ANALYSING THE EFFICACY OF THE NAMIBIA’s
STUDENT FINANCIAL ASSISTANCE FUND

by
Victor Hatutale Kaulinge

Thesis presented in fulfilment of the requirements for the degree of Master of Public Administration in the Faculty of Economics and Management Sciences (School of Public Leadership) at Stellenbosch University

Supervisors:
Prof. Charles Keyter (Polytechnic of Namibia),
Ms. Charlotte Keyter (University of Namibia), and
Co-Supervisor: Prof. Kobus Müller (University of Stellenbosch)

December 2011
DECLARATION

By submitting this thesis electronically, I declare that the entirety of the work contained therein is my own, original work, that I am the sole author thereof (save to the extent explicitly otherwise stated), that reproduction and publication thereof by Stellenbosch University will not infringe any third party rights and that I have not previously in its entirety or in part submitted it for obtaining any qualification.

Signature…………………………   Date…………………….
ABSTRACT

Student Financial Support Schemes (SFSS) have become increasingly important in providing financial assistance for students pursuing higher education, in both developed and developing countries. SFSSs were first established in the 1950s. The years that followed saw an increase steady expansion of student loan programs, through the introduction of student loans in more countries and expansion in the number of loans available in relation to their size and new expanded approach. The trend was in response to higher education expansion, combined with increasing financial toughness and concern for equity, while at the same time there was a surge of interest in student loans in the late 1980s and 1990s, with new programs introduced in Australia, New Zealand, and the United Kingdom; several countries in eastern Europe, considering introducing student loans for the first time; and some developing countries in Asia, Africa, and Latin America establishing or expanding student loan programs. The need for financial assistance is to enable students from low-income families to meet direct and indirect costs of higher education, and to ensure equality of opportunity, equity, and social justice. Recent arguments focused on whether student financial supports should be provided by governments, private agencies, employers, or institutions, and whether it should be in the form of scholarships, bursaries, grants either available to all students and or means-tested or fully repayable loans. Increasingly, debates also surrounds the question of how student loans should be administered in particular, eligibility and terms of repayment of loans, appropriate rates of interest, and mechanisms to target disadvantaged students while minimising default rates. Firstly, this study did a comparison between the SFSSs of the four different countries. Secondly, the best practices were identified and the Namibian case study was evaluated against the four countries. Lastly, some conclusions and recommendations were made that are aimed to improve the SFSS in Namibia.
OPSOMMING

Studente finansiële ondersteuningskemas in ontwikkelde en onder ontwikkelende lande lewer ’n belangrike bydrae tot die finansiële ondersteuning van studente in höer onderwys. Studente finansiële skemas is tot stand gebring in die 1950s. In die daarop volgende dekades het daar ’n enorme groei plaasgevind in die daarstelling van studente leningskemas. Nie net het die aantal leningskemas vermeerder nie, maar meer en meer lande het van die benadering gebruik gemaak. Gedurende die 1980s en 1990s was daar ’n toename in studentegetalle in höer onderwys wat gevolglik gelei het tot ’n toename in finansiële ondersteuning van studente. Die implementering van nuwe programme in Australië, Nieu-Seeland en die Verenigde Koninkryke het gelei tot ’n toename in finansiële ondersteuningskemas van studente. Verskeie lande in Europa het oorweging geskend aan die implementering van finansiële ondersteuning van studente tewyl onder ontwikkelende lande in Asië, Afrika en Latyns Amerika oorweging geskenk het aan die uitbreiding van finansiële ondersteuningskemas aan benadeelde en opkomende studente. Finansiële ondersteuning van behoeftige studente is gedoen om die direkte en indirekte koste verbond aan onderwys te dek, gelyke geleenthede tot onderwys te skep, toegang tot onderwys te verbreed en om sosiale geregtigheid te verseker. ’n Debat het egter onstaan oor wie verantwoordelikheid moet aanvaar vir die toekenning van studiebeurse, lenings of skenkings aan studente. In die verband is daar spesifiek gevra oor watter bydrae instellings in die openbare en privaat sektore maak tot finansiële ondersteuning van studente. Verdere aangeleenthede wat tydens die debat geopper word is vrae soos, wie moet verantwoordelikheid aanvaar vir die bestuur van sodanige finansiële skemas, lenings, die rentekoers ter sprake by die terugbetaling van die lenings en watter metodes kan gebruik word in die geval van minder geoordelele studente wat nie hul finansiële terugbetaling ooreenkomste kan na kom nie. Die studie is onderneem na aanleiding van ’n vergelykende studie tussen vier verskillende lande se finansiële ondersteuningskemas. Daarna is ’n beste praktyk ontwikkel waarteen die Namibiese finansiële ondersteuning skema geevalueer is. Sekere gevolgtrekkings en aanbevelings is gemaak om die bestaande skema te verbeter.
ACKNOWLEDGEMENTS

First of all I would like to acknowledge the help of my Almighty God, without His help and divine guidance, the end product of this research paper and work would not have been possible. First and foremost, I would like to thank my supervisor Professor Charles Keyter and his wife Ms. Charlotte Keyter and co-supervisor Prof. Kobus Müller for their persistence in guiding and supporting me throughout my studies. Especially for their continual and practical advice they provided and which in the end improved the paper quality to this level. My appreciation goes to Ms. Marisa Honey for assisting with the language editing while Ms. Jennifer Saunders assisted with the technical editing. At the same time, I would like to express special gratitude to my employer the National Planning Commission for allowing me time and space to dedicate time for my studies. I am also indebted to my family, especially my wife for having allowed me time to sacrifice some valuable family time and hours in order to properly focus and complete this study. Lastly, I would like to thank the staff of the School of Public Leadership who assisted me especially through their professional guidance and for assisting me throughout my studies.
TABLE OF CONTENTS

DECLARATION ..................................................................................................................... i
ABSTRACT .......................................................................................................................... iii
OPSOMMING ....................................................................................................................... iv
ACKNOWLEDGEMENTS .................................................................................................. iv
LIST OF FIGURES AND TABLES ................................................................................... xvi
LIST OF FIGURES ............................................................................................................. xvi
LIST OF TABLES ............................................................................................................. xvii
APPENDIXES ................................................................................................................... xviii
BIBLIOGRAPHY ............................................................................................................. xviii
LIST OF ACCRONYMS AND ABBREVIATIONS ......................................................... xix

CHAPTER ONE

INTRODUCTION, BACKGROUND AND RESEARCH METHODOLOGY

1.1 Introduction ...................................................................................................................... 1
1.2 Background to the study ................................................................................................... 2
1.3 Research problem ........................................................................................................... 10
1.4 Objectives of the study ................................................................................................... 10
1.5 Significance of the study ................................................................................................ 11
1.6 Rationality for the study ................................................................................................. 11
1.7 Research methodology ................................................................................................. 12
1.8 Research Strategy ........................................................................................................... 14
1.9 Case study samples ......................................................................................................... 16
  1.9.1 The four comparative case studies .............................................................................. 16
    1.9.1.1 Australia .............................................................................................................. 16
    1.9.1.2 Botswana ............................................................................................................. 17
    1.9.1.3 Kenya ............................................................................................................... 18
    1.9.1.4 South Africa ..................................................................................................... 19
1.10 Evaluation Matrix ........................................................................................................ 19
1.11 Definition of terms ....................................................................................................... 20
  1.11.1 Effectiveness ............................................................................................................ 20
  1.11.2 Efficiency .............................................................................................................. 22
  1.11.3 Efficacy ................................................................................................................. 23
1.12 Limitations of the study .............................................................................................. 24
1.13 Structure of the study ................................................................................................. 25
1.14 Conclusion .................................................................................................................... 27

CHAPTER TWO
THEORETICAL FRAMEWORK

2.1 Introduction .................................................................................................................... 28
2.2 Definition of public policy ............................................................................................ 28
2.3 Public policy-making process ....................................................................................... 31

vi
CHAPTER THREE

A COMPARISON OF STUDENT FINANCIAL SUPPORT SCHEMES

3.1 Introduction ......................................................................................................................... 65

3.2 Importance of Student Financial Support Schemes .......................................................... 65

3.3 Models of Student Financial Support Schemes ................................................................. 68

3.3.1 The student-centred model .......................................................................................... 69

3.3.2 The parent-centred model ............................................................................................ 69

3.3.3 The independent students’ model ................................................................................ 70
CHAPTER FOUR

A CASE STUDY OF THE NAMIBIAN STUDENT FINANCIAL SUPPORT SCHEME

4.1 Introduction ............................................................................................................. 104
4.2 Case Study of the Namibia Student Financial Assistance Fund......................... 105
4.3 Budget allocations to Higher Education Institutions............................................. 106
4.4 Namibia Student Financial Assistance Fund.......................................................... 107
CHAPTER FIVE

CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction .................................................................................................................. 150
5.2 Conclusion of chapters ................................................................................................. 150
5.3 Conclusion based on governance and organisational framework of the Namibia case study .................................................................................................................. 157
5.4 Conclusions based on management and administration of the Namibia case study .... 158
5.5 Recommendations based on the governance and organisational framework of the Namibia case study ......................................................................................................... 159
5.6 Recommendations based on the management and administration of the Namibia case study .......................................................................................................................... 160
LIST OF FIGURES AND TABLES

LIST OF FIGURES

Figure 2.1: Legislative and relevant policies that affect the HRD process in Namibia ........... 53
Figure 2.2: Legislative and policy framework of Namibia .................................................. 54
Figure 2.3: Top-down and bottom-up processes of NDP3 .................................................. 60
Figure 4.1: Regional allocation of funds and support to Namibian students studying...... 109
outside the SADC region in 2007 .......................................................................................... 109
Figure 4.2: Loan allocations by region (1998-2006 ) ......................................................... 110
Figure 4.3: Total number of awards across disciplines by regions ................................. 112
Figure 4.4: Number of students awarded loans by fields of study (1998-2006) ............ 113
Figure 4.5: Total awards by discipline in 2007 ................................................................. 115
Figure 4.6: Loan recovery rate (1997-2009) ................................................................. 116
Figure 4.7: Approved establishment of the NSFAF Division ............................................ 126
Figure 4.8: Amount recovered (1997-2009) ............................................................... 133
Figure 4.9: Actual R/N$ (million) spent on student loans (2000–2006) ....................... 140
Figure 4.10: The manual filling system in use by the NSFAF ................................. 148
LIST OF TABLES

Table 3.1: Summary of administration and management of the student financial support schemes in Australia, Botswana, Kenya and South Africa ................................................................. 94

Table 4.1: Total annual budget allocation to UNAM and PON since 2000 ........................... 106

Table 4.2: NSFAF budget allocations from 1999 to 2011 ......................................................... 107

Table 4.3: Regional quotas and awards per field of study ..................................................... 114

Table 4.4: Total amount recovered (1997-2010) ................................................................. 117

Table 4.5: Number of written-off cases .............................................................................. 117

Table 4.6: Files redeemed through recovery (2003-2009) .................................................... 118

Table 4.7: Level of bursary allocations by the private sector ................................................ 121

Table 4.8: Bursary allocation by public enterprises ............................................................. 122

Table 4.9: Summary of the Namibian case study .................................................................. 143
APPENDIXES

Appendix A: Organogram of the Ministry of Education............................................. 163

BIBLIOGRAPHY

Bibliography ....................................................................................................................... 164
LIST OF ACCRONYMS AND ABBREVIATIONS

AGO    Attorney General’s Office
ATO    Australia Tax Authority
CE     Cost Effectiveness
CIC    Commercial Investments Corporation
CPM    Critical Path Method
DBN    Development Bank of Namibia
DEST   Department of Education, Science and Training (Australia)
DSPW   Department of Student Placement and Welfare
EMIS   Education Management Information System
ETF    Education and Training Funds
ETSIP  Educational Training Sector Improvement Programme
GRN    Government of the Republic of Namibia
GoN    Government of Namibia
HE     Higher Education
HECS   Higher Education Contribution Scheme
HEEF   Higher Education Endowment Fund
HEI    Higher Education Institutions
HEIMIS Higher Education Integrated Management Information System
HELB   Higher Education Loans Board
HELP   Higher Education Loan Programme
HETF   Higher Education Trust Fund
HIV and AIDS Human immunodeficiency virus (HIV) and acquired immune deficiency syndrome (AIDS)
HRD    Human Resource Development
ICL    Income Contingent Loan Scheme
ICT    Information and Communication Technology
IRBM   Integrated Results Based Management
IRO    Inland Revenue of Office
IUM    International University of Management
KBE    Knowledge Based Economy
KRA    Key Result Areas
MBE    Ministry of Basic Education
MCA    Millennium Challenge Account
MDG    Millennium Development Goals
MHEVTST Ministry of Higher Education, Vocational Training, Science and Technology
MoE    Ministry of Education
MoF    Ministry of Finance
MPI    Monitoring Policy Impacts
MTC    Mobile Telecommunications LTD
NAC    Namibia Airports Company
<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Namcol</td>
<td>Namibia College of Open Learning</td>
</tr>
<tr>
<td>NAMPORT</td>
<td>Namibia Ports Authority</td>
</tr>
<tr>
<td>NamPower</td>
<td>Namibia Power Utility Company</td>
</tr>
<tr>
<td>NANSO</td>
<td>Namibia National Students Organisation</td>
</tr>
<tr>
<td>NCHE</td>
<td>National Council for Higher Education</td>
</tr>
<tr>
<td>NDP</td>
<td>National Development Plan</td>
</tr>
<tr>
<td>NHIF</td>
<td>National Health Insurance Fund</td>
</tr>
<tr>
<td>NPC</td>
<td>National Planning Commission</td>
</tr>
<tr>
<td>NQA</td>
<td>Namibia Qualification Authority</td>
</tr>
<tr>
<td>NSFAF</td>
<td>Namibia Student Financial Assistance Fund</td>
</tr>
<tr>
<td>NSFAS</td>
<td>National Student Financial Aid Scheme (South Africa)</td>
</tr>
<tr>
<td>NSSC O/H</td>
<td>Namibia Senior Secondary Certificate Ordinary or Higher Level</td>
</tr>
<tr>
<td>NTA</td>
<td>Namibia Training Authority</td>
</tr>
<tr>
<td>O&amp;L</td>
<td>Olthaver and List</td>
</tr>
<tr>
<td>O/M/A</td>
<td>Offices/Ministries/Agencies</td>
</tr>
<tr>
<td>OECD</td>
<td>Organisation of Economic Cooperation and Development</td>
</tr>
<tr>
<td>PON</td>
<td>Polytechnic of Namibia</td>
</tr>
<tr>
<td>PERT</td>
<td>Programme Evaluation and Review Technique</td>
</tr>
<tr>
<td>PSBS</td>
<td>Public Service Bursary Scheme</td>
</tr>
<tr>
<td>PSNSGS</td>
<td>Public Service of Namibia Study Grant Scheme</td>
</tr>
<tr>
<td>RCC</td>
<td>Road Contractors Company</td>
</tr>
<tr>
<td>SACMEQ</td>
<td>Southern and Eastern Africa Consortium for Monitoring Educational Quality</td>
</tr>
<tr>
<td>SADC</td>
<td>Southern Africa Development Community</td>
</tr>
<tr>
<td>SCC</td>
<td>Social Security Commission</td>
</tr>
<tr>
<td>SE</td>
<td>State Enterprises</td>
</tr>
<tr>
<td>SFSS</td>
<td>Student Financial Support Scheme</td>
</tr>
<tr>
<td>SLMS</td>
<td>Student Loan Management System</td>
</tr>
<tr>
<td>SSA</td>
<td>Sub Saharan Africa</td>
</tr>
<tr>
<td>TE</td>
<td>Tertiary Education</td>
</tr>
<tr>
<td>TELECOM</td>
<td>Namibia Telecommunication (PTY) LTD</td>
</tr>
<tr>
<td>TI</td>
<td>Tertiary Institutions</td>
</tr>
<tr>
<td>TNDP</td>
<td>Transitional National Development Plan</td>
</tr>
<tr>
<td>TransNamib</td>
<td>TransNamib Holding</td>
</tr>
<tr>
<td>Trustco</td>
<td>Trustco International Group of Companies</td>
</tr>
<tr>
<td>TWG</td>
<td>Thematic Working Groups</td>
</tr>
<tr>
<td>UNAM</td>
<td>University of Namibia</td>
</tr>
<tr>
<td>VET</td>
<td>Vocational Education and Training</td>
</tr>
<tr>
<td>VISION 2030</td>
<td>Namibia Long Term Perspective Plan</td>
</tr>
<tr>
<td>VTC</td>
<td>Vocational Training College</td>
</tr>
</tbody>
</table>
CHAPTER ONE
INTRODUCTION, BACKGROUND AND RESEARCH METHODOLOGY

1.1 Introduction

At Namibia’s independence, “Education for All” (Ministry of Education (MoE) & Culture 1992) was an important goal and strategic objective that was guaranteed in the Constitution of the Republic of Namibia and is central to the national development strategy of the country. It was imperative that achieving that goal would require hard work, effective communication, cooperation and some compromises. It could be said that, before independence, few children went to school. Of the pupils who did go to school, many could not attain a solid career path. Initially, education for black Namibians was justified in terms of its vocational utility. More specifically, for the most part its task was to prepare people for the specific jobs that first German and then South African rule required. Except for a very small number of people who were to become messengers, clerks and other functionaries in the administrative system, basic literacy and numeracy were deemed sufficient. Over time, few Namibians managed to secure more advanced education, often in schools under the administration of churches and operated by missionaries, or in other countries (MoE & Culture, 1992:6). The decolonisation of most of the rest of Africa in the 1960s saw increased spending on mass education, including in Namibia. Few schools sought to resist segregated education and some educators supported progressive reforms. Still, most Namibians were limited to a few years of primary education, which in general functioned to reinforce their subordinate role (MoE &, Culture, 1992:6).

Since independence, education has been one of the main priorities of the Government of the Republic of Namibia (GRN), enjoying strong support from the country’s leaders. Even though schooling in this country was once regarded as the privilege of the few, education became increasingly recognised as the right of every Namibian as the 20th century came to
Section 20 of the Constitution of Namibia (Government of Namibia (GoN), 1990:12) confirms this when it states:

“All persons shall have the right to education. Primary Education shall be compulsory and the State shall provide reasonable facilities to render effective this right for every resident within Namibia, by establishing and maintaining state schools at which primary education will be provided free of charge”.

In Namibia, as in many other African countries, education is considered a basic human right that should be available to all citizens. Education is important not only because of the expected advantage it provides for enabling effective participation in the adult life of Namibian society, but also for national community building. All people in Namibia should be able to understand and communicate with each other. “Like adequate nourishment and sound health, basic education is fundamental to individual and social wellbeing” (MoE & Culture, 1992:6-7).

1.2 Background to the study

In the years immediately preceding Namibia’s independence, educational opportunities for Namibians expanded outside of the country. Some programmes were rudimentary, operating in makeshifts facilities, while others were more substantial. Notwithstanding these efforts, education in exile was vulnerable to changing circumstances and short-term contingencies, with recurring crises laying a strong foundation for developing a more general philosophy and strategy of education for independent Namibia. In the initial years of independence across the continent of Africa, some advisors insisted that only when production and productivity had increased sufficiently to pay for it could education be significantly expanded. It was during the same period that foreign assistance for education was limited to the programmes that clearly had direct occupational utility. Since education was expensive, beyond the few with needed skills, schooling was considered a luxury by
some people. Over time, this notion came to be considered a short-sighted view, since expanding access to education increases productivity and economic growth. Currently, education has come to be accepted as an investment in human capital, while extending and improving education promotes national and economic development (MoE & Culture; 1992:6).

