can enhance the quality of primary and secondary education systems and give secondary graduates greater opportunities for economic advancement. By training physicians and other health workers, it can improve a society's health, raising productivity at work. And by nurturing governance and leadership skills, it can provide countries with the talented individuals needed to establish a policy environment favorable to growth. Setting up robust and fair legal and political institutions and making them a part of a country's fabric, and developing a culture of job and business creation, for example, call for advanced knowledge and decision-making skills. Addressing environmental problems and improving security against internal



and external threats also place a premium on the skills that advanced education is best placed to deliver (Bloom et al. 2006).

### **Participation of Students in Policy Making of the University**

Students Unions play an active part in the provision of a range of students' services, such as sporting and leisure activities and welfare activities (Ashworth and Harvey, 1994). Students are major stakeholders in institutions. It was necessary to find out the extent students were involved in Policy making of the University.

Table 2 Responses on Students Participation in Policy Making of the University

	<b>KIU Freq</b>	<b>percent</b>
<b>Agreed</b>	96	40
<b>Disagreed</b>	84	35
<b>Undecided</b>	60	25
<b>Total</b>	<b>240</b>	<b>100</b>

Table 2 showed that 96 (40%) of the respondents in KIU agreed with the statement, 84 (35%) disagreed and 60 (25%) were undecided. There seems to be consensus that students' participation is integral. Foreign students bring diverse skills and talent in leadership thus improves management of the institution thus economic development. According to Kenya Vision 2030, high quality University Education not only provides the human capital for socio - economic development but also transforms individuals and societies in ways that reduce poverty and increase global competitiveness. University education and training therefore plays a crucial role of developing the necessary human capital and carrying out research to support the growth targeted in vision 2030 (G.O.K, 2008).

### **iii. Students participation in games activities**

Table 3 Responses on the Participation in Games and Sporting Facilities by Students.

	<b>KIU Freq</b>	<b>percent</b>
<b>Agreed</b>	96	40
<b>Disagreed</b>	120	50
<b>Undecided</b>	24	10
<b>Total</b>	<b>240</b>	<b>100</b>

Table 2 shows that 96 (40%) of respondents in KIU agreed that they participated in games, 120 (50%) disagreed and 24 (10%) were undecided. The study revealed that KIU laid more emphasis on provision of games facilities. KIU provided limited games and Sports scholarship to its students. Male and female students who have background record of being excellent in sports are offered scholarships by KIU. Fifteen scholarships are given out every year (KIU, 2007). Games (both indoor and outdoor) provide students with opportunity to realize their potentials and talents which can attract students especially those who are keen on sporting activities to enroll.

### **Conclusions and Recommendations**

This study is concluded by Schoole (2008) who contends that educated people are well positioned to be economic and social entrepreneurs, having a far-reaching impact on the economy and social well-being of communities. Good governance, strong institutions, and a developed infrastructure are all needed if business is to thrive- and none of these is possible without highly educated people (Ayot & Briggs, 1992; Schoole, 2008). The following recommendation can be made based on the study:

- a. There is need for the respective governments to provide conducive environment (political and economic) to enable stakeholders invest and participate in the higher education especially as we move to East Africa Common Market.
- b. They ought to support and encourage regional education networks in order to engage in research and quality improvement of the higher education programmes
- c. The Universities ought to market their courses and improve their services in order to attract the students. They should partner with other funding institutions such as HELB, banks, DAAD and other organizations to offer scholarship to needy and deserving students in cross- border.
- d. The respective governments, CHE, East Africa Inter University Council, UNESCO should provide relevant information on study opportunities in cross border education
- e. Students should be encouraged to participate in policy formulation and implementation in order to improve their programmes. Students participation will

bring diverse and useful inputs in cross border education. This will enhance ownership thus stability of the programmes thus economic development

- f. Private investors such as landlords, hoteliers should be encouraged to invest in students support facilities such as hostels and Cafeteria for economic growth.

If the above is undertaken, there will be realized socio-economic gains that will result to sustainable development as a result of the internalization and cross border education.

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