Prior to independence and with regard to bursaries, the MoE (National Planning Commission (NPC), 1993:194) administered the Public Service of Namibia Study Grant Scheme (PSNSGS), of which the main purpose was to enable the selection of candidates to qualify for appointments in the public service. Grants were available for study at any approved training institution for teacher training and higher education (HE) in Namibia, as well as for study at recognised institutions abroad; provided that an identified need existed and that the course of study could not be undertaken at local institutions. During the same period, education was fragmented in racially differentiated departments and administered along ethnic lines. As a result of the unequal access to quality education in the past, bursaries were not evenly distributed across the country. It was in the same period that earnest attempts started to be made in order to rectify the past situation (NPC, 1993:194).

The Transitional National Development Plan (TNDP) served as the first bridging National Development Plan from the old to the new economic, social and political dispensation from 1991/1992 to 1993/1994. The TNDP did not only initiate reform strategies aimed at the education sector, but also at all other sectors in the Namibian economy. However, from the onset, education received undivided attention. The sectoral objectives with regard to education during the TNDP were broadly those of equity, justice, democratic participation and respect for human dignity. It was from that time onwards that the Ministry of Education (MoE) assigned the highest priority to the three goals of access, equity and quality over the next decade (NPC, 1993:195).
With the implementation of the National Development Plan 1 (NDP1) (NPC, 1995), from 1995/1996 to 1999/2000, reforming the education system was one of the highest priorities. Significant successes were realised during this period, though it was foreseen that a lot would have to be done during the remainder of the period of the plan to address inherited inequities within and among regions. Some level of resource allocation and utilisation was achieved. Efforts were made to bind bursary holders, but it was not an easy exercise due to the fact that there was no enabling legislation binding the contracts. As a result of that loophole, several students continued to be employed by the private sector because the government was not in a position to secure jobs for them according to the NDP1. A number of policies were developed and their recommendations culminated, early in 1993, in the White Paper on Education, entitled “Towards Education for All: A Development Brief for Education, Culture and Training” (MoE & Culture, 1992). The document outlined the main goals, objectives and policies for the development of the education sector. Building on these bases, the Ministry of Basic Education (MBE) and the Ministries of Culture and Higher Education, Vocational Training, Science and Technology (HEVTST) assigned the highest priority to the five major goals and activities aimed at achieving the set goals. These goals were equitable access, and improving internal efficiency, quality, lifelong learning and democratic participation (NPC; 1995:344-345). The other broad development objectives under NDP1 were namely those of (i) reviving and sustaining economic growth, (ii) creating employment, (iii) reducing inequalities, (iv) income distribution; and eradicating poverty (MHEVTST, 1998:3). This is also based on the view that Namibia has greater disparities in wealth than any other country in the world (MHEVTST, 1999:11). The post-independence reform process was initially spearheaded in the formal education sector by the development of newly improved uniform curricula in the secondary school phase, followed by a reform of the primary education curricula. Concern about the efficiency and quality of the Namibian education system has been increasing since shortly after independence (NPC, 1995:344-345). Chuard et al. (1995:4) emphasised the high costs of the system compared to other countries, while there were still major disparities in the quality of education and resource allocation. The commitment to improving the quality
of education was manifested by a decree from the Office of the Prime Minister, declaring that “during the year 1995 the focus of the Ministry’s efforts would be on quality.

In National Development Plan Two (NDP2) (NPC, 2001), from 2001/2002 to 2005/2006, the sector strategies continued to focus on equitable access and educational quality. The major sector objectives pursued during NDP2 were those of equitable access, educational quality and teacher education and support. Through NDP2, the GRN continued to ensure that educational expenditure per learner across all the political regions would be equalised by enforcing universal access to learning and an 80 percent completion rate of primary education. Human resources and the quality thereof continued to be increasingly recognised as the key input for social and economic development. According to NDP2, it is commonly known that a healthier and better-educated population would be more productive and better positioned to earn higher incomes and hence an improved standard of living. With this view in mind, NDP2 put emphasis on high and increasing expenditure on education, and on pupil and personnel health towards meeting their basic needs. Thus, the high level of expenditure on education was to enhance the effectiveness of the education system while at the same time reducing the failure rate in the education sector (NPC, 2008a:23).

The NDP3 (2007/2008 to 2011/2012) (NPC, 2008a) has been implemented within the framework of the objectives of Vision 2030 (NPC, 2004) and was officially launched in 2004. NDP3 is the first systematic attempt to translate the Vision 2030 objectives into concrete policies and actions (NPC, 2008b:iii).

With regard to the HE system the two dominant institutions are the University of Namibia (UNAM) and the Polytechnic of Namibia (PoN), which are autonomous; four colleges of education (teacher training); and two agricultural colleges. UNAM and PoN are primarily teaching establishments, offering diploma, bachelor’s, Master’s and doctoral programmes (NPC, 2008b:140).
While the overall objective of education sub-sector goal 1 strategies is aimed at improving the GRN education system, namely quality and relevance and to ensure quality educational opportunities, the other aim is to strengthen the institutional capacity and quality of tertiary education (TE) and increasing the training of graduates abroad (undergraduates and postgraduates) in the fields of study not offered at Namibia’s tertiary institutions (TIs). The mainstreaming of information and communication technology (ICT) into the education system and improving the Education Management Information System (EMIS) would serve all education partners by capturing major indicators for the sub-sector at large (NPC, 2008b:144).

According to NDP3, the education sub-sector goal 2 strategies are aimed at improving the management of delivery systems for quality and access to early childhood development programmes. A further objective is to address the education system and quality relevance through management accountability. The other objectives are systems efficiency, adult and lifelong learning, information service programmes for a learning society and the mainstreaming of ICTs into the education system. The final objective is that of improving the system response to the impact of HIV and AIDS and the mainstreaming of gender in all developmental projects and programmes.

Similarly, the Educational Training Sector Improvement Programme (ETSIP), as an efficiency improvement programme, has its emphasis on general education as the most important aspect that the vast majority of the youth should receive as a foundation for lifelong learning. Good quality formal general education from Grade 1 to 12, as well as non-formal delivery modes, build the foundation skills required for:

- Employment of trainable people who can adapt to labour market changes;
- Increased capacity intake by vocational education and training (VET) for the development of skilled workers, and
- Increased numbers of school leavers who could enter tertiary levels of the education
and training system.

It is widely accepted that general secondary education should be seen as an essential foundation in building the human resources required for a sustainable, competitive economy. Similarly, vocational training and skills development contribute to economic growth through their direct link to labour productivity. Hence, the strategic objective of ETSIP focuses on improving management accountability and system efficiency and that of system quality and relevance.

ETSIP identified the following objectives to improve the Student Financial Support Scheme (SFSS) in Namibia:

- Determine the actual cost of various programmes in TE by type of institution;
- Analyse the beneficiary incidence of the present public financing of TE;
- Study the cost-benefit of student loans at present (costs of administration, amounts disbursed vs. recovery rates and interest obtained);
- Examine the feasibility of expanded student loans with better collection mechanisms and market (or subsidised) interest rates, and the costs of administration compared to the projected returns with the costs of outright scholarships and bursaries;
- Explore the cost benefits and feasibility of differentiated tuition;
- Explore the feasibility of expanding for-fee courses in evenings and during vacations;
- Identify the feasibility of introducing a phased cost-sharing system together with increased scholarships and bursaries targeted at low-income students;
- Identify possibilities for resource mobilisation through research grants or outside consultancies;
- Identify possibilities for and the feasibility of mobilising contributions from the private sector and private individuals, possibly to an endowment fund; and
- Introduce matching grants to encourage institutions to raise substantial proportions of their total expenditures (GoN, 2007:17).
Within the implementation framework of NDP2, cabinet approved the creation of a new Student Financial Assistance Scheme. The scheme emphasises the development of Namibia’s human resources in relation to national and development goals in response to national priorities. It was envisaged that the creation of a revolving fund would go a long way in addressing the students’ critical financial needs. The loan only covers tuition, textbooks, registration fees and other educational expenses, while funding for accommodation is not included. This was to allow the Namibia Student Financial Assistance Fund (NSFAF) to have more money at its disposal in order to help more students pursuing their studies at recognised higher education institutions (HEIs). Only students whose parents or guardians had an annual gross income (before deductions) of not more than R/N$ 150 000 per year can qualify for a loan from NSFAF.

Currently, the NSFAF, as a loan/grant scheme of the MoE, is aimed at helping disadvantaged students to pursue their studies at HEIs in Namibia and abroad in order to become productive citizens of the country. The NSFAF was established through an Act of Parliament, namely the Namibia Students Financial Assistance Act, Act No. 26 of 2000 (GoN, 2000). Orphans automatically qualify for a NSFAF loan if there is proof that no provision was made for the student’s education. Students who are studying towards a degree at universities locally and within the Southern Africa Development Community (SADC), and students who are studying for a certificate, diploma or degree course at universities, polytechnics, colleges and vocational training and health centres are eligible (GoN, 2005:2).

The NSFAF loans are awarded to students according to a regional quota and priority fields of study. The regional quota would ensure that students from different political regions are given a fair share of participating in the loan scheme. Since 2005, various regions have established regional education and training funds (ETFs) due to the increasing demand for HE. Private citizens, organisations as well as private enterprises are expected to contribute financially to the fund, which wholly depends on their goodwill for its sustainability. The
central government alone cannot sufficiently cater for all the students who are in need of financial assistance to pursue their studies. The focus of the ETFs is mainly to cater for the training of Mathematics and Science teachers and training in other science-related fields in which the regions are experiencing a low output rate, while at the same time contributing to achieving the objectives, namely that of becoming an industrialised society. The fund was also established with the purpose of assisting the neediest of students who may want to pursue their studies in the identified priority areas, but are unable to do so due to financial limitations. The ETF’s vision is the training of committed local teachers of outstanding ability. The eventual aim is that the standard of education would be improved for better delivery and for better results in Mathematics, Physical Science, Computer Studies and English in secondary schools with a view to achieving Vision 2030 (MoE, 2007b:13).

Despite the generous gestures from friendly countries, quotas allocated for different study fields often were not met because of few applicants, while the majority of the applicants often did not meet the minimum requirements (Insight Namibia, 2008:28). There is a shortfall, while at the same time there is insufficient access and opportunity for students, particularly those from disadvantaged groups, at local institutions. It is also against the background that tertiary participation in Namibia is considered too low, averaging about 11 percent and estimated to increase to 14 percent by 2014. This translates to 1.4 percent per annum from 2009 to 2014. Internationally, the participation rate is 70 percent in the United States of America, while that of the Organisation of Economic Cooperation and Development (OECD) is 51 percent, compared to the 21 percent of the middle income countries. The most successful nations average 40 percent. Accordingly, there is a strong correlation with participation in HE economic development (NCHE; 2009:11). It is also against this background that one of the basic functions of HE in any country is to satisfy varying need of skills development and training. In so doing, it is of paramount that HE relates its programmes to regional, national and international socio-economic needs of the country in which it operates. An increased access to HE would move Namibia into a KBE as one of the pre-requisite towards achieving Vision 2030 (Matengu et. al; 2009a:7,13)
1.3 Research problem

The students and the general public have lost trust in the administration of the NSFAF. The problem being experienced with the NSFAF is the ineffectiveness of the administration of the fund, a lack of proper mechanisms in place for loan recovery, low recovery and high default rates by students. The students themselves are unhappy with the inadequate funding provided by the NSFAF, which is unable to cater for their individual needs and limited in scope and coverage, leading to many students dropping out of their studies (Insight Namibia, 2008:29). Although many students are very interested in furthering their studies, a significant number of them drop out during the course of their studies due to the inability of their parents/guardians to ensure financial support during their studies. Late payment of loans funds to the HEI’s has been for the past years a major concern to both students, parents. HEI’s puts students in jeopardy when they are not allowed to write their examinations. Against this background it is clear that there is a problem; things are not being done correctly. It is on this basis that the researcher investigates the efficacy of the fund. It is evident that even if each country case is context specific and subject to historical traditions, the situation could be re-examined in the light of globalisation processes. While loans should be targeted to the needy and deserving, student loans should be well designed and administered to be a sustainable cost-recovery mechanism, rather than a ‘hidden grant’. Increased accountability and transparency should achieve a higher repayment rate. The correct division of labour between governments, universities and the private sector is non-existent.

1.4 Objectives of the study

The study has the following objectives:

- To identify common elements of SFSSs in selected countries;
• To make a comparison between the NSFAF in Namibia and selected SFSSs in the identified countries; and
• To identify possible strategies and suggest possible future interventions to improve the efficacy of the NSFAF.

1.5 Significance of the study

The NSFAF policy and administration have been in the public scrutiny for the past few years with regard to the efficacy of the fund. The matter has been questioned by students, the general public and parliamentarians. Efficacy is defined as the quality of being successful in producing an intended result. In other words, it is the attainment of desired results (Fox & Meyer, 1995:41). By conducting a study of this nature, the general public, the MoE and students would be assisted to understand the efficacy and operational framework of the NSFAF in Namibia. Furthermore, it would create a better understanding of the challenges faced in the administration and implementation of NSFAF policy. The study could also assist the MoE in implementing better recovery methods for the funds and in assessing policy options with regard to more funding options and the adequacy of funds. It is hoped that, through this comparative case study analysis, more ideas and strategic options could be adopted from Australia, Botswana, Kenya and South Africa.

1.6 Rationality for the study

The purpose of this case study on the MoE was to assess the provisions of the NSFAF Loan Scheme, with the main objective being to identify the challenges and shortcomings being experienced in the administration of the NSFAF, its policy and funding, and furthermore to highlight strategies for future intervention and to gain a better insight into the administration of the NSFAF operational framework. The findings of this study would be
useful to the MoE and to the general public. It is intended that the goals could be achieved through a comparative analysis assessing shortcomings and best practices in other countries, finally suggesting possible intervention strategies.

1.7 Research methodology

In this study, the qualitative research approach has been chosen because of its perceived advantages and suitability. It is an approach that is often used for research on policy and programme evaluation. The approach chosen for the study is appropriate for the evaluation of case studies. The qualitative research is important for the study since it would guide the researcher in evaluating the four case studies that have been selected for the study. Furthermore, the researcher has chosen this approach since the focus of study is on policy evaluation and comparison of the four case studies in comparison to the Namibian case study. According to (Basson, 2010:520) the principles guiding evaluation apply equally to policies, programmes and systems. Furthermore, measurement evaluation is important in the mainstreaming of evaluation in the public sector. Parlett and Hamilton (1973, 1976), Fetterman (2005) as cited in Basson (2010:520) argue for the evaluation of a wider range of methods to better understand the object of evaluation and to address, in addition, the emerging issues. Eisner’s (1987) argument as cited in Basson (2010:520) on evaluation is that it would allow decision-makers to recognise, learn from and make decisions on evidence of the ‘good’ with the main objective to improve on the future activities Basson (2010:520).

Therefore the qualitative approach has been chosen since it could answer certain important questions more efficiently and effectively than quantitative approaches according to (Gillham, 2000:11-12). Firstly, the qualitative methods focusses primarily on the kind of evidence that would enable the researcher to understand the meaning of what is going on. “The greatest strength of this method is that it could illuminate issues and turn up possible
explanations”. Secondly, the qualitative method would enable the researcher to undertake in-depth investigation of a group or organisations to find out what really happens in the informal reality that could only be perceived from the inside (Gillham, 2000:11-12).

Thirdly, the qualitative approach has an advantage in this case since it could be specifically developed to provide more succinct, cost-efficient and timely results.

Furthermore, according to Fink (1998:146), qualitative research, like any other type of research, aims to tell it like it is, that is, to provide valid information. However, the main difference between the qualitative and other methods can be found in the areas of research design, the use of the inductive and descriptive approach, and the narrative style of the research. Qualitative study tends to rely on single settings and relatively small samples from which in-depth information is collected. According to Banks (2007:10-11), qualitative research is intended to approach the world “out there” and to understand, describe and sometimes explain social phenomena “from the inside” in a number of different ways, which are:

- Analysing the experiences of individuals or groups. Experiences could relate to biographical histories or to practices; they could be addressed by analysing everyday knowledge, accounts and stories.
- Analysing interactions and communications in the making. This could be based on observing or recording practices of interacting and communicating and analysing the literature.
- By analysing documents, text, images or similar traces of experiences or interactions.

Common to these approaches is seeking to unpick how people construct the world around them, what they are doing or what is happening to them in terms that are meaningful and that offer rich insight. Interactions and documents are seen as ways of constituting social processes and artefacts collaboratively or conflictingly. All of these approaches represent
ways of meaning, which can be reconstructed and analysed with different qualitative methods that would allow the researcher to develop models, typologies and theories as ways of describing and explaining social issues.

1.8 Research Strategy

The research strategy used for this case study was the case study approach. The advantage of using the case strategy in this study is that it has the ability to study the uniqueness and peculiarity of a particular case in all its complexity (Welman & Kruger, 2001:21). Furthermore, the case study is the most suited approach for the study since the unit of study is the four individual cases that will be compared with the Namibian case.

According to Yin (1994:13, as cited in Weiss, 1998:261), a case study is defined “as an empirical inquiry that investigates a phenomenon in a natural setting when the boundaries between the phenomenon and its context are not clear and using multiple sources of evidence”.

Accordingly, people sometimes talk about qualitative studies as case studies. Case studies try to consider the interrelationships among people, institutions, events and beliefs. Rather than breaking them down into separate items for analysis, the case study seeks to keep all elements of the situation in sight at once. The watchword is holistic (Weiss, 1998:261). According to Welman and Kruger (2001:182,183), the term case study pertains to the fact that a limited number of units of analysis (often one), such as an individual, a group or an institution, are studied. Furthermore, a case study investigating a group and institutions involves conducting field work by carrying out the investigation on the spot, under the natural circumstances of the case study. Arguing along the same line are Miles and Huberman (1994:29), who observed that within-case sampling, quantitative researchers usually think of cases as individual persons, in this case a “sample” of the four countries namely Australia, Botswana, Kenya and South Africa and then collecting and drawing
comparable “data points” from each. By contrast, a qualitative “case” could range widely in
definition from individuals to roles, groups, organisations, programmes and culture. The
relevance of picking a case strategy for the study is because the focus of study is the
individual SFSSs from the four selected countries, which will be compared to the Namibian
case.

Furthermore, case studies are generally characterised on the one hand by their concreteness
and circumstantial specificity, and on the other by their theoretical interest or
generalisability. The case strategy involves an empirical investigation of a particular
contemporary phenomenon with its real-life context, using multiple sources of evidence.
The other advantages of a case study strategy is that it has a considerable ability to
generate answers to the question such as ‘why?’, as well as the ‘what?’ and ‘how?’
questions, although ‘what?’ and ‘how?’ questions tend to be more the concern of the survey
strategy (Saunders et al., as cited in Mwazi, 2006:40). Case studies probe an individual
situation or personality in depth, with the intent of diagnosing a particular condition and
recommending corrective measures (Key, as cited in Mwazi, 2006:40). To achieve the
objectives of the study, the researcher has made use of both primary and secondary data.
Different documents have been compared and contrasted.

Furthermore, the researcher decided to employ the case strategy approach because of its
advantages and/or benefits and suitability for small-scale research, as the efforts
concentrated on one/a few research sites (Yin, 2008). The researcher has used the case
strategy approach because of its relevancy to the study and the uniqueness of the case being
researched upon. In addition, case studies allow the researcher to examine a complex reality
and multiple methods can be used. The researcher made use of the qualitative approach
with a focus on the case study tradition or enquiry to assess the efficacy and effectiveness
of the NSFAF. To achieve the objectives of the study, the researcher has made use of
secondary data. Different documents have been compared and contrasted. The evaluation
matrix has been used as an evaluation tool and was developed to evaluate the sample in the
1.9 Case study samples

1.9.1 The four comparative case studies

In this study, four countries, namely Australia, Botswana, Kenya and South Africa, have been selected as sample cases. The four countries were selected through purposive selection. The reasons for selecting these countries is based on their well-administered schemes and consistent and sustained support from the respective governments. Firstly, the four cases for comparison will be discussed, followed by a discussion of Namibia as a final case study. The focus of the discussion will be on two areas, namely similarities and dissimilarities.

What follows are some of the reasons and motivations why the four countries were purposively selected. The overall objective for choosing these four countries was based on the manner in which they administered their schemes, the policy frameworks in place and governance aspects of their schemes.

1.9.1.1 Australia

Australia is a developed country and is considered as one of those countries that have implemented the most workable SFSSs in the world. The scheme is well managed and has reached high levels of sustainability, with a well-functioning recovery system and institutionalised collection methods. Many countries in the world look upon Australia as an exemplary case on which many other countries have benchmarked their SFSSs.
is to implement a well-functioning SFSS, it is important that a mix from developed countries, such as Australia, and developing countries is used, (Woodhall, 2007:16).

1.9.1.2 Botswana

Botswana is a neighbour of Namibia and displays similar developmental, social and economic characteristics to those of Namibia. The two countries have more or less the same population size and level of economic development, and similar economic activities focused on diamond mining. Both countries have implemented national development plans and long-term visions with the aim of becoming high-income countries accompanied by a high level of industrialisation, which can only be achieved through concerted efforts in human resource development (HRD). Botswana has been experiencing high and consistent economic growth, democracy and good governance, with a high investment in HE. The country has put a great deal of emphasis on HRD. The Botswana Student Placement and Welfare Fund has similar characteristics to that of Namibia and both are being administered by the MoE (Pillay, 2010:31). Botswana is a member country of the Southern Africa Development Community (SADC), and one of the main objectives of SADC is the promotion and advancement of regional and economic integration. In view of these factors, Namibia could learn from Botswana with regard to the administration of their scheme and how to overcome impediments (SADC: Regional Indicative Strategic Development Plan, 2001:4). Their case is almost similar to Namibia whereby as of 2009, only P 20 million had been collected out of more than P 4 billion loaned by the ministry over the past 15 years. The scheme is scheduled for review because of minimal collection and other problems(World Bank, 2010:90).
1.9.1.3 Kenya

The Kenyan student loan programme has come a long way, from an institution making a gross loss of over 103 percent to one that recovers 20 percent of its loans, and is now considered one of the few functioning loan schemes in Africa (Albrecht & Ziderman, 1991). Kenya is a country that has struggled with student loan recovery in the past, but has since overcome the initial setbacks. Some of the factors identified for the poor performance of the loan scheme were first that it was started in an unplanned manner, hence no precautionary measures were taken. Second, the programme lacked trained personnel, who were mostly transferred from the MoE instead of employing staff who were experienced and skilled in debt management, such as those with banking expertise. Third, the beneficiaries were not educated in their obligations nor in the benefits resulting from repayment (Owino, 2003: 3,4,9-10). Faced with such hurdles, a rapidly growing university population and more constrained resources, the government was forced to rethink its university financing policy. It is aimed that the fund will become self-sustaining in the long run. Kenya has introduced a well-functioning loan board, which is staffed by highly skilled personnel (Otieno, 2004:72-77).

When the scheme was set up, the board inherited a large portfolio of unpaid debts, with the rate of recovery being very low (only 3.3 percent). The rate has increased to over 18 percent by 2005. The increase can be attributed to aggressive public education, the enactment of a legal instrument binding borrowers and employers to ensure repayment, and streamlined record-keeping, among other factors (Otieno, 2004:84). Therefore, Namibia could learn some valuable lessons from Kenya with regard to the trials and errors they had to go through and that accompany the implementation and administration of the scheme. The scheme is not only providing loans, but also grants, bursaries and scholarships, which are subjected to means testing (Owino, 2003:27, 30).
1.9.1.4 South Africa

Over the years, Namibia and South Africa have established close ties due to South Africa’s colonial occupation of Namibia for many years. Many Namibians pursue their higher education in South Africa. South Africa continues to train more Namibians than any other country. South Africa is a member country of the Southern Africa Development Community (SADC), and one of the main objectives of SADC is the promotion and advancement of regional and economic integration (SADC: Regional Indicative Strategic Development Plan, 2001:4).

The NSFAF (1997) and NSFAS (1999) were implemented at more or less the same time and the aim was to redress inequity, enhance democracy and address social justice to the advantage of previously disadvantaged groups. Historically in Namibia, as in South Africa, the population was subjected to many years of apartheid, during which a minority of the population received a first-world education while the greater part of the population, namely the black population, received a limited education aimed at restricting choice and opportunity (Naanda, 2005:1)

1.10. Evaluation Matrix

For the purpose of comparison and to evaluate the Namibian case study, a summary grid to use for comparative purposes has been designed, as shown in Table 3.1. The two main areas of comparison are:

- Governance and the organisational framework; and
- Management and administration.
1.11. Definition of terms

Efficacy is the overarching key concept used in this study. In the past, efficiency and effectiveness were the key words used in the study of public policy. However, currently efficacy is now commonly used and regarded as more inclusive than the other two concepts, that of efficiency and effectiveness. For the purpose of this study the meanings of three important terms are set out below:

1.11.1 Effectiveness

The Collins English Dictionary (2009:529) defines effective as “being productive or being capable of producing results”. In principle, effectiveness is referred to as the criterion according to which an alternative is recommended if it results in achieving valued outcomes. In particular, it refers to a situation in which a focused organisation, using a limited amount of resources, should be able to achieve its stated objectives as measured by a given set of criteria, and the extent to which an implemented programme should be achieving or failing to achieve the stated objectives. Reaching effectiveness in essence means examining the links in the cause-and-effect chain from the status quo to the benefits, changes and impacts intended by the programme’s design. Effective organisations have the ability to anticipate change, to communicate the expected changes to the units concerned, to adapt activities appropriately and, at the same time, to anticipate and avoid mistakes and to effect the necessary adaptations (Fox & Meyer, 1995:41).

Similarly, according to Henry et al. (1997:84-85), effectiveness is that element that is concerned with achieving the top-level goals of the organisation, i.e. ensuring that policy aims are being met. Effectiveness is concerned with outcomes or impacts, the results obtained or the effects of the service upon clients, and could be achieved when the impacts of policy are meeting policy aims.
Furthermore Mader (2001) as cited in Stephanou and Xanthaki (2008:5-6) defines effectiveness as the extent to which the observable attitudes and behaviours of the target population corresponds to the attitude and activities agreed by the policymaker. On this basis, effectiveness reflects the relationship between the effects produced by law or by policy instruments implemented. It is different from efficacy in that it relates to the effects of the statute and not the effect of the policy that the statute is set out to achieve.

According to Fox and Van der Walt (2008:26), efficiency and effectiveness can be facilitated through the introduction of best practices that would be able to optimise the management of organisational resources. Considering organisations from a systems point of view, the emphasis would be on organisations which are viewed as entities that acquire inputs, engage in transformation processes and generate outputs accordingly. From this perspective it has been argued that defining effectiveness solely in terms of goal attainment results is only a partial measure of effectiveness. Similarly and ideally, an organisation should be judged on its ability to acquire inputs, process such as input, channel the outputs, and maintain stability and balance. Against this background, organisations could maintain themselves through a repetitive cycle of activities, while the other way to look at organisational effectiveness is through a systems approach. The assumption underlying the systems approach with regard to organisational effectiveness is that organisations are made up of interrelated subparts. Therefore, if any one of the subparts performs poorly, it would negatively affect the performance of the whole system (Robins & Barnwell, 2002:72-73).

Effectiveness from an interactive process point of view would require responsiveness and successful interactions with the environmental constituencies. The management of the organisation should not fail to maintain good relations with customers, suppliers, government agencies, unions, the community and other constituencies that could disrupt the stable operation of the organisation (Robins & Barnwell, 2002:72-73).

In order to make the system approach operative it is necessary that the environment maintains the continued receipt of inputs and the favourable acceptance of outputs, its
flexibility in responding to the environmental changes and the efficiency with which the organisation transforms inputs to outputs. The other factors relate to internal communications, the level of conflict among groups and the degree of employee job satisfaction. These measures could be benchmarked against other institutions involved in similar operations and business undertakings (Robins & Barnwell, 2002:72-73).

1.11.2 Efficiency

The Collins English Dictionary (2009:529) defines efficiency as “the quality or state of being efficient and competent. The term conjures up images of clear cut comparisons of costs with the value of outputs, profit or benefit maximisation or recovery”, “lean and mean” operations, and bottom line accountability of systems. In general, efficiency is referred to as a criterion according to which an alternative is recommended if it results in a higher ratio of effectiveness to cost, or as a relative measure of the relationship between resource use and the results of an expenditure or resources, which should be greater than the value of the resources expended (Fox & Meyer, 1995:41-42).

In the most general sense, the word efficiency means the property of producing or acting with a minimum of expense, waste and effort. The concept of efficiency could also be applied to public policy. A good example, and one of the most important public policies, is the policy of enforcing contracts. If a person fails to keep a promise agreed to in a contract, courts of law stand ready to enforce the contract or to award damages to the injured party. Similarly, almost every public policy involves a cost. Whether there is a need to fund study loans or bursaries, enforcing contracts such as binding loan beneficiaries to repayment upon completion of their studies, as well as bonding arrangements, do not come free. By the standard of efficiency, a policy or a change in policy is judged to be good if the benefits exceed the costs. The standard of efficiency does not, however, require that the people who benefit be the same people who bear the costs. Typically, some individuals would be better off because of the policy, while others would be worse off. Efficiency requires that the
focus should be on the sum of benefits and the sum of the costs (Goodman & Dolan, 1985:4).

According to Henry et al. (1997:84-85), efficiency entails the process of achieving the maximum possible output, which refers to the services produced or delivered, from a given level of inputs, or alternatively, that the input used for a given level of output is minimised. It is measured by the ratio of actual input to actual output, or the rate at which actual inputs are converted into outputs. The smaller the ratio, the more output for input and the more efficient the organisation. The ratio could be improved through the ‘productivity’ route (given input constant, output increased) or the ‘economising’ route (output constant, input decreased).

The new management philosophy of the efficiency norm is that it has one main objective for the public sector reforms that it recommends, and that is to raise efficiency in the provision of goods and services (Lane, 2000:60) . The means employed to achieve this goal are considerable and include, besides privatisation, the incorporation of public enterprises, the introduction of internal markets, the employment of the purchaser provider separation, contracting out, the use of massive contracting, benchmarking, the restructuring of ministries or departments, increased use of user fees as well as increases in user fees, amongst others. The focus on efficiency in the public sector could either take a micro-perspective, focused on quantities, qualities and costs and how they have developed within one sector or even one ministry, department or unit. The other perspective is that of a macro-perspective, attempting to make an overall assessment of public sector reform with a measuring rod like macro-efficiency, namely maximisation of output.

1.11.3 Efficacy

In the past, effectiveness and efficiency were the key concepts used in the study of public policy. The current practice is rather to use the word efficacy because it embraces
effectiveness and efficiency. The Collins English Dictionary (2009:529) defines efficacy as the quality of being successful in producing an intended result. According to Mader (2001) cited in Stephanou and Xanthaki (2008:5-6), efficacy is defined as the ability to produce a desired or intended result and also provides the simpler yet most successful definition of efficacy as the extent to which legislators and/or policy makers achieve their goals. On the other hand, the same author draws the link between efficacy and quality in legislation in his definition of efficacy as the achievement of the least degree of litigation as a result of laws passed. Thus, efficacy is achieved when the statute does not conflict with any other norm of the same or higher hierarchical level and when the statute has no deficiencies. In other words, efficacy reflects the quality of statutes that achieve their goals to such a degree that protection or seeking shelter from the judicial interpretation would not be necessary.

For the purpose of this study, efficacy will be defined as the degree to which the policy instrument achieves its set goals and intended results. In other words, it is the extent to which the relevant policy adequately provides for the administration and organisational arrangements most appropriately to enable the fund to achieve its intended objectives.

1.12 Limitations of the study

The researcher acknowledges the following limitations: the researcher settled for a sample of literature because of time limitations and resource constraints. Not all literature on public policy, efficacy, effectiveness and efficiency were studied. In terms of the methodology of comparative case studies, the researcher used four case studies as a sample because of limited financial resources and the time allocated to carry out the study.

It was sometimes difficult for potential and relevant persons to provide information as was expected from them, because they claimed that they did not have proper records or well-
documented information. The Botswana Embassy in Namibia refused to provide the required information on the Fund. The Embassy officials instead referred the researcher to the relevant officials in that country, who were also not helpful. The researcher also could not find the information that was needed for an in-depth comparative analysis of the four case studies, for example proof of annual auditing of the funds. The researcher adhered to the ethical rule that no one should be forced to partake in the study against his/her will. Some of the respondents might have hidden their real attitudes or expressed socially acceptable opinions. Another problems experienced was in tracking down some of the former MoE senior officials who were part of the NSFAF administration, many of whom were either retired, or located in the regions or were out of office. The research concentrated more on the information available from things such as records, journals, newspapers, the literature and NSFAF minutes. The study relied mostly on secondary information from web-based resources for the other country’s case studies, which in itself is also limited in scope and in terms of accessibility.

1.13 Structure of the study

The study attempted to assess the performance of NSFAF funding and operational framework since the inception of the fund. Furthermore, it examined the efficacy of the SFSS administration and whether administrative efficiency and effectiveness are being achieved.

Chapter 1: Introduction

Chapter One gives an introduction to the study. In this chapter an introduction is provided on what the NSFAF entails. Not only are the background to and research methodology of the study provided, but the problem statement is identified and the research objectives, significance of the study, methodology and clarification of terms are provided.
Chapter 2: Theoretical framework on public policy

Chapter Two provides an overview of the public policy-making process and the theoretical framework for public policy. Furthermore, the Namibian public policy framework context is discussed in this chapter.

Chapter 3: Comparison of student financial support schemes

Chapter Three provides a comparative study on the SFSSs in the four selected countries. Through an evaluation of common elements, the focus is on Australia, Botswana, Kenya and South Africa. The chapter will focus on the two main areas of the study, namely:

- Governance and organisational framework; and
- Management and administration.

Chapter 4: Namibian case study

In Chapter Four an overview of the NSFAF administration is provided with regard to the policy and operational framework in relation to achieving the objectives of equity, access, efficiency and adequacy in accessing HE in Namibia. The strategic objectives and operational and functional activities of the scheme are analysed. The chapter will focus on the two areas of the study, namely:

- Governance and organisational framework; and
- Management and administration.

Chapter 5: Findings, conclusion and recommendations

In Chapter Five the major findings of the study are highlighted and appropriate recommendations are made.
1.14 Conclusion

As improvements in efficiency could be achieved in many different ways by every country, a specific mix of short-, medium- and long-term measures could be defined to enhance efficiency and therefore effectiveness. The improvement of the efficiency and effectiveness of public spending features high on the political agenda. However, to fulfil the policymakers' demands, further progress in this area would be necessary to overcome various shortcomings in as far as techniques are concerned.

This chapter concludes that the complexity of the subject matter under investigation determines the choice of appropriate research methodology. In this study, the qualitative research approach has been chosen because of its perceived advantage and suitability, as it is often used for policy and programme evaluation research, which is in line with this study. The research methodology has been assessed and the focus is on a case strategy, focusing on the four countries that have been selected, namely Australia, Botswana, Kenya and South Africa, and pertaining to the two selected areas, namely organisational framework and management and administration.

In the next chapter, an overview of the public policy-making process will be provided, together with a discussion of the theoretical framework of public policy in relation to the context of the Namibian public policy framework.
2.1 Introduction

Chapter two provides the theoretical framework for public policy. Discussion will mainly focus on the few selected areas of public policy. The chapter has two sections. Firstly, the chapter will focus on the definition of public policy, public policy design, implementation, policy evaluation and monitoring. Secondly, the chapter will give an overview of the Namibian legislative Acts and public policy framework on education that will inform the context of this study.

2.2 Definition of public policy

The following section will define key concepts of public policy and its operational and applicable context. According to Dunn (1981:8, “etymologically, the term “policy” comes from Greek, Sanskrit root, polis (city-state) and pur (city) development into the Latin polita (state) and later, into the Middle English policie, which meant the conduct of public affairs to the administration of government”.

The definition of public policy as a function should be considered in more concrete terms. According to Dye (1995:4), “public policy is whatever governments choose to do or not to do”. In reaching this definition, Dye (1995:3) acknowledges the contributions made by political scientist David Easton, who defines public policy as “the authoritative allocation through the political process, of values to the groups or individuals in the society”. Fox and Meyer (1995:107) define public policy as “authoritative statements made by legitimate public institutions about the way in which they propose to deal with policy problems”. However, according to Du Toit and Van der Walt (2009:17), public policy is a declaration
of intent on what is to be done to achieve a particular objective or objectives, for example a literate, well-trained society. Accordingly, public policy is embodied in Acts. The purpose of a policy is to reveal the intention of the government to achieve specific objectives in particular ways. Furthermore, public policies are those policies developed by governmental bodies and officials and influenced by non-governmental actors for their affect and development. The special characteristics of public policies, according to Easton (1953:129), is that public policies in modern political systems do not happen by accident; they are intended to produce certain results, although these are not always achieved. Proposed public policies may be useful as hypotheses where they suggest that, to achieve particular goals, certain specified actions should be undertaken. Public policy is also a purposive course of action followed by actors in dealing with a problem, and public policies are those policies formulated by governmental bodies and officials (Tsoai, 2009:6-7).

Public policy should therefore be seen as a dynamic entity, which should be sensitive, responsive and considerate to the following influencing factors (Roux, 2002:424-425):

- Circumstances, which include the total environment, as determined by time and place;
- Technological developments;
- Population increase and effect of urbanisation;
- Natural disasters;
- International relations and trends, as well as the effects of globalisation;
- Economic and industrial development;
- Public needs and aspirations;
- Party political dynamics;
- Views of interest and pressure groups;
- Research and investigations by commissions and committees; and
- Personal views of public officials and political role players.
While public policy is a dynamic phenomenon, it should be noted that objectives, by themselves, are static. Accordingly, public policy, in itself, is not discernable unless written or contained as a public policy statement. However, it could be argued that it is not the public policy itself that should be assessed or evaluated, but merely the written word or statement of intent. What is commonly enclosed in the public policy statement, therefore, is the formulation, in writing, of the intent of government, or the course of action to follow, with regard to particular functional areas that should be addressed and/or the course of action that should be taken. Some public policies that are being followed by established institutions might not necessarily be in writing. This could be attributed to the prevailing situation in terms of which, over time, officials might have developed a particular mind set, organisational culture and perspective on how, where and when to do certain things. On this basis, public policy could be considered as an intellectual understanding amongst colleagues on the course to follow to achieve objectives most effectively, as proven by experience.

Given the above contextualisation, public policy is referred to as a proposed course of action of government, or guidelines to follow to reach goals and objectives, and is continuously subjected to the effects of environmental change and influence. Therefore, public policy should be considered as an authoritative statement with regard to what government chooses to do or not to do, and incorporates, or implies, the authoritative allocation of values for the whole society. Of importance is the fact that public policy could never be static. It should always relate to current issues in society. It should constantly be adapted to match the impact of environmental variables and influencing factors.

For the purpose of this research, public policy will be defined as a proposed course of action of a person, group or government within a given environment providing obstacles and opportunities that the policy was proposed to utilise and overcome in an effort to reach a goal, address and redress a particular issue of concern, or realise an objective or a purpose.
2.3 Public policy-making process

According to Hanekom (1987:7),

Policy-making is the activity preceding the publication of a goal, while a policy statement is making known the formal articulation, the declaration of intent or the publication of a goal to be pursued. Public policy is thus indicative of a goal, a specific purpose, and a programme of action that has been decided upon. In other words public policy is a formally articulated goal that the legislator intends pursuing within society or within a societal group.

Policy-making emanates from and is developed based on the outcome of a political process that involves negotiation, bargaining, persuasion and compromise.

Theories of public policy and the public policy-making process have been closely associated with political paradigms and ideologies, in which political values play an important role in determining the course of policy. Some better known ideologies influencing specific public policy approaches and theories of public policy-making include a liberal laissez-faire or classical capitalist approach. This approach suggests that the state should concern itself with the maintenance of law and order, the protection of society from attacks from outside, the protection of private property and the establishment of conditions conducive to the promotion of free enterprise. This suggests that the State should only interfere in the lives and activities of individuals on a limited basis Ranney (1966:48-49) as cited in De Coning and Cloete (2006:29).

According to Hogwood and Gunn (1984:23-24) as cited in Tsoai (2009:6-7), public policies should be goal oriented; they are courses or patterns of action by government officials and not separate, discrete decisions that should be authoritative and based on legal instruments.
According to Cloete (1986:57-58), public policy, like all other components of public administration, is not static. In view of this observation, public policy should be reformulated and adapted continually on the basis of experience, research in the related field of operation, and changing circumstances and needs. There are always a considerable number of factors that serve to change the nature and extent of the activities of public institutions. According to Cloete (1986:58), one of the basic requirements for a public policy is that it should be adaptable and that it should be reviewed regularly to ensure that it does not become outdated, while at the same time remaining applicable to a specific area. In the view of Dubnick and Romzec (1999:197), the public policy-making process consists of the following steps:

- Public policy design;
- Public policy implementation; and
- Public policy evaluation.

Each of these three steps will be explained in relation to its relevance to the study.

2.4 Public Policy Design

According to Roux (2006:126) public policy design represents the most important stage in the process of policy analysis. It is what the government decides to do or not to do in order to counter a perceived policy problem and to address or re-dress a particular situation in society, and involves the planning and development of policy content. Accordingly, the policy design process comprises the conversion of mainly intellectual and financial resources into a plan of action, including goal and objective setting, their priority setting, the generation of options and assessment.

According to Brynard and Hanekom (1997:10) there should be a researchable problem existing which, after thorough data collection and systematisation of knowledge, could lead
to a point where alternatives can be identified and recommendations can be made. Forecasting ability and prediction techniques enable the policy analyst not only to set clear goals and related objectives, but also to identify alternative policy options, including cost benefit and cost-effectiveness analysis, in arriving at the best policy options available. It could be stated that, as in the case of normal scientific research, systematic, methodological policy analysis may not be possible if the problem is not clearly defined, and if the goal and objectives of the analysis are not clearly and systematically identified (Cloete et al., 2006).

Quade (1989) cited in Roux, (2006:147) defines forecasting as the process of anticipating or predicting some future event or condition, usually as a result of a rational study and analysis. Parsons (1995:403) as cited in Roux, (2006:147) argues that forecasting is the “methods by which societies seek to know what would happen in the future to guide decisions. It is a matter of providing the basis for decision-making and has to do with faith and reasoning”. Accordingly to Martino (1983:1) as cited in Roux (2006:147) argues along the same lines as Quade (1989) above by defining forecasting as “to calculate or predict usually as a result of rational study and analysis of available pertinent data. The idea is to state what is going to occur”.

According to Hogwood and Gunn (1986:129) forecasting in policy analysis is not concerned with predicting what will happen in the future, since it might become impossible in some instances when attempting and assessing the implications of different assumptions. On the other hand, cost-effectiveness analysis, according to Pearce (1983:15) as cited in Cloete et al. (2006:156), is a technique where “benefit is measured in some physical units, or is simply stated as policy objectives and the costs are expressed in monetary units”.

Levin (1983:17) as cited in Roux (2006:156) states that “[c]ost-effectiveness (CE) analysis refers to the evaluation of alternatives according to both their costs and their effects relating to some outcome or set of outcomes”.

33
2.5 Public policy implementation

Implementation, according to Pressman and Wildavsky (1973) cited in Brynard and De Coning, (2006:194) is not an easy concept to define. As a noun, implementation is the state of having achieved the goals of the policy. As a verb it is a process – everything that happens in trying to achieve that policy objective.

Ripley and Franklin (1982:5-6) as cited in Cloete et al., (1991:144) concisely define policy implementation as “what happens after laws is passed authorising a program or policy or benefit or some kind of tangible output”.

Furthermore, it is observed that public policy implementation is concerned with the steering of a course of action and ensuring that it is monitored over time. In view of the above, policy implementation is regarded as a practical activity and can be distinguished from policy formulation, which involves the development and synthesis of alternative solutions to policy problems, and is primarily a conceptual and theoretical activity (Dye) (1981:56) cited in Cloete et al. (1991:144).

The view point of Warwick (1982:90) as cited in Cloete et al. (2006:194) is that:
“Implementation means transaction. To carry out a program, implementers must continually deal with tasks, environments, clients, and each other. The formalities of organisation and the mechanics of administration are important as background, but the key to success is continual coping with contexts, personalities, alliances, and events. Crucial to such adaptation could be the willingness to acknowledge and correct mistakes, to shift directions, and to learn from doing. Nothing is more vital to implementation than self-correction; nothing more lethal than blind preservation”.
Together with policy-making and policy analysis, policy implementation forms a critical pillar for public administration. Very often, however, the result of the implementation of public policy is mixed. The implementation of public policy could have both positive and negative effects, depending on whether the public policy allows for discretion and flexibility, or whether it is inflexible and rigid. The implementation of public policy also depends on the logic, appropriateness and predictability of the policy, and whether the policy can be internalised. Furthermore, implementation becomes increasingly complex “the longer the chain of casualty and the more numerous the reciprocal relationships among the links” Pressman and Wildavsky (1973) cited in Steyn (2010:92). Moreover, the short-term and long-term effects may differ Olsen (2006) cited in Steyn (2010:92).

Prior to 1973, concerns about implementation were not major concerns among policy analysts. Traditional approaches would focus almost exclusively on the moment when a decision was taken or when the policy was made. The two major models of implementation are the classical or top-down model, and the integrationist or bottom-up model. The premise of the classical model is that public policy-making and public policy implementation are regarded as two distinct fields. They rest on the politics/administration dichotomy, viz. legislators making policies and bureaucrats passively implementing them. The implementation phase of a public policy is regarded as an important area of concern; however, it is presumed that the top-down theorists limit their analyses to the problems of the process flow and the institutions responsible for the execution of the policies. The behaviour of bureaucrats is considered as non-important, as they are seen as uncritical implementers of public policy (Cloete et al., 1991:144).

Cloete et al. (1991:144) observed that, from an integrationist theorist point of view, public policy-making and public policy implementation are inextricably linked. Very few decisions are self-executing. It is important to know the natures of bureaucracies. Accordingly, the actions of bureaucrats could substantially affect the implementation of policies. There are, however, some reasons and arguments advanced by theorists on why
public policy could continue to be made during the implementation stage, based on the following:

- Conflicts could not be resolved during the policy-making process;
- It would necessarily allow key decisions to be made when more facts are available to the implementers;
- It is believed that implementers such as professionals are better equipped than anyone else to make key decisions;
- Little would be known in advance about the actual impact of new measures; and
- It is recognised that day-to-day decisions could involve negotiation and compromise with powerful interest groups Ham and Hill (1993), Hogwood and Gunn (1984); Bain (1986) as cited in Cloete et al. (1991:144-145).

In the words of Hogwood and Gunn (1984:9), implementation should be seen as part of the policy process, since the interaction between policy-making and policy implementation is often very complex. For effective policy implementation it is essential that potential problems are considered in advance before implementation itself, and that appropriate procedures (e.g. for securing inter-organisational clearances) should be incorporated into the programme. Once a policy and its component programmes are under way, some attempt should be made to monitor its progress and to check whether actual performance is living up to earlier expectations. In practice, such monitoring could be very unstructured and unspecific, or it could be much more rigorous and analytical. More analytical approaches involve comparing actual progress against the detailed schedule and plans drawn up at earlier stages, i.e. prior specification of a programme in operational detail is a prerequisite of control. Where analysis demonstrates that the programme is not proceeding according to the plan, remedial action may be necessary, for example by allocating more resources to lagging programme elements.
The other argument according to Van der Walt (2000:96-97) as cited in Van der Walt et al., (2001:185-186) is that policy implementation as a process entails translating decisions into actions. Accordingly, the policy implementation phase results in the formulation of administrative and operational policy, where procedures and manuals are developed to guide the action. For implementation to be effective, it should be linked to the performance management system of the institution. Consider, for example, a policy to address skills development in the country. Such a policy would be formulated nationally, with strategies in place to implement it on regional and local levels. The policy could also take into account the international experience on the issue of skills development and its link to job creation. Implementation activities associated with such a policy would include, inter alia, the setting of standards at the various levels of government, building capacity within especially the local levels, allocating resources to implementing agencies and introducing a monitoring system to ensure that time frames and deadlines are adhered to (Van der Walt et al., 2001:186).

According to Cloete (1994:108) as cited in Van der Walt et al (2001:186) suggests that it is important that the most appropriate and best terminology be utilised in the implementation of a policy. This would ensure that policy performance is improved and that the aims of the policy are achieved. Policy implementation could be further enhanced by the utilisation of the following work methods and techniques:

- Programme budgeting is a long-range approach to budgetary decision-making that relates to future expenditures, thus providing senior officials with information on the distribution of scarce resources between competing objectives and highlighting the total costs needed to implement a policy (Fox & Meyer, 1995:103, as cited in Van der Walt et al., 2001:186-187).

- The programme evaluation and review technique (PERT) is a managerial and control technique used to identify the critical activities and resources required to achieve objectives and the time required. PERT is used extensively in project management to evaluate projects (Van der Walt & Knippe, 1998:85, cited in Van der Walt et al., 2001:186-187).
• The critical path method (CPM) is a type of network analysis that contains a set of mathematical formulae used to show expected dates, potential dates and actual dates of implementation of the policy, or parts thereof (Fox and Meyer, 1995:30; Van Baalen, 2000:200, as cited in Van der Walt et al., 2001:186-187).

• Work study is a technique of establishing standards that could be used to improve productivity through the study of production records, reports from employees and observation of employees in action, as well as sampling of work units.

• Quality circles are productivity improvement techniques based on establishing groups of employees together in an area in order to identify, define and propose solutions to problems they find in their work area (Dawson, 1998:280, as cited in Van der Walt et al., 2001:186-187).

• Strategic Planning is a technique that falls under the umbrella concept of strategic management, and matches organisational objectives and capabilities to the policy that has to be implemented to produce a plan of action for the implementation (Fox & Meyer, 1995:123; Van der Walt and Du Toit, 1997:282, as cited in Van der Walt et al., 2001:186-187).

• Zero-based budgeting is a budget procedure that requires the revision of an institution’s total budget by assuming that the minimum level of funding for the institution is zero. Any expenditure has to be justified as if it were a new programme (Fox and Meyer, 1995 as cited in Van der Waldt, Van Niekerk, Doyle, Knipe, Du Toit 2001:186-187).

From the implementation perspective, and in the view of Lane (2000:34-35), once the implementation has been clearly identified as a non-trivial stage in the policy cycle, then a huge literature would be helpful to find out about the various aspects of this stage. One of the features would be the choice of a proper implementation strategy. Another aspect includes the discovery of the concept of a policy outcome, which invites the development of numerous approaches like policy evaluation, impact analysis and outcomes measurement. Implementation could target the proper implementation strategy, or it could measure how outcomes relate to objectives. Moreover, the implementation perspective
argues that policies are made when they are implemented, confirming the policy framework, which often contains a rejection of a sharp distinction between the two stages in the policy process, namely (1) decision-making and (2) implementation.

Policies are not only made during the implementation process, which is known as the stage where policies could stand or fall. This phase is regarded as the “Achilles’ heel of the entire policy process and consequently “the content of policy and its impact on those it affects could be substantially modified, elaborated or even negotiated during the implementation state” (Hanekom, 1987:55). Drawing on the synthesis of the classical model’s structuralist/process problem approach and the integrationist model’s behaviourist approach, a number of obstacles are identified that may not be necessarily be mutually exclusive during the implementation phase, and that could severely jeopardise the success of a given policy. The following are among such factors identified:

- Insufficient financial and human resources devoted to the programme; and
- Policy makers lack the time and interest to legislate in small details.

Legislation is often framed in a broad fashion, allowing the implementers plenty of scope to influence the content of the policy. This could lead to a situation where bureaucrats might undermine the content of policies that they may not agree with, which could be done through, for example, the substitution of the bureaucrat’s view for policy, selected acceptance of instructions, and obeying the spirit rather than the letter of the policy. Policy goals are often multiple, conflicting and vague, which leads to ineffective implementation. Faulty communication could arise between policy makers and bureaucrats. If bureaucrats do not know precisely what they are supposed to do, this could lead to ineffective implementation. Ineffective implementation could be due to poorly framed policies rather than implementation as such, and could lead to the following situation:

- Policies adopted are sometimes bad choices based on faulty premises;
• Inadequate time is devoted to the programme;
• If implementation depends on the cooperation of other implementing agencies, it could hinder the successful implementation of policy; and
• Circumstances external to the implementing agency could provide crippling constraints, e.g. the policy might be unacceptable to some interests that have the power to veto them (Hogwood and Gunn (1984); Garcia-Zamor (1988); Bain (1986); Ham and Hill (1984) as cited in Cloete et al., 1991:145).

Therefore, cognisance should be taken that policy implementation could fail due to a lack of time, as stated above, too much detail, too little detail, imperfect knowledge, human behaviour or the absence of effective procedural arrangements and/or a lack of control measures being put in place (Hanekom, 1987:103). The manner in and extent to which bureaucrats could influence the implementation of policy could be based on the presence of the primary and supplementary policy-making process. Primary policy makers have the legal power to make policy, since they are legislative bodies. Supplementary policy-makers gain their authority to act from others and, as a result, are at least theoretically dependent upon or controlled by primary policy makers. The type of power that bureaucrats have during the implementation stage is supplementary policy-making (Anderson (2000), cited in Cloete et al., 1991:146). Some of the challenges that could face policy implementation are that different types of policy instrument should be considered according to the level of support for the policy, the level of information available about the policy area, and the level of commitment amongst the implementing agencies (Tsoai, 2009:22).

Some literature on public policy implementation focuses on the factors that influence the likelihood of the success or failure of the policy. The possible factors that are cited are imitation, incorrect diagnosis, hidden intentions, an indecisive approach, conflict between objectives and reality, and the institutional fragility of states. Other factors could be the inability to command resources, displacement of goals, non-availability of sufficient resources, non-commitment of officials and the political influence of opponents of the
policy. These form part of an almost inexhaustive list of factors identified as common reasons for policy failure (Caiden et al., as cited in Maritz, 2005:18).

In practice, policies are often adopted without explicit agreement about the goals. As observed by Pressman and Wildavsky (1984) cited in Maritz (2005:22):

implementation could not succeed or fail without a goal against which it is judged … Also the manner in which policy goals are stated has an impact on implementation. Clarity of purpose requires a sense of direction clear priorities and an understanding of the underlying values in order to enable the policy implementers to understand what should be achieved.

For a policy to be successfully implemented, it should be backed by adequate resources. The issue of resources is a common problem in developing countries and could be associated with many policy and programme failures during implementation. Altenstetter and Björkman (1981) cited in Maritz (2005:24) stress that money is a vital link between policy planning and implementation, because it transforms policy into tangible results. So-called “unfunded” policies are doomed. One possible solution to deal with resource shortages is by considering the principle of phase implementation. This principle could allow for capacity building as an inbuilt component and achieving small successes before rolling out to the relevant institution.

On the other hand, Smith (1985) cited in Cloete et al. (1991:146) argues that implementation is a major obstacle to the success of public policies in developing countries in comparison to developed countries. Some reasons for this obstacle can be attributed to a lack of resources, poorly framed policies, target group opposition, and underdeveloped, insufficient bureaucracies unable to formulate and implement plans properly, on time and as required. Another interesting explanation for policy subversion during policy implementation in developing countries, according to the same author, is that interest groups and individuals are often excluded from policy formulation in many developing countries. Furthermore, these are the same countries where genuinely representative
democracy may not exist. Subsequently, it could be during the implementation stage that the excluded groups or individuals would articulate their interest. This could take a number of forms, including bribery, which in turn leads to the modification of policy.

Furthermore, public policy planning is impeded by a lack of guidelines for implementation and a lack of availability of sufficient information to make decisions and evaluations. Rothchild and Curry (1978) as cited in Steyn (2010:96). Kiggundu (1989) cited in Steyn (2010:96) argues that inconsistent public policy and the lack of strategic public institutional capacity, rather than a lack of resources, impact negatively on public policy implementation in developing countries, as well as on the development level of those countries. His further observation was that developing countries are often not very successful in utilising and managing the resources that are at their disposal.

When implementing policies, public officials have direct power. Because of the complexities of modern government and administration they are granted the right to exercise their discretion in the execution of policy. This could mean that they are exercising discretion that projects them into the centre of the policy process, putting them in a position to prevent the achievement of policy goals to which they could be opposed by avoiding the making of decisions pertaining to policy implementation (Hanekom, 1987:57).


there are a number of ways to classify policy implementation failures or their successes. The first indicator is the extent to which subjective intent met the objective reality. A policy could be regarded as successfully implemented if it achieves and addresses all intended objectives. A second indicator of policy success would be the extent to which the total accumulated benefits exceeds the total costs; disregarding the policy maker’s original intentions. Both could be expressed in either qualitative or quantitative terms. For example, a policy could be regarded to
be a quantitative success if the number of units achieved is greater than what was originally intended to be addressed by the policy. In qualitative terms, a policy could be regarded a success if it achieves more positive outcomes than negative results as measured either by the intentions of the decision makers or the objective realities regardless of their intention. It is thus clear that policies could be considered as successful even though they did not completely achieve their original objectives and set targets.

2.6 Public policy evaluation

At certain points and/or during the lifespan of the policy, more fundamental reviews should be undertaken to assess the progress of the policy (Hogwood & Gunn, 1984:9-10). Such a review could be focused on asking whether the policy has been successful in achieving the desired outcomes (in contrast to securing the desired outputs, which is the focus of implementation, monitoring and control). The other observation is that the possibility of carrying out such an evaluation would depend on the prior specification of what the desired outcomes would be and on designing the programme in such a way as to enable single or more evaluation techniques to be employed, otherwise it could be difficult or impossible to determine whether the policy is ‘working’ as intended. The evaluation should extend to other considerations, such as whether there are strong contenders for resources elsewhere in the organisation and whether the present policy and its format still merits priority and/or whether it should be downgraded and/or even terminated. The difficulty could be that a rigorous evaluation process requires a significant commitment of resources. It is expensive in both time and money terms, yet it is not an activity that could be avoided or done in a half-hearted manner. It therefore is critical that senior managers support these efforts with the monies necessary to do it ‘right’ (Cox, 2002:160-191).

While the results of evaluation and review are not always self-executing, it is often difficult to replace or terminate policy even if an explicit ‘decision’ has been made to do so. The chances of successful succession or termination are enhanced whenever there is the
possibility of replacing or terminating the policy at some future date ‘designed into’ the initial policy. Although no simple techniques are available to help resolving the identified problems, it is worth considering the possibilities and limitations of sunset laws, organisational design (e.g. matrix organisations), and the use of units skilled in redeploying resources (Hogwood & Gunn, 1984:10).

On the other hand, formal evaluation is an approach that uses scientific methods to produce reliable and valid information about policy outcomes, but evaluates such outcomes on the basis of policy-programme objectives that have been formally announced by policy makers and program administrators (Dunn, 1981:345). The major assumption of formal evaluation is that formally announced goals and objectives are appropriate measures of the worth or value of policies and programmes. In formal evaluation, the analyst could use the same kinds of scientific methods as those employed in pseudo-evaluation and the aim is identical, namely to produce reliable and valid information about variations in policy output and impacts that could be traced to policy inputs and processes. The difference, however, could be that formal evaluations use legislation, programme documents and interviews with policy makers and administrators to identify, define and specify formal goals and objectives. At the same time, the appropriateness of these formally announced goals and objectives might not be questionable. In a formal evaluation, the types of evaluative criteria most frequently used are those related to effectiveness and efficiency. The other types of evaluative criteria, relating to adequacy, equity, responsiveness and appropriateness, are seldom applied.

Public policies are evaluated with a view to adjusting or terminating existing policies or devising new policies. In order to do this, the policy evaluator should determine the long- and short-term positive and negative effects of a policy on the target groups at which it is aimed, as well as the costs, clarity, political implications, efficiency, equity and direct effects of the policy. This should be done by means of hearings, discussions, output measurement, pre- and post-implementation evaluation, systematic comparison or controlled comparison using experimental and control groups (Hanekom, 1987:88).
According to Hanekom (1987:89), public policy evaluation has often been referred to as the last stage of the policy process, where those who determined and implemented the policy and those affected by the policy attempt to find out whether it has really worked or not. However, policy evaluation does not necessarily take place only after the implementation of policy, but could occur as a continuous process throughout the policy process as an appraisal or assessment of the policy content. In other words, public policy evaluation is concerned with the process of trying to determine the impact of a public policy on real-life situations, with a view to ascertaining whether the policy makes any difference and whether the public policy outcomes are a consequence of the public policy actions taken. Public policy evaluation may lead to finding better policies to achieve objectives, and also to changing the objectives themselves.

On the other hand, public policy evaluation or assessment is normally undertaken for one or more of the following reasons Shafritz et al. (1998) as cited in Cloete (2006:248):

- To measure progress towards the achievement of policy objectives;
- To learn lessons from the project/programme for future policy review redesign or implementation strategies;
- To test the feasibility of an assumption, principle, model, theory, proposal or strategy;
- To provide political or financial accountability;
- To better advocate a cause; and
- To use for public relations purposes.

It is well known that projects and programmes are normally aimed at improving specified societal institutions or technologies, processes or behaviour patterns, leading to normative or value changes in a community or society. The evaluation could focus on one or more of the following attributes of these changes as they may be reflected in changes to the
institutions, processes or behaviour patterns at which the specific public policy project or programme is directed:

A description and/or explanation of intended and unintended changes in or impacts on structures, processes or behaviour patterns. This is also called “goal free” or “value-free” evaluation by some scholars (Vedung et al., as cited in Cloete, 2006:249);

- The goal-effectiveness or adequacy of the project or programme (i.e. the degree of success in achieving its objectives if they are known: total achievement or partial progress towards achieving goals) (Palfrey et al., 1992; Posavac and Carey, 1980; Nagel and Teasley 1998 as cited in Cloete, 2006:249);

- Cost-benefit ratios, efficiency and cost-effectiveness of performance and resource utilisation, and also the level of productivity achieved (Vedung 1997; Wholey et al., 1994; Palfrey et al., 1992; Posavac and Carey, 1980 as cited in Cloete, 2006:249);

- Participation, representivity, empowerment and satisfaction of the stakeholders or target audience (Hanekom 1987; Vedung, 1997 as stated in Cloete, 2006:249);

- Equality and equity (Palfrey et al., 1992, as cited in Cloete, 2006:249); and

- The sustainability of the project or programme in one or more policy sectors (financial, social, political, administrative, technological, etc.) (Cloete et al., 1999 as cited in Cloete, 2006:248-249).

Since public policy evaluation is aimed at determining the value of a particular policy, it is important that the role of personal values in evaluation should not be ignored. It is important, for instance, to be aware of the different sets of values and systems of those involved in public policy evaluation when the adaptation of existing public policies or the devising of new public policies is envisaged. In view of the fact that public policy evaluation relates to values and value preferences, it is not a matter of merely obtaining the facts, analysing them and reaching conclusions, but rather of trying to find alternatives amongst competing sets of values, where a diversity of public policies exists of which the actual impacts may differ from the intended outputs, and where those with vested interests may be opposed to public policy evaluation as an attempt to restrict their activities. The
information obtained through public policy evaluation could lead to policy maintenance, policy termination or policy succession Hanekom (1987:104-105).

The decision to evaluate should be considered carefully, because it could be a complex task that consumes substantial resources. The following questions could be asked before a decision is taken to conduct a policy evaluation (Cloete, 2006: 249-250):

- Whether there is clarity about what is to be evaluated;
- Whether the reason for evaluation is clear and justified;
- Whether the results would influence future policy-making;
- Whether there is sufficient time for evaluation;
- Whether the evaluation is feasible; and
- Whether sufficient resources for the evaluation are available.

Public policy evaluation has been often referred to as the last stage of the policy process, where those who determined and implemented the public policy and those who were affected by the public policy attempt to find out whether or not it has really worked. However, public policy evaluation does not necessarily take place only after the implementation of public policy, but could occur as a continuous process throughout the public policy process. Public policy evaluation is an appraisal or assessment of public policy content, implementation and impact in order to determine the extent to which the specified public policy objectives are being achieved. In other words, the focus is on public, real-life situations with a view to ascertaining whether the public policy makes any difference and whether the public policy outcomes are a consequence of the policy actions taken. In short, public policy evaluation could lead to finding better policies to achieve the set objectives, including changing the objectives themselves. The evaluation of public policies is the concern of various participants, either within or outside the public institution (Hanekom, 1987:89).
2.6.1 Methods for public policy evaluation

Different policy instruments could also be evaluated, and these include individual policy projects or more comprehensive policy programmes. The basic principles for evaluation remain the same, although the focus and procedures may differ from case to case. In its ideal form, policy evaluation should be considered as a judging process of comparing explicit and implicit policy objectives. It therefore uses and applies the normal available approaches, methodologies and procedures of social research to practical policy issues in society.

Monitoring Policy Impacts (MPI), a monitoring tool Metz (2005:1), is a policy management instrument that is applied for the purpose of improving the efficacy of policies in reaching their objectives. MPI identifies diversions of reality from plan when they occur, as well as the causes of such diversions, thus allowing immediate corrections, if required, and respective adjustments in policy design and implementation. Its special features focus on impacts at policy level, the tracing of flaws, timeliness of recording and feedback. It could be said that MPI is related to but distinct from other conventional monitoring and evaluation concepts, such as implementation monitoring, project and programme monitoring, and evaluations, which are conducted ex-post in longer time intervals only.

It is commonly known that policies are pursued in order to induce changes in a society and economy towards achieving desired objectives. The main purpose of MPI therefore is to serve as a policy management instrument towards:

- Tracing and analysing the effects of policies;
- Assessing the effectiveness of policies in reaching their objectives;
- Identifying critical factors in the process of policy formulation and implementation that affect the effectiveness of policies in reaching their objectives;
• Identifying external factors, such as other relevant factors and policies, determining policy impacts;
• Identifying crucial external and unintended side-effects of policies;
• Providing prompt feedback on the results of MPI to policy makers; and
• Allowing real-time adjustment in policy design and implementation to increase the effectiveness of policies in reaching their intended objectives Metz (2005:2).

From this perspective, therefore, the main purpose of MPI is to find out whether or not policy implementation is “on the right track”, and/or whether it is working towards addressing the intended objectives. If development objectives depart or deviate from what is intended, it could be due to different reasons. Some of the reason could be that the policy objectives might not be clearly defined, inappropriate policy measures might have been selected, there could be flaws and deficiencies in the policy implementation, or important conditions may have changed from the time the policy was designed. The results of these diversions could give rise to different policy impact scenarios.

It can be concluded that MPI could only contribute to policy performance and increase the effectiveness of policies in reaching their objectives if the results of MPI are accepted and seriously considered by the policy makers, provided there is the political will to make prompt adjustments to the public policy design, formulation and implementation.

2.7 Monitoring of Public Policy

According to Van der Walt et al. (2001) it is essential to monitor policy outcomes after they have occurred. Monitoring is the procedure used to generate information about the causes and consequences of public policies. It attempts to understand past and present policy actions based on factual requirements. When information about policy actions is converted through monitoring into information about policy outcomes, problem situations are experienced. Problem situations are those systems of interdependent problems that are subsequently converted through problem structuring into a policy problem Dunn

Arguing along the same line is Dunn (1981:278-279), who observes that monitoring is the policy-analytic procedure used to produce information about the causes and consequences of public policies. Dunn (19981:284) further maintains that monitoring is central to policy analysis. Specifically, monitoring permits analysts to describe relationships between policy programme operations and their outcomes. In one sense, monitoring is simply another name for efforts to describe and explain public policies. As such, monitoring represents a way to make designate claims about past and present policy actions. Monitoring is therefore primarily concerned with establishing factual premises about public policy. While factual and value premises are in continuous flux, and “facts” and “values” are interdependent, only recommendations and evaluations are expressly concerning the systematic analysis of alternative value premises. Finally, monitoring produces designate claims during and after policies have been adopted and implemented, that is, ex post facto. By contrast, forecasting seeks to establish factual premises in advance of action that is ex ante.

Therefore, monitoring plays an essential methodological role in policy analysis. Only when information about policy actions is transformed through monitoring into information about policy outcomes is it possible to experience what is called problematic situations. Problematic situations are those systems of interdependent problems that are subsequently transformed through problem structuring into a policy problem. Equally important, information about policy outcomes is also transformed through evaluation into information about policy performance. Information about policy performance is itself transformed through practical inference into information about policy problems.

Monitoring performs at least four major functions in policy analysis, namely:

1. **Compliance**: Monitoring helps determine whether the actions of programme administrators, staff and other stakeholders are in compliance with standards and procedures imposed by legislatures, regulatory agencies and professional bodies.
2. **Auditing:** Monitoring helps determine whether resources and services intended for certain target groups and beneficiaries have actually reached them.

3. **Accounting:** Monitoring produces information that is helpful in accounting for social and economic changes that follow the implementation of broad sets of public policies and programmes over time.

4. **Explanation:** Monitoring also yields information that helps to explain why the outcomes of public policies and programmes differ.

To effectively monitor public policies on any given issue, reliable sources of information would be required that are relevant, reliable and valid. Equally important is that information acquired through monitoring should be reliable, meaning that observations should be reasonably precise and dependable. Finally, it is important to know whether information about policy outcomes is actually measuring what the information is thought to be, i.e. whether it is valid information. Information on policy outcomes is regularly collected at various points in time at considerable costs at regional levels, and by the state, local governments, private research institutes and universities. Some of this information could be general, for example information about the social, economic and demographic characteristics of the population as a whole, while some could be more specific since it would be dealing with the regions, municipalities and other subpopulations within society.

The concept of continuous process improvement cannot exist without monitoring and problem-solving mechanisms. This has been a central feature of the literature on management change for nearly two decades. But what sets ‘continuous improvement’ apart from more straightforward evaluation mechanisms is the idea that improving operations is not linked to a specific operation element, but rather is linked to a specific activity. The question is, ‘Are we still on track?’ If the evaluation results indicate that everything is going well, then you can continue as before. Changing procedures is an indication of a problem in the way the project was conceptualised. In fact, the most likely experience that most government officials have with the evaluation process is to have a consultant come in after a project is over to tell the officials what they should have done. Continuous process
improvement takes the opposite approach. The evaluation process is intended to reject, rather than affirm, the status quo. The goal is to change procedures, not keep them as they were. One can ‘muddle through’ with an inadequate evaluation of a project. Without a rigorous monitoring-and-evaluating scheme, no ‘improvement’ is possible and the very idea of Total Quality Management (TQA) ceases (Cox, 2002:167).

The section to follow will explain the various legislative acts and public policies designed and implemented by the Government of the Republic of Namibia (GRN) regarding education. This public policy framework will form the focus of this study. The relevance of this section to the study is that it gives an overview of all the relevant policy instruments and developmental strategies that have been adopted and put into place by the GRN to create a conducive environment towards achieving human resource development (HRD) and capacity building strategies.

2.8 Namibian public policy framework context

The purpose of this section is twofold. Firstly, to indicate what legislative Acts and policies have been formulated regarding educational activities in the Namibian context. Secondly, the implementation of these Acts and policies will be explained briefly to illustrate their relevance and importance to the research conducted.

Figure 2.1 illustrates the important policies, acts and strategies adopted by the GRN that are regarded as having a direct impact on national HRD and capacity building initiatives.

The next two pages illustrate the relevant policies and legislative context of HRD in Namibia.

Figure 2.1 is a representation of all the relevant policies that affects human resource development in Namibia. Figure 2.2 illustrates the different parliamentary legislative Acts
and policies that were developed with the aim of facilitating a conducive environment for sustainable HRD and its utilisation.

Figure 2.1: Legislative and relevant policies that affect the HRD process in Namibia

1. **Policy and Legislative Framework**
   - Namibian Constitution, 1990 (Act No. 1 of 1990)
   - University of Namibia Act, 1992 (Act No. 18 of 1992)
   - Polytechnic of Namibia Act, 1994 (Act No. 33 of 1994)
   - Namibia Qualifications Authority Act, 1996 (Act No. 29 of 1996)
   - Namibia College of Open Learning (Namcol) Act, 1997 (Act No. 1 of 1997)
   - Education Act, 2002 (Act No. 16 of 2001)
   - Vocational Education Training Act, 2008 (Act No. 1 of 2008)
   - National Policy on Research, Training and Technology

2. **Long-term Planning**
   - VISION 2030

3. **Medium-term Plans**
   - National Development Plan Three (3) (NDP)
   - Millennium Development Goals

4. **Strategic Plan on Education**
   - Education Training Sector Improvement Programme (ETSIP)

**Figure 2.2: Legislative and policy framework of Namibia**

Source: (Compiled by Author, 2010)

What follows is a brief discussion of the relevant Acts and policies in relation to the specific areas and within the context of the study.
2.9 Legislative framework

2.9.1 The Constitution of Namibia, 1990 (Act No. 1 of 1990)

According to Article 20 of the Constitution of Namibia:

All persons shall have the right to education. Primary Education shall be compulsory and the state shall provide reasonable facilities to render effective this right for every resident within Namibia, by establishing and maintaining state schools at which primary education will be provided free of charge. Children shall not be allowed to leave school until they have completed their primary education or have attained the age of sixteen (16) years.

2.9.2 State Finance Act, 1991 (Act No. 31 of 1991)

The Act is aimed, amongst others, at providing for the regulation of the receipt, custody and banking, accounting and the control and disposal of state money. Furthermore, the Act is concerned with the determination of interest rates in respect of certain debts due to the state and the furnishing of guarantees. Finally, it is concerned with the indemnities and securities offered by the GRN in respect of the financial commitments of certain statutory institutions, banks, companies or juristic persons; and with provision for related matters.

2.9.3 Education Act, 2001 (Act No. 16 of 2001)

This Act is aimed at providing access to a qualitative and democratic national educational service, and to provide for the establishment of the National Advisory Council on Education, the National Examinations Assessment and Certification Board, Regional Education Forums, School Boards and the Education Development Fund, amongst others.
2.9.4 Higher Education Act, 2003 (Act No. 26 of 2003)

The aim of the Act is to provide HE, to provide for the establishment, objectives, functions and composition of the National Council for Higher Education (NCHE), for the registration, deregistration and closure of private HEIs; for the establishment and functions of a panel of inquiry into the affairs of HEIs, and to provide for similar and related matters.

2.9.5 Namibia Students Financial Assistance Act, 2000 (Act No. 26 of 2000)

The objective of the Act is:
- To provide financial assistance;
- To enable students to study or to do research; and
- More specifically, but without limiting the foregoing, to facilitate the training of students in prescribed courses or fields of study, at approved institutions of HE.

The Act furthermore makes provision for the fields of study and courses which, for the purpose of financial assistance in terms of the Act, are to be given priority.

2.9.6 Polytechnic of Namibia Act, 1994 (Act No. 33 of 1994)

This Act is aimed at the establishment of the Polytechnic of Namibia and to provide for its administration and control, as well as for the regulation of its activities and related matters. According to the Act, the aim of the Polytechnic is:

To provide post-secondary career education in line with Namibia’s human resource requirements, emphasising excellence in teaching and creating a climate conducive to the intellectual, social, aesthetic and emotional development of students;
- To provide continuing education at a post-secondary school level in order to expand the educational horizons of the adult community;
To conduct applied research; and
To develop equal opportunities in respect of educational programmes and of admissions to, and employment at, the Polytechnic.

2.9.7 University of Namibia Act, 1992 (Act No. 18 of 1992)

This Act is aimed at establishing the University of Namibia and to provide for its administration and control, the regulation of its activities and other related matters. According to the Act, the aim of the University would be to provide HE, to undertake research, to provide training and continuing education, to contribute to the social and continuing education of Namibia and to foster relationships with any person or institution, both nationally and internationally.

What follows is an overview on Namibia’s long-term perspective planning as envisioned and encapsulated in the implementation of Vision 2030.

2.10 Namibian Policy Framework

2.10.1 Vision 2030

Vision 2030 (NPC, 2004) provides the long-term development framework considered fundamental for transforming Namibian’s political and economic landscape in areas such as land reform, housing, the environment, health, education and the building of an economy that provides equal opportunities for all. It sets out the key developmental challenges for the government, such as human resource development, job creation, provision of infrastructure, changes in the ownership patterns in the economy and the reduction of income inequality and poverty in Namibian society. The Vision 2030 statement puts forward that, by the year 2030, Namibia would be classified as an industrialised nation, enjoying high per capita income, be a highly educated nation, enjoying abundant prosperity
and interpersonal harmony, peace and political stability. Vision 2030 represents the long-term planning framework of government, and is based on the concept of total and balanced development. It should guide all planning mechanisms, which consist of the national development plans, medium-term reviews and the national budget. The national development plans (NDPs) serve as the main vehicles for translating the objectives of the Vision into actions and providing monitoring mechanism on progress towards realising the Vision by the year 2030. Therefore, the NDPs are the first systematic attempt towards translating the Vision 2030 objectives into action (NPC, 2004).

Vision 2030 of Namibia is about its people, centred on their social and economic dynamics and overall well-being at any point in time, even beyond 2030. A central and key aspiration of Vision 2030 is to rapidly transform Namibia into a high-income, and a more equitable, Knowledge Based Economy (KBE) and Knowledge Based Society (KBS). The broader goals for the reform strategy would be to accelerate economic growth and social development, eradicate poverty and social inequality, reduce unemployment, especially youth unemployment, and curb the spread of HIV and AIDS. These are the challenges which could be addressed by improving the level of skilled labour and the capacity to create and apply knowledge to improve productivity, which is regarded as critical (NDP3, 2008b:134).

2.10.2 National Development Plan Three (NDP3)

The National Development Plans, starting with NDP3, would be implemented as the first systematic attempt to translate the objectives of Vision 2030 into action. With Vision 2030 as the main focus, NDP3 has been formulated on the basis of eight key result areas (KRAs), each corresponding to one of the eight main objectives of Vision 2030. NDP3 differs from NDP2 and NDP1 in a number of ways. Firstly, it is based directly on the eight broad objectives of Vision 2030. Secondly, it is formulated by ten thematic working groups (TWGs) through teamwork utilising the integrated results-based management (IRBM)
approach, with the central focus on development results, building on the on-going initiatives of public sector management and public financial management. Thirdly, it presents, for the first time in Namibia, the overall resources required to implement the Plan by all state and non-state stakeholders in order to achieve the projected plan targets. Fourthly, the plan spells out the implementation arrangements and puts in place the required monitoring, reporting and evaluation arrangements to continuously monitor and report on progress in achieving the targeted results. In order to give momentum to these policy documents, the education sub-sector mission statement during NDP3 has been crafted around and with the aim “to provide equitable access to quality education and develop the abilities of the individuals to acquire knowledge, understanding, skills, values and attitudes required throughout their lives” (NDP3, 2008b:iv,144).

Figure: 2.3 below gives an illustration of the top-down and bottom-up processes and approach of planning in NDP3.
2.10.3 Education Training Sector Improvement Programme (ETSIP)

The Education Training Sector Improvement Programme (ETSIP) is an efficiency improvement programme that emphasises general education as the most important element that the vast majority of the youth should receive, and is a prerequisite for providing the foundation for lifelong learning Government of Namibia (GoN), (Education Training Sector Improvement Programme (ETSIP), 2007:17). At the same time, the GRN has developed ETSIP with some goals in mind. In terms of these goals, Namibia as a country would move towards:
• Producing more citizens with middle and high skills;
• Improving the quality and effectiveness of general education;
• Managing knowledge and innovation;
• Making HE more relevant to Namibia’s development needs;
• Reaching the most disadvantaged learners; and
• Laying the foundations for lifelong learning (GoN, ETSIP, 2007:1).

It is reasoned that ETSIP represents the education and training sector’s response to the call of Vision 2030 and is based on the aspirations expressed in Vision 2030. Its key purpose is to substantially enhance the sector’s contribution to the attainment of strategic national development goals, and to facilitate the transition to a KBE. In the immediate future, it would improve the quality, range and threshold of skilled labour required to improve knowledge-driven productivity growth, and thus contribute to economic growth. By adopting a pro-poor approach to the distribution of opportunities, ETSIP would also contribute directly to the attainment of equitable social development. ETSIP is premised on realising that a weak education and training system could not facilitate the attainment of complex and ambitious development goals. ETSIP represents a sustained response of the sector, based on a fifteen-year strategic plan accepted by the GRN in 2005. For ease and feasibility implementation, ETSIP was to be phased in through three five-year cycles, with the first cycle spanning 2006/2007 to 2010/2011, which coincided with the NDP3. It is a comprehensive sector-wide programme that covers:

• Early childhood development and pre-primary education;
• General education;
• Vocational education and training;
• Tertiary education and training;
• Knowledge creation and innovation; and
• Information, adult and lifelong learning (GoN, ETSIP, 2007:1).
The first phase of ETSIP focuses on strengthening the immediate supply of middle to high-level skilled labour to meet labour market demands and support overall national development goals. The supply of labour is critical for improving not only the overall productivity, but could also lead to higher value-added productivity.

It has been discovered that HE and the training sub-sector lack a central advisory and regulatory body that could interpret national development policies, priorities and goals. The sub-sector has experienced the following problems: lack of vision and coordination; lack of articulation of programmes; and lack of standards and procedures for the accreditation and transfer of individual credits between institutions. It was on this basis that the National Council for Higher Education (NCHE) was established through an Act of parliament, namely the Higher Education Act, 2003 (Act No. 26 of 2003). The objective of the Council is, amongst others, to advise the Minister of Education on policies both on the Minister’s demand and on its own regarding:

- A coordinated system of tertiary education;
- Access with equity to tertiary education; and
- Allocation of funds to public tertiary education (GoN, ETSIP, 2007:39).

Monitoring and evaluation (M&E) is a powerful public management tool that could be used successfully to improve the efficacy and accountability of government policies. Just as governments need financial, human resource and accountability systems, they also need good performance feedback systems. This could be found in an effective M&E system Mackay (2007), as cited in (Schurink, 2010:496). Therefore, the introduction of an effective M&E takes decision makers and policy makers one step further in assessing whether and how goals and polices are being achieved over time. Such a system should help to answer the all the important questions that could exist and subsequently make it possible to respond to the stakeholders’ growing demands for results (Schurink, 2010:496).
2.11 Conclusion

First, this chapter provided an overview of the definition of public policy, public policy design, public policy implementation and public policy evaluation and policy evaluation as a field of study, because public policy is what government chooses to do or not to do.

The second part of the chapter considered the importance of policy evaluation and monitoring. In order to assess the impact of policies, attention should be paid to their implementation framework, while the monitoring and evaluation of public policy should be continuously undertaken in order to assess the implementation progress.

Third, the chapter highlighted the relevant legislative Acts and policies that are relevant for human resource development in Namibia. These are the public policies adopted and implemented by the Government since independence. These Acts and policies form the theoretical foundation for the study. The efficacy of public policy would determine the overall standard and quality of public policy.

The chapter concluded that for any public policy to be implemented successfully there are certain measures and strategies that should be taken into consideration. Policy implementation could fail due to a lack of time, too much detail, too little detail, imperfect knowledge, human behaviour or the absence of effective procedural arrangements and/or effective control measures. If the public policy system stays in touch with the needs of the public and citizenry, the demands and preferences in its environment, and fine-tunes its policies according to the changing needs, demands and preferences, societal stability could be enhanced. Public policies only exist because they need to bring about social changes and the necessary transformation as required.
A proper monitoring and evaluation system would ensure that the policy objectives and stated goals are achieved, while at the same time timely remedial action could be undertaken during the implementation of the policy or programme.
CHAPTER THREE
A COMPARISON OF STUDENT FINANCIAL SUPPORT SCHEMES

3.1 Introduction

This chapter gives an overview of the different student financial support schemes (SFSS) that will be studied. The four countries selected for the case study are Australia, Botswana, Kenya and South Africa. They will be compared to the Namibian case study in Chapter 4, based on their similarities and dissimilarities and some unique features in the schemes. Through this comparative study the efficacy of the different SFSSs will be uncovered. Namibia as a country could learn from these lessons how to better manage its own SFSS, with the ultimate aim of adapting some of these outstanding features and implementable best practices. This chapter will focus on:

- An overview on the SFSSs;
- Models for SFSSs;
- Governance and organisational framework of the different SFSSs; and
- Policy implementation and evaluation of the different SFSSs.

For the purpose of this study, governance will refer to the efficacy of the policy implementation, evaluation and monitoring processes of the fund in the respective countries.

3.2 Importance of Student Financial Support Schemes

The following section will give a brief overview of the importance of SFSSs. According to Johnstone (2003:1), higher education at the beginning of the 21st century has never been in greater demand, both by individual students and their families, for the advancement of
occupational and social status and for greater earnings potential. Other considerations by governments are for the public benefits it is anticipated to bring about in the enhancement of the social, cultural, political and economic well-being of citizens. It is observed and acknowledged that nowhere is the demand more compelling and indefinable than in the countries of Sub-Saharan Africa (SSA). These are the countries beset with fragile economies and democracies, while at the same time struggling to maintain higher educational quality amid conditions of financial austerity and a relentlessly increasing tide of student demand for HE accompanied by their need for financial support.

The fundamental financial problems and limitations faced by HEIs are worldwide and stems from two nearly universal forces. The first could be the high and increasing unit, or per-student, cost of HE. The second force greatly exacerbating the financial problems of HEIs and educational ministries in many countries could be attributed to the immense pressure for increasing basic schooling enrolments, particularly where there are high birth rates coupled with rapidly increasing proportions of youth finishing secondary school with legitimate aspirations to acquire acceptable levels of higher education. Therefore, nowhere in the world are these exacerbating, or magnifying, conditions more prevalent than in SSA countries. The provision of HE in most countries, especially in the last century, was largely dependent on government funding, through taxpayers, for revenue to meet the high and rising costs of HE. The adverse factor could be the increasing technical difficulties of taxation systems and the pressure from competing public needs, many of which could be far more socially and politically compelling. In particular is the demand for HE, which has forced HEIs and educational ministries in most countries, including the industrialised and wealthy nations, into conditions of financial austerity (Johnstone, 2003:1).

In SSA countries, the declining economies coupled with rapidly increasing populations, political and social instability and conflict, as well as oppressive debts, are all negative factors contributing to the extreme financial austerity, as well as the consequent diminishing accessibility of HE. The reform agenda for SSA HE requires the need to expand other-than-governmental, or tax-generated, revenue, as well as to adopt some new
measures to lessen the current financial barriers to HE participation for children from poor backgrounds, those in rural or remote areas, or those from ethnic or linguistic minorities. It is important that the main focus be on cost-sharing or shifting a portion of the HE costs of instruction from being borne predominantly or entirely by governments or taxpayers, to being shared by parents and students (Johnstone, 2003:1).

The common principle and understanding is that SFSSs enable students to finance their current studies against future incomes Jimenez et al. (1986) as cited in Owino (2003:16). Nevertheless, experience with education loans or SFSSs in developing countries is still low and even limited, with most of the studies having been done in developed countries. Student loans have been found to provide performance incentives to students at university, while helping them at the same time to ease their financial burden, especially students from poor families (Albrecht (1992), World Bank (1983; 1993; 1984), as cited in Owino (2003:16). SFSSs in most countries have not been used to support cost recovery for HE, but instead as a support mechanism for the sustenance of students. “Accordingly, some studies have shown that student loans should be seen as educational investments whose benefits are long term and futuristic”, according to Psacharopoulos cited in Owino (2003:16) who argues that, if returns to education increase demand for HE, then the flow of private resources into education through tuition charges could increase as a result. Secondly, the same author maintains that SFSSs could improve resource allocation, provided that students choose high-return courses and highly demanded study fields. However, his argument might not be received favourably, especially in situations where students are studying courses that they may not have chosen personally. This observation could be valid especially in developing countries, where HE and choice of study could be limited due to limited and narrow study fields. The other progressive consideration could be that, with selective scholarships added, loans could improve student selection and equity, since the less privileged or poor students could compete equally for places at HEIs (Owino, 2003:17). In view of the reducing private direct costs for HE, SFSSs could indirectly guarantee increased HE enrolment. Similarly, it has been found that there is a strong
correlation between the state of the economy and the level of HE enrolments through indirect costs or opportunity cost of attending HE. Despite these positive arguments justifying student loans, lending to students still has considerable shortcomings. However Johnstone et al. cited in (Owino, 2003:17) point out that the major problem with lending to the neediest students in many developing and poor countries is not related to the lack of creditworthiness or properly implemented collateral arrangements. The implementation of collateral by government and the parents’ themselves could be fundamental in ensuring student access to SFSSs (Owino, 2003:17). The two important lessons learned from the above discussions are the following: (1) access to HE should be all-inclusive, therefore more enrolment would be ensured, and (2) the new agenda approach should emphasise the lessening of the excessive financial burden on both the beneficiaries and their families. In the next section, three models that are used in the implementation of SFSSs will be discussed.

3.3 Models of Student Financial Support Schemes

In order to evaluate the four case studies in relation to the Namibian study, four models will be discussed in theory and in terms of their applicability.

For the purpose of this study, the following four models will be discussed:

- The student-centred model;
- The parent-centred model;
- The independent students’ model; and
- The compromising model.
3.3.1 The student-centred model

In the student-centred model, students are regarded as having primary responsibility for the costs of study. As such, they often face relatively high tuition fees, implying that public funds for HEIs should not fully cover instruction costs, and financial support is focused on students, not their families, although family contributions are taken into account. In Australia, not only are students charged considerably differential tuition fees, but grants, scholarships and loans are primarily awarded to students on a means-tested basis, thus targeting support to low-income and needy students. This reflects the often implicit expectation that parents will help their children according to their financial capacity.

3.3.2 The parent-centred model

In the parent-centred model, emphasis is placed on the role of parents, who are considered morally and, in some cases legally, responsible for the maintenance of their children during their post-secondary schooling phase. Generally, tuition fees are payable by the parents. As a result, student grants and loans would be available to relatively few students, generally 15 to 35 percent, and the amounts awarded tend to be low. In contrast, parents are subsidised substantially, with the main objective to help them meet their obligations regarding post-secondary education on behalf of their children, generally receiving family allowances and/or tax benefits to relieve their HE burden (Finnie et al., 2004:16).

According to Finnie et al. (2004:14), Family allowances are typically designed in such a way that they would vary according to family size, particularly in accordance to the number of children in the family, while benefiting families inclusive of all income categories. The tax benefits, typically in the form of tax deductions, provides greater benefits for parents with higher incomes and consequently higher tax rates in comparisons to families in the lower income/tax brackets. There is
however, considerable evidence suggesting that not all parents would be able to make their expected contributions, since students spend considerably more than what they receive through the combination of all public support including parental contributions”.

For the purpose of this study it can be concluded that the parent-centred model is the model in which the emphasis is placed on the parents, with the aim to relieve them of the financial burden during the post-secondary education of their children. This model benefits more parents in the higher tax bracket.

### 3.3.3 The independent students’ model

In the independent students’ model, students are regarded as fully independent from their families. The model is typically found in countries with the most advanced social welfare protection systems, such as Denmark, Finland, Iceland, Norway and Sweden. In these five mentioned Nordic countries, students are not required to pay tuition fees, meaning that the government takes full responsibility to pay all student tuition fees. In addition, public support for the students fully covers their living expenses, regardless of whether they live with their parents or away from their homes. A sizeable fraction of their direct support is provided through student loans, which ranges from 40 to 60 percent of total support per student. The rest is provided in the form of grants, which is fairly evenly accessible and in line with the socio-economic backgrounds of the families. In practice, however, more and more students receive contributions from their parents, while some take on part-time jobs in order to avoid incurring debt. The lower income students lacking family resources and constant support remain dependent on student loans, and consequently some would be forced to take on part-time jobs in order to supplement their living expenses (Finnie et al., 2004:15).
For the purpose of this study, it can be concluded that the independent students’ model is the model in which students are regarded as fully independent from their parents in the course of pursuing their higher education. The model is commonly found and applicable to countries with high welfare protection systems, with excessive income tax that is normally carried over to the taxpayer.

### 3.3.4 The compromising model

One of the prominent features of the compromising model is that tuition and student support policies reflect a compromise between making students financially independent and having parents share in their costs, as commonly practiced in the Netherlands. In this particular case, all fulltime students are eligible for basic study grants, which vary in generosity depending on whether they live with or away from their parent’s custodianships. In addition, about 30 percent of all students are eligible for supplementary grants based on the parental income test. With regard to students who may not obtain a full supplementary grant, parents would be expected to make their own contribution. Furthermore, students could also take out loans, while those independent of their parents could be allowed to take up additional loans, substituting the amount their parents would have contributed and as protection against parents who might not be willing to commit themselves as required. Overall, the three parts of the basic grant regarding the supplementary grant/parental contribution and voluntary loans each comprises about a third of the students’ normative budgets. In reality, however, students have considerably higher expenditure patterns, and as a result they are heavily involved in part-time work, which would allow them to maintain a higher standard of living while at the same time avoiding taking out student loans (Finnie et al., 2003:15).

For the purpose of this study it can be concluded that the compromising model is the model that considers the status of both the students and their parents, irrespective of whether the students are dependent on or independent of their parents.
3.4 The comparative case studies

The four countries chosen for the case study were selected on the basis of some level of sustainability and administration, as well as some unique features from which Namibia could learn. The other guiding principles are the manner in which the funds are being administered, the policy instruments implemented and the uniqueness of their schemes regarding the governance and operational framework of the schemes. Further considerations were the efficacy of the scheme, geographical location, and level of development and comparable aspects of population, including administrative arrangements.

What follows is the study of the governance and organisational framework of SFSSs in the four countries in relation to their managerial and administrative tasks. The first section will give an overview of the governance issues, while the second section focuses on comparing the managerial aspects of the four countries individually. This section will conclude with a summary of the strengths and weaknesses of the case studies described in reference to the summary table (Table 3.1).

A brief summary will be provided in table format at the end of this section (Table 3.1).

3.4.1 Australia

3.4.1.1 Governance and organisational framework of the Australian case study

The model

The type of model implemented in Australia is a student-centred model. In this case the students can pay their tuition up front, receiving a 25 percent reduction, or defer payment until after graduation through income contingent repayments collected through the Australia Tax Authority (ATO) Woodhall (2007:17).
**Name of Fund**

The SFSS in Australia is called the Higher Education Contribution Scheme/Higher Education Loan Programme (HECS/HELP). The Australian government was incisive by deciding in 1989 to call its new financing system the Higher Education Contribution Scheme (HECS). Not only was the term ‘contribution’ more politically acceptable than ‘tuition fees’, but the title of HECS also emphasises that the cost burden is shared by both the students, after graduation, and by taxpayers through their monthly contributions (Woodhall, 2007:25).

**Placement of scheme**

HELP is jointly administered by the Department of Education, Science and Training (DEST) and the Australian Taxation Office (ATO).

**Legal framework**

The Higher Education Support Act (Act, No. 149 of 2003) and the High Education Funding Act (Act, No. 2 of 1989) are the Acts overseeing the implementation of the fund. The two Acts empower parliament to access information from other government departments such as the ATO. The Australian Government’s policy on student contributions to higher education is thus reflected in the following legislation and guidelines:

- Higher Education Support Act, 2003; and
Cost-sharing policies

The sharing of costs is frequently advanced as though the student’s and the parent’s and their families’ shares were theoretically and practically indistinguishable.

Student loan policies/programmes

Revenue diversification is the foremost implication within the HECS model, where the parental contribution is no longer central as a cost-sharing strategy (Woodhall, 2007:25).

3.4.1.2 Management and administration in the Australian case study

Head of Administration

Chief Executive Officer

Type of Administrative entity

The fund in Australia is administered as semi-autonomous agencies with well-functioning boards and forms part of government. The funds recovered are paid into a Higher Education Trust Fund (HETF) instead of consolidated revenue. Loans cover tuition fees only. The government pays for the tertiary education and collects the loans after graduation, once an income threshold has been passed (Pillay, 2010:41).

Main source of funding

The Australian Government Grants provide financial support in the form of the Higher Education Endowment Fund (HEEF) and by the issuing of Government Bonds.
**Frequency of account auditing**

The Higher Education Council is required to produce annual reports on the operation of HECS.

**Methods of collection/legal enforcement mechanisms**

The loan is recovered through the social security contributions by the employer and there is an income taxation administration system for loan repayment Albrecht and Ziderman, (1991:6). The Parliament allows the scheme to access information from other government departments, such as the tax authority.

**Method of repayment**

The Income Contingent Loan Scheme (ICL) is implemented in Australia as a form of loan repayment (Woodhall, 2007:31, 32).

**Initiation of payment**

The HELP repayment starts after graduation and/or when the income threshold is reached. Compulsory repayments are made when the beneficiary lodges a tax return and when the applicant’s HELP repayment income is above the minimum threshold, for example (N$/R 309, 893) in 2010/2011. The compulsory repayment amount depends on the person’s HELP repayment income for each income year. For example, a person with a HELP repayment income of (N$/R310, 500) in 2010/2011 would make a repayment equivalent to 4 percent of his/her income, or equal to (N$/R12, 420). (Australian Government 2010: 13).
In Australia, HECS is a form of higher educational finance that combines the concept of a tuition fee, or payment for a portion of the costs of instruction, with a student loan, or the deferral of the student’s share of HE expenses to the future. The model imposes a tuition fee, but allows this fee to be paid in the future as a percentage of the student’s future earnings. The HECS has been hailed as one of the good models for many developing countries and rather is a way for the student borrowers to manage their indebtedness. It is being promoted as an alternative to, or a replacement for, what could be the parent’s contribution to HE costs. Thus, the applicability or inapplicability of an HECS-type income contingent loan scheme (ICL) as an alternative to up-front fees might not rest merely on the ability of the government to know and verify borrower incomes and all of their lifetime earnings in order to assure the financial viability of the scheme. Rather, the applicability of the model depends in a very fundamental way on the respective roles assigned to parents and students in the underlying concept of cost-sharing (Johnstone, 2003:10).

Concerning HECS, students seeking to enrol in award courses at HEIs are required to complete and return to the institution a Payment Options Form. According to Jackson (2000:66):

“\nThe Form nominates if the applicants are going to pay their HECS up-front and receive a 25 percent discount with the option of deferring their payment by asking the Commonwealth to pay their HECS for them. If the arrangement to pay up-front, is considered then the Commonwealth pays the remaining 25 percent to the institution from the HECS Special Account. If the option to deferring payment is considered, then the loan applicants would be required to provide the institution with their tax file number so that the Tax Office is informed of their HECS debt. To minimise debt burden to beneficiaries, the HECS debt is indexed using the Consumer Price Index each year. The adjustment is made on June 1 of each year and is applicable to that portion of debt that has remained unpaid for a year or more.
‘There is no interest charged on HECS debt. HECS debtors are required to start repaying their loans when their 'HECS repayment income' reaches the compulsory repayment threshold. The HECS repayment income is defined as taxable income plus any reportable fringe benefits and any reductions for net rental loss meaning that income cannot be reduced through the negative gearing of rental property. The HECS repayment thresholds are adjusted each year to reflect changes in average weekly earnings and or the prevailing earnings within the labour market. It is possible to defer the compulsory repayment if it could be demonstrated that such payments would cause serious financial hardship to the applicant. Accordingly, voluntary repayments and payments made through the tax system are paid into the HECS Special Account. Any shortfall between these repayments and the payments made out of the HECS Special Account for loans or discounts is covered by a Commonwealth contribution to the Account’.

3.4.2 Botswana

3.4.2.1 Governance and organisational framework of the Botswana case study

The model

It could be said that the type of SFSS implemented is a combination of a parent centred and that of compromising model. In other words, the emphasis is on the priority fields of study and their utility and scarcity as well as the academic performance of the applicants, and not necessarily on parental income.
Name of Fund

The name of the fund is the Botswana Student Placement and Welfare Fund (BSPW). A Grant-loan scheme or Tertiary Education Development Fund under the Department of Student Placement and Welfare (World Bank, 2010:78)

Placement of Scheme

The Botswana grant-loan scheme is administered by Department of Student Placement and Welfare (DSPW) within the Ministry of Education (MoE), was introduced in 1995 and assists students studying in the public and private sector as of 2007 institutions; tuition fees and maintenance costs; local and external tertiary programs; awarded based on national priority accorded to the course of study. The study loans are interest free while three-month grace period is given after obtaining employment. Upon graduation, borrowers are required to notify the DSPW, which informs them of the exact amount they owe. The fund has a staff complement of 80 employees and is planning to implement online applications in the near future (World Bank, 2010:78, 83).

Legal framework

In Botswana the SFSS is backed by an Act of Parliament that allows the Fund to access information from other government departments such as the tax authority. The Ministry of Finance in Botswana has the responsibility of writing off all student debtors (Pillay, 2010:31).

Cost-sharing policies

There are limited cost-sharing measures that were introduced in 2002/2003, along with efforts to improve the collection of loans. The extent to which grants should be paid back is dependent on what the students study (five categories):
**Category 1:** Students (studying subjects that need human resources) get a 100 percent grant for both tuition fees and maintenance costs. Fields of study covered in this category are sciences, medicine and engineering, among others.

**Category 2:** Students get a 100 percent grant for tuition fees, but have to repay 50 percent of maintenance. Fields of study covered are things such as economics and town planning amongst others.

**Category 3:** Students have to repay 50 percent of tuition fees and 100 percent of maintenance costs. Includes subjects such as law, journalism, social work and psychology amongst others.

**Category 4:** Students have to pay 50 percent loan on tuition and 100 percent loan on maintenance; it covers fields of lower priority such as sociology, philosophy and physical education.

**Category 5:** Covers 100 percent loans for both tuition and maintenance. It covers subjects or ‘marginal’ careers such as cosmetology, photography and performing arts (World Bank, 2010:83).

**Student loan policies/programmes**

The student loan policies or programmes were under discussion and hence there was no operational student loan programme as of 2003. The fund provides funding for study at local, national and international HEIs. The fund provides 100 percent funding. The scheme does not necessarily consider funding for needy students, but uses as the basis of awarding financial support the points scored during national examinations. In other words, students who meet the required number of points for the BSPW are given funding, and the system calculates their points automatically.
3.4.2.2 Management and administration in the Botswana case study

Head of Administration

The head of administration is the Director, who reports to the Permanent Secretary.

Type of administrative entity

Part of Government and the fund is administered as a full government entity within the government framework.

Main source of funding

The BSPW is dependent on Government for its funding.

Frequency of account auditing

The researcher could not find information on this, although there is provision for annual account auditing of the Fund.

Methods of collection/legal enforcement mechanisms

The employer is legally bound to deduct repayments from the wages or remuneration of the loanees. The Student Loan Management System (SLMS) is implemented as a loan administration and collection system. There is the issue of a single identifier referring to the national identity document as a means of identification throughout the process of loan disbursement and recovery, which may be used in conjunction with other identifiers. The national identity document is used as the main identifying system for all loan beneficiaries and is very effective in tracing defaulters. The SFSS has appointed representatives in the
form of educational/training attachés at most of Botswana’s foreign missions for the purpose of tracing former beneficiaries and collecting funds from foreign-based nationals. There are also various means of encouraging defaulters to pay their debts, while punitive measures are implemented in the form of penalty fees, private debt collectors, the use of law enforcement offices and blacklisting, amongst others (Pillay, 2010:31).

**Method of repayment**

The BSPW has implemented the income contingent loan (ICL) scheme as a method of loan repayment by loanees (Pillay, 2010:31).

**Initiation of payment**

The loan portion of the scholarships is recoverable as soon as the beneficiary becomes employed.

**Name of loan administration system**

BSPW has implemented the student loan management system (SLMS), which is a computerised system, as its database system. It makes awards to about 10 000 students per year. The Government of Botswana has recognised the importance of clear and robust collection systems, and hence the Loans Recovery Service Division was recently created and the ministry is planning to begin outsourcing student loan collection (World Bank, 2010:93). The outsourcing would ensure easier and faster loan recovery from debtors who may not be easily traceable, in particular former beneficiaries who might be residing outside the country.
3.4.3 Kenya

3.4.3.1 Governance and organisational framework of the Kenyan case study

The model

The applicable model identified is in the form of a parent-centred model, since loan allocation is correlated with family income. Though income and family expenditure may be positively correlated, and therefore influence the amount of loan that a student can obtain, certain expenditure levels may render the family incapable of paying university fees, especially if parents are using quite a substantial amount of their income on paying school fees for other siblings (Owino, 2003:49).

Name of fund

The name of fund is the University Students’ Loan Scheme (USLS), which is managed by HELB (Owino, 2003:2, 3).

Placement of scheme

The fund administration is administered as a semi-autonomous agency, with a well-functioning board of eleven members that is called the Higher Education Loans Board (HELB) (Owino, 2003:3).
Legal framework

The HELB is established by the Higher Education Loans Board Act (Act No. 3 of 1995). The Act allows the fund to access information from other government departments, such as the tax authority (Otieno, 2004:78).

Student loan policies/programmes

The comprehensive loan programme was introduced in the 1970s, but failed with virtually no cost recovery. The programme was reinitiated in 1995 as HELB, with the mandate of “near self-sufficiency” (Owino, 2003:2, 8). Information on the operation of the scheme is available on a regular basis and is accessible online. There are various means of encouraging defaulters to pay their loans, while punitive measures and the mode of collection implemented, such as penalty fees, private debt collectors, and the use of law enforcement offices, including blacklisting of defaulters, are among the loan recovery policies and programmes.

Cost-sharing policies

Tuition and user fees for lodging and food were introduced in 1992, but tuition fees were rolled back due to opposition. The dual track or parallel programme tuition started in 1997.

3.4.3.2 Management and administration in the Kenyan case study

Head of Administration

The chief administrator of HELB is a Chief Executive Officer.
**Type of administrative entity**

In Kenya, HELB is an autonomous body mandated to administer and provide loans, bursaries and scholarships to Kenyans pursuing their studies at HEIs (Otieno, 2004:76). Eight years after the HELB board was set up, a performance review found that the board had overcome some of the difficulties experienced by the previous system and could establish a Loan Disbursement and Recovery Unit. According to Albrecht and Ziderman (1991) cited in Otieno (2004:97):

“The Kenyan loan program has come a long way. From an institution registering a gross loss of over 103 percent it is currently one of the few functional loan programs in Africa (with the possible exception of the South African program) which has significantly reduced government dependence to about 50 percent of its disbursements, yet like most loan programs all over the world, it must overcome a number of obstacles, including raising enough funds to serve all of the qualifying claimants, thereby expanding access to higher education and ensuring real cost recovery while limiting debt burdens in a way that it will encourage borrowers to repay. While the current recovery rate is not good enough, it is a significant achievement in less than 10 years. Not only has the board been able to raise recoveries significantly, it has also reduced administration costs and procedures, including setting up an interactive Website. A tighter form of means testing will ensure that the loans serve the purpose for which the program was introduced, namely, to expand access to higher education through equitable distribution of available funds”.

The main function of HELB is to support students undertaking government- or self-sponsored programmes at Kenyan universities and also at other universities in East African countries recognised by the Kenya Education Commission (Otieno, 2004:76).

“One of the board’s major achievements was increasing the number of students funding at both public and private universities, through the board’s aggressive
campaign in recovering outstanding loans. The HELB board has made some progress towards limiting over-reliance on government funding”.

Not only has the board been able to raise recoveries significantly, it has also reduced administration costs and procedures, including setting up an interactive website for both beneficiaries and the general public. A tighter and stricter form of means testing was implemented aimed at ensuring that loans serve the purpose for which they were introduced. The main objective was to expand access to HE through equitable distribution of available funds.

**Main source of funding**

The Government is the main source of funding and main contributor to the fund. HELB receives about 50 percent of its funds from the Ministry of Finance (HELB Review 2002, as stated in Owino, 2003:12, 23, 25).

**Frequency of account auditing**

Information could not be found on this, although there is provision for annual account audit of the Fund.

**Methods of collection/legal enforcement mechanisms**

Parliament has made provision to allow HELB to access information from other government departments such as the tax authority. On the other hand HELP was established with weak or non-existent enabling legislation, and it was only when a semi-autonomous board was established that real enforcement powers came into being for collecting loans, including mandating employers to collect loans (Owino, 2003:32). The HELB works in
close cooperation and collaboration with the credit bureau and the government tax authority to encourage compliance and track down defaulters. In addition, HELB works together with the Kenya Revenue Authority (KRA) and the National Health Insurance Fund (NHIF) to recover loans by identifying loan recipients who are working in both the private and public sector and mandating them to repay funds owed. The Board also shares information with the National Social Security Fund and the Government Computer Centre. The SFSS programme in Kenya has explicit deferment options, implying that if a borrower finds employment while not earning a threshold salary, such a beneficiary has the option of paying back the loan without interest (Johnstone, 2003:10).

**Method of repayment**

Kenya has a fixed-schedule or mortgage loan repayment obligation. There is a 4 percent interest compounded from the time of loan origination. One-year grace period is given upon completion of studies. The employers are allowed to deduct loan repayments from their employees which is then remitted to the board. The allowable loan amount repayments should not exceed one-quarter of the borrower’s monthly salary (World Bank, 2010:85, 92-94).

**Initiation of payment**

All loanees are required to start repayment one year after completing their studies. Loan repayments could be suspended if the borrower becomes unemployed, has a salary that falls below the relevant threshold, or becomes disabled and unable to work. No interest is accrued during the period of loan suspension, although it begins to accrue again when repayment resumes. Contrary to this type of repayment system is that other loan programmes have limited deferment and forbearance options, which could force unemployed students into default (World Bank, 2010:92-94). Similarly, the restarted and reformed HELB could instruct any employer to deduct from wages an amount due on a
student loan, including student loans dating as far back as the 1950s that were essentially forgotten, both by the borrowers and by the government (Johnstone, 2003:10).

**Name of Loan Administration System**

None

**3.4.4 South Africa**

**3.4.4.1 Governance and organisational framework of the South African case study**

**The Model**

It could also be argued that South Africa has implemented a parent-centred model, since the ability to repay the loan and the priority fields of study determine the likelihood of getting a loan. The other criterion is that the beneficiaries’ families should not earn more than R122 000 per annum (Pillay, 2010:30).

**Name of Fund**

The South African fund is called the National Student Financial Aid Scheme (NSFAS) and was first established as a small scheme in 1991 (Pillay, 2010:29).

**Placement of Scheme**

The fund is managed and governed by a thirteen-member national board, which is the accounting authority answerable to the Minister of Higher Education and Training (Pillay, 2010:29).
According to Jackson (2002) as cited in Johnstone (2003:10), the NSFAS has the authority to compel employers to withhold student loan repayments owed by employees whose payments are in serious arrears, regardless of whether the repayment has been calculated on an income-contingent or some other basis.

**Student loan policies/programmes**

According to Johnstone (2003:9), the NSFAS is the most interesting African case, as it has built-in subsidies with a loan bursary feature that forgives up to 40 percent of the final accumulated loan indebtedness for the successful passing of 100 percent of the courses. The NSFAS is an income contingent loan scheme (ICL)-type loan repayment system (World Bank, 2010:94). The ICL is based on the promise to pay back a fixed amount contingent on the additional revenue generated by investing in HE. Notably, ICL operates as an insurance against loss of income, but induces costs that need to be shared within the cohort of graduates, which is referred to as risk pooling or, when transferred to taxpayers, as risk shifting. Risk pooling is a system according to which the cost of default is shared among graduates (De Bande & Vandenberghe, 2007:3).

NSFAS provided a combination of loans and bursaries to assist black disadvantaged students in apartheid South Africa. Since the democratic elections, the government has been committed to political, social and educational transformation and the eradication of racial, class and gender imbalances and inequities. NSFAS has since grown and transformed into a national scheme that has helped black students of academic ability but poor family background to finance their HE.

A better system has been implemented in the fund whereby support is given on the basis of need following the use of a means test that is administered by each HEI. The provision of loans through NSFAS is linked to future human resource needs, as projected by the various ministries from time to time, in order to ensure that the provision of human resources development is market related and demand driven. The approach is aimed at preventing
mismatching between the demand and supply of labour. A positive and motivating factor, especially in the case of South Africa, is that a student who passes his/her course the first time has 40 percent of the loan converted into a grant. Loan repayment is done through the employer and the tax administration system. Information on the operation of the scheme is available on a regular basis and is accessible online. The NSFAS system is interfaced and inter-linked to HEIs. There are various means in place for encouraging defaulters to pay their loans, while punitive measures are implemented in the form of penalty fees and through private debt collectors, the use of law enforcement offices and blacklisting, amongst others. The fund is administered as semi-autonomous agencies with a well-functioning board (Pillay, 2010:39).

Legal framework

NSFAS was established by an Act of Parliament, the National Student Financial Aid Scheme Act, (Act No. 56 of 1999). The Act allows the fund to access information from other government departments such as the tax authority. The loan scheme functions in terms of the NSFAS Act (1999), with the following mandate:

- To allocate funds for loans and bursaries to eligible students;
- To develop criteria and conditions for the granting of loans and bursaries to eligible students in consultation with the Minister;
- To raise funds;
- To recover loans;
- To maintain and analyse a database and undertake research for the better utilisation of financial resources;
- To advise the Minister on matters relating to student financial aid; and
- To perform other functions assigned to it by the Act or by the Minister (Pillay, 2010:29).
Cost-sharing policies

The loan interest rate varies according to the rate of inflation plus an additional 2 percent to cover administrative and long-term unemployment and default costs. The interest rates are compounded from loan origination and accrue even during times of unemployment or when salary is below the repayment threshold. The grace period is until the borrower is employed. Repayments by the borrower are made on an income contingent basis when the salary reaches R 30 000, with a maximum repayment rate of 8 percent of income, but starting at 3 percent and increasing by 1 percent for every R 6 600 above that amount. There is no maximum repayment period. The coverage reaches about 20 percent of the student population (World Bank, 2010:87).

3.4.4.2 Management and administration in the South African case study

Head of Administration

The NSFAS in South Africa is headed by a Chief Executive Officer as its chief administrator (Jackson, 2002:90 as cited in Woodhall, 2007:35). The NSFAS is governed by a national Board which is the Accounting Authority answerable to the Minister of Higher Education and Training (Pillay, 2010:38).

Type of administrative entity

The SFSS in South Africa is administered as an autonomous entity in terms of the NSFAS Act (RSA, 1999: 8).
Main source of funding

- Money appropriated by Parliament;
- Donations or contributions;
- Interest;
- Money repaid or repayable by borrowers; and
- Any other income received by the NSFAS (RSA, 1999:10)

Frequency of account auditing

The Office of the Auditor General audits the fund each financial year. It is a requirement that the Board receives the audited report within three (3) months, after the end of each financial year (RSA, 1999: 10).

Methods of collection/legal enforcement mechanisms

The loan repayments are recovered through the employer and tax administration system. Parliament allows the scheme to access information from other government departments such as the tax authority (RSA, 1999: 15, 16).

Method of repayment

The successful means-tested ICL has been implemented which is a system of loan repayment whereby funds are collected by employers from employees salaries and repayment is made through the tax office (Pillay, 2010:31).
**Initiation of payment**

The loan repayment starts as soon as the loan is granted, in other words repayment starts while the student is studying, within the first month of the first year of commencing study. The Fund therefore does not give any grace period to borrowers.

**Name of Loan Administration System**

The NSFAS has implemented SLMS as a database management system for administering its loans.
Table 3.1: Summary of administration and management of the student financial support schemes in Australia, Botswana, Kenya and South Africa

<table>
<thead>
<tr>
<th>GOVERNANCE AND ORGANISATIONAL FRAMEWORK</th>
<th>AUSTRALIA</th>
<th>BOTSWANA</th>
<th>KENYA</th>
<th>SOUTH AFRICA</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Model</td>
<td>Student-centred model</td>
<td>Independent student model</td>
<td>Parent-centred model</td>
<td>Parent-centred model</td>
</tr>
<tr>
<td>Name of Fund</td>
<td>Higher Education Loan Programme (HELP), replaced the Higher Education Contribution Scheme (HECS).</td>
<td>Botswana Student Replacement and Welfare (BSPW)</td>
<td>Higher Education Loan Board (HELB)</td>
<td>National Student Financial Aid Scheme (NSFAS)</td>
</tr>
<tr>
<td>Placement of scheme within government structures</td>
<td>HELP is jointly administered by the Department of Education, Science and Training (DEST) and the Australian Tax Office (ATO).</td>
<td>Department of Tertiary Education Financing within the Ministry of Education</td>
<td>Ministry of Education</td>
<td>Managed and governed by a thirteen (13)-member national board</td>
</tr>
<tr>
<td>Cost-sharing policies</td>
<td>• Cost-sharing is frequently advanced as though the student’s and the parent's (or family's) shares were theoretically and practically indistinguishable.</td>
<td>• Limited cost-sharing measures said to have been introduced in 2002-2003, along with efforts to improve the collection of loans</td>
<td>• Tuition and user fees for lodging and food introduced in 1992, but tuition fee rolled back due to opposition. Dual track or parallel programme tuition begun in 1997, especially at the University of Nairobi.</td>
<td>• Tradition of tuition fees and cost-sharing generally, although still resisted and complicated by issues of redress and planned institutional closures.</td>
</tr>
<tr>
<td>----------------------</td>
<td>---------------------------------------------------------------------------------</td>
<td>-------------------------------------------------------------------------------------------------</td>
<td>---------------------------------------------------------------------------------</td>
<td>---------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Student loan policies/programmes</td>
<td>• Revenue diversification is the implication within the HECS model whereby the parental contribution is no longer considered central as a cost-sharing strategy.</td>
<td>• Was under discussion but there was no operational student loan programme as of 2003.</td>
<td>• Comprehensive loan programme introduced in 1970s, but failed with virtually no cost recovery. Programme reinitiated in 1995 as HELB, with mandate for “near self-sufficiency”.</td>
<td>• Successful means-tested income contingent loan programme collected by employers. Reaching about 20% of student population. Interest is 2% real; repayment is 3-8% of income over threshold.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>MANAGEMENT AND ADMINISTRATION</th>
<th>Head of administration</th>
<th>Type of administrative entity</th>
<th>Main source of funding</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Chief Executive Officer</td>
<td>Part of Government</td>
<td>Australian Government Grants</td>
<td>Money appropriated by Parliament;</td>
</tr>
<tr>
<td></td>
<td>Director</td>
<td>Part of Government</td>
<td>Higher Education Endowment Fund (HEEF); Issuing of Government Bonds</td>
<td>Donations or contributions;</td>
</tr>
<tr>
<td></td>
<td>Chief Executive Officer</td>
<td>Autonomous</td>
<td>Government</td>
<td>Interest;</td>
</tr>
<tr>
<td></td>
<td>Chief Executive Officer</td>
<td>Autonomous</td>
<td>Government</td>
<td>Money repaid or repayable by borrowers; and</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Any other income received by the NSFAS.</td>
</tr>
</tbody>
</table>
| Frequency of account auditing | Required to produce annual reports on the operation of HECS. | Act makes provision for annual account auditing of the Fund | There is provision for annual account audit of the Fund. | • Audited by Auditor General each financial year.  
• The Board provides audit report within three months after the end of each financial year. |
|---|---|---|---|---|
| Methods of collection/legal enforcement mechanisms | • Loan recovered through employer and tax administration System  
• Parliament allows the scheme to access information from other government departments such as the tax authority | • Employer is legally bound to deduct from the wages or remuneration of the loanees.  
• The Student Loan Management System (SLMS) is implemented at the country’s embassies and foreign missions through Training Attaché | • Parliament allows the fund to access information from other government departments such as the tax authority | • Loan recovered through employer and tax administration system.  
• Parliament allows the scheme to access information from other government departments such as the tax authority. |
| Method of repayment | • ICL Scheme | • ICL Scheme | • ICL Scheme | • ICL Scheme |
| Initiation of payment | • After graduation and/or when the income threshold is reached. | • Loan portion of the scholarships is recoverable as soon as the beneficiary becomes employed | • All loanees are required to start repayment after a period of one year after completion of studies | • Loan repayment starts as soon as loan is granted. |
| Name of loan administration system | (None) | • Has implemented SLMS | (None) | • Has implemented SLMS |

In this section, the strengths and weaknesses of the four case studies will be discussed. The strengths and weaknesses are based on an analysis of Table 3.1.

3.5. The strengths and weaknesses which emanated from the four case studies

3.5.1 Strengths

Under HECS, students contribute about 20 percent of the average costs of HE. However, payment could be deferred until after graduation, when it would be collected through the income tax system as a percentage of the graduate’s earnings. On the other hand, graduate tax contributes to revenue diversification, making cost sharing politically smart, socially acceptable and economically feasible. More importantly, the graduate tax scheme, as implemented in Australia, ensures equitable access to students of any background, as there is no need to stipulate the income of the parents to arrive at the repayment amounts. A different approach to student financing involving ICL, implemented by Australia's HECS, has many advantages. The attraction of the scheme is that it is designed to avoid many of the problems associated with having loan repayments set on the basis of time only.

Firstly, given an efficient collection mechanism, there is no default issue as such for either the students or the government. That is, if the tax system works well and is used to collect the debt, it is extremely difficult for the vast majority of graduates to avoid repayment. There is a form of default issue in that some students may not pay back in full, since the ICL system is designed to excuse some former student’s repayments once their lifetime income becomes too low.

Secondly, since repayments depend on income, there should be no concerns by students with respect to incapacity to repay the debt, or hardships associated with repayments. Once an individual's income determines repayment, and as long as the repayment parameters are sufficiently generous, it is not possible to default or experience hardship due to incapacity to pay.
This is the critical practical advantage of the ICL collection scheme, as unlike any other schemes there is insurance against default and repayment difficulties.

Thirdly, there is no concern with regard to intra-family sharing, since the scheme is universal. There would not be students who are denied loan access through the imposition of means-testing arrangements that could exclude some whose parents or partners are unwilling to help. For an ICL scheme to be effective and operational it is essential that there is an efficient administrative collection mechanism.

In Botswana, the loan repayments go into a trust fund, not into general revenue, so that the university sector could benefit further in future. The study loans are disbursed directly to the HEIs to cover tuition fees and to the student to cover living expenses. A positive aspect of BSPW is that students who study in programmes for which there is a high critical skills shortage of personnel in the country are excused repayment of all the tuition fees and maintenance costs they owe. Similarly, if borrowers become unemployed they have to go through a formal assessment to get a 12-month deferral period. The importance placed on loan recovery and the quest for sustenance of the revolving fund in Botswana has necessitated the appointment of representative officials, called educational/training attachés, at most of Botswana’s foreign missions in order to collect loans from students living abroad.

Kenya has introduced reforms that include (a) increasing interest rates, enabling graduates to pay a positive real interest rate rather than a rate lower than inflation; (b) improving selection criteria through the development of effective tests of family income to identify the most needy students; (c) improving mechanisms for storing and processing data, including installation of computerised systems with specially developed software; and (d) improving loan collection mechanisms.

In South Africa, funding for the NSFAS operations is mainly through government contributions and donors; however, an increasing share of its financing comes from loan repayments by former beneficiaries who have graduated and are required to repay their loans. The allocation criteria are as follows:
NSFAS makes upfront payments to HEIs; HEIs may request up to 30 percent of their NSFAS budget in the first three months of the academic year to cover registration fees, food allowances and residence allowances.

Currently, NSFAS funding is, by virtue of the allocation to each HEI, limited to students whose family income is less than N$/R122 000 per annum.

Two criteria are used:

- NSFAS funding is dependent on the student being granted (and retaining) an academic place at a public HEI (as determined by the HEI) and
- NSFAS funding is dependent on determining the degree of financial need of the family of the student who has been granted an academic place at a public HEI.

The allocation to the institution is based on a formula that takes into account the full cost of study and the proportion of disadvantaged students at an institution.

There is a loan bursary split of 60:40 on successful completion of each year of study.

From April 2009, the interest rate was fixed at 80 percent of the ‘repo’ rate (the rate the central banks charge for loans to commercial banks) for the year.

Financial means testing and the administration of loans take place at the HEI.

Access for disadvantaged students to loans is based on means-tested and needs-based grants or scholarships, rather than being the sole form of student support with the combined loan-bursary provided under NSFAS in South Africa. NSFAS strives to ensure that it operates in an environment well informed of theory, and good practices. One of the success factors cited by Jackson (2002) as cited in Woodhall (2007:35) the first chief executive officer of the NSFAS, as a positive contributing factor to its success was the decision to make the repayment schedule ICL. According to him it would remain politically sensitive for not giving study loans to the most disadvantaged people. The non-punitive nature of NSFAS and ICL repayment terms has made the receipt of a loan rather than a grant somewhat more palatable to students and the public. NSFAS, being the youngest scheme in Africa, has acknowledged the influence of international experience and literature on its design and implementation strategy.
A Review Committee appointed by the new Minister of Higher Education and Training in 2009 assessed the strengths and shortcomings of NSFAS, measuring its performance against the applicable constitutional, policy, legislative and regulatory targets and considering the views of its major stakeholders. NSFAS plays a leading role in ensuring the success of the twin goals of widening access and expanding success in HE. In 2007 the Scheme made 153 272 awards of an average of N$/R11 483 each to 125 899 students. In 2007, N$/R341 million was re-invested into the scheme from repaid loans. Awards granted increased from 99 949 in 2002 to 140 901 in 2007. The number of students assisted increased from 86 147 in 2002 to 113 616 in 2007. Recovered funds increased from N$/R155 million in 2002/2003 to N$/R479 million in 2007/2008.

The main strength of NSFAS was found to be in terms of providing student financial aid, which creates access to HE for students who would otherwise not be able to afford to attend university. There is universal approval for the role NSFAS has played in broadening access for hundreds of thousands of students in the past decade. In the words of one institution: “NSFAS increases access and provides life-changing hope for students (Pillay, 2010:39) Both HEIs and students expressed appreciation that the allocation of funds to HEIs has grown considerably over the years, from N$/R441 million in 1999 to N$/R2 375 billion in 2008. The means test is regarded as a strength, as it helps identify students who qualify for financial aid; universities regard the ability of NSFAS to provide up to 20 percent of the institutional allocation as an upfront payment to assist institutions with their cash flow as a strength. The provision of loans at a lower rate of interest than commercial educational loans, coupled with the ICL nature of the loans, offers students a potentially affordable loan on favourable repayment terms. Linked to the contingent nature is the popular feature that NSFAS could convert up to 40 percent of a loan to a bursary, based on the academic performance of the beneficiary. About 15 percent of undergraduates in public institutions receive loans. The strength of NSFAS is that the Board is composed of intellectuals and individuals in possession of strong academic backgrounds, and the same applies to the administrative staffs, who are specialists in their respective fields, such as law and accounting. In the case of NSFAS the strength of the Board is that it boasts diverse representation, with the administrative staff possessing strong professional and technical skills.
Namibia has benchmarked its SFSS to that of South Africa, which is amongst the best administered SFSSs in Africa, if not the best. The fund has become self-sustaining in a very short period of time, from which Namibia as a country could learn about loan recovery, which is currently averaging 40 percent per annum. In view of these close historical ties between the HE systems of the two countries, it could be assumed that HE as well as NSFAS developments in South Africa could positively or negatively influence the NSFAF policies and operations in Namibia. South Africa has included flexibility in its scheme, which is web based and with the HE systems (Pillay, 2010:30).

3.5.2 Weaknesses

Evidence with respect to the Australian experience suggests that around 20 percent of the debt is uncollected, mostly because of the relatively low incomes of some former students.

Student loans in Botswana are disbursed in such a way that students are frequently unaware that they are incurring a real repayment obligation. However, in Botswana, with its fully deferred tuition fees, students never see any of the money, which may limit their understanding of their repayment obligations.

In Kenya, the rate of recovery has been low, since HELB has relied heavily on recoveries from graduates mostly employed in government, public enterprises, the Teachers’ Service Commission, and a few private companies, mostly because these known entities are easy to reach.

In South Africa the majority of students from poor families are still facing severe financial and educational barriers to entry and successful progression through HE in South Africa. Nevertheless, the NSFAS helped them to overcome these barriers by targeting some of the most disadvantaged students. Jackson (2002) cited in Teixeira et al. (2008:95) argues that “NSFAS should become sustainable so that future generations of students could equally benefit from the scheme in the same way current and previous borrowers have benefited”. The three suggested
key areas for NSFAS to remain sustainable, firstly, could be the ongoing capitalisation of the
scheme; secondly, innovative, efficient and resilient administrative systems; and, thirdly, the
recovery of the loan portion of the award from students and the recycling of these funds back
into the scheme in order to assist future generations of students. Even though the NSFAS scheme
is perceived to be working well, there are sceptics who doubt whether it could be replicated
elsewhere in Africa.

3.6 Conclusion

The conclusion of this study is that the financing of HE demands a multifaceted approach.
Economic thinking on education as investment, cost-sharing and income-contingent loans has
been influential, but the importance of politics, administrative and legal issues, and wider issues
of social policy should not be underestimated.

Therefore, it is concluded in this chapter that there are a variety of SFSSs in existence around the
world. There is certainly no government as yet satisfied that it has solved all the problems
summarised in this chapter and designed the most “ideal” system. In fact, there are still sceptics
who argue that SFSSs “do not work”, particularly in Africa. At the same time, the efficacy of
SFSSs does not necessarily require a privatised entity; even one that is a government-
administered entity could be workable and effective, provided that the necessary legislative
frameworks, policies, administrative systems and strategies are implemented. Some degree of
semi-autonomy to avoid too much political interference, legal power to obtain information useful
for its operation, and more resources are required to ensure the efficacy of the fund. Providing
loans at a lower rate of interest than commercial educational loans, coupled with the proper
repayment form of the loans, offers students a potentially affordable loan on favourable
repayment terms. The best practices and lessons in this study could be learned from
HECS/HELP in Australia, now in its 21st year, and the NSFAS in South Africa, set up by an Act
of Parliamentary in 1999, the National Student Financial Aid Scheme Act (Act No. 56 of 1999).
The two funds both employ a unique identifier, provide income-contingent loans with indexed
thresholds, have found ways to encourage disadvantaged students to pursue HE, provide incentives if loans are paid back up-front or expeditiously, and have found ways to encourage students to consider professions where there are human resource shortages. Furthermore, the two funds require universities to counsel students through student services and on-campus financial aid offices. The IT support systems are comprehensively used and interfaced through highly interactive websites with beneficiaries, HE and funding agencies for effective and efficient sharing of the required information. The countries believe they have created loan repayment programmes that are fair and that beneficiaries could cope with.

These SFSSs faces common administrative weaknesses, including a lack of adequate financial appraisal, forward planning, monitoring and evaluation, as well as inadequate targeting and failures of collection, which should be overcome. The efficacy of policy and reform strategies in the field of student finance and other areas could be successful, only if it is guided by international experience of good practice, and learning from what has worked well and from mistakes to be avoided. Good policies without and effective monitoring and evaluation system are bound to fail since efficiency and effectiveness in resources allocations and utilisation may not be achieve.

The next chapter will discuss the Namibian case under the same framework as used in Chapter 3.
CHAPTER FOUR

A CASE STUDY OF THE NAMIBIAN STUDENT FINANCIAL SUPPORT SCHEME

4.1 Introduction

This chapter provides an overview on the Namibia case study and its application to the study in relation to and in comparison with the other case studies as already discussed in Chapter Three. The main focus of the study will be discussed under two main areas, namely governance and organisational framework, and management and administration of SFSSs. Under the governance and organisational framework the study will give an overview of the statutory provisions of the fund, its mandate and its operational framework. In relation to the management and administration of the fund, the study will focus mainly on providing an overview of the day-to-day administration of the fund with regard to the fund’s administrative and functional responsibilities. In the end, the strengths and weakness of the NSFAF with regard to its governance and organisational framework and its management and administrative components will be discussed and evaluated.

The size of financial support and student coverage by the NSFAF, combined with the effectiveness of the implemented policy instruments, should determine the efficacy of the fund. This implies that a systems approach should be implemented to ensure efficiency and effectiveness in the administration of the fund.

Resource inputs consist of an adequate capacity or resources for policy design to achieve strategic policy goals. The adequacy of policy design and contents refers to feasible goals and action plans, consistent with a clear vision, with acceptable levels of benefits, costs and risks involved, including adequate fall-back contingency plans. Other resource inputs include adequate quantities and quality of financial, human, logistical and other resources to complete the job as required. Further input variables are labour, capital, materials and management. The analysis will
aim to identify best practices that are emerging as areas of perceived improvement in the areas of regulatory policy practices. 

The following section gives an overview of the NSFAF policy and its operational framework.

4.2 Case Study of the Namibia Student Financial Assistance Fund

According to the Ministry of Higher Education, Vocational Training, Science and Technology (MHEVTST,1998:14), the Public Service Bursary Scheme (PSBS) enabled 1 285 students in 1997 to access HEIs 1997 compared to 1 650 in 1998. Accordingly, the Government of the Republic of Namibia (GRN) considered it feasible to expand access by revising the PSBS into “a new Government SFSS, with emphasis on loans” (MHEVTST, 1999:21). The rationale was “broadening access and promote equity” in HE (MHEVTST, 1999:21). However, in terms of the implementation the idea of converting the bursary scheme into a loan has been considered successful. The available data for the period 1998 to 2008 shows that there has been exponential growth in loan allocation to students at HEIs in some regions of Namibia. According to the study by Matengu et al. (2009 b:34), some regions are benefiting more than others and, as a result, equity is not being achieved. Based on the data provided by the NSFAF, more than 26 000 students have so far benefited since the inception of the fund. This figure is very low in view of the fact that the combined number of students at the country’s HEIs and vocational training colleges (VTCs) is approximately 25 000 per year. Furthermore, it could be noted that not all beneficiaries actually graduated within the prescribed period of study. This could mean that dropouts and failures are not recorded, even though it is the MoE’s policy that, once a student fails, he or she forfeits the financial assistance unless the student pays for the following year and passes. In that case, the student could reclaim the loan. In terms of institutional allocation according to the data provided, the pattern shows that, over the years, most of the support has gone to University of Namibia (UNAM) and Polytechnic of Namibia (PoN) students, although undergraduates enrolled at the International University of Management (IUM) and at the VTCs have also been supported. This pattern may not necessarily suggest a certain type of favour towards certain institutions. Instead, as the policy states, “the award and allocation of funds is
based on what is needed compared to what is available, measured against what the institution concerned could accommodate” (Matengu et al., 2009 b:34).

According to Insight Namibia (2009:27):

Since its inception in 1997 up until 2008, the NSFAF awarded loans to 26,440 students, mainly in fields of medicine, law, science, engineering, agriculture, mathematics and education. By 2008 the fund had awarded loans amounting to nearly R/N$450 million. Although government allocated R/N$213 million to the NSFAF in 2007, a massive increase compared to the R/N$83 million allocation in 2006. The fund is estimated to have only covered about 15 000 of the 35 667 learners who wrote their final grade 12 exams in 2007.

4.3 Budget allocations to Higher Education Institutions

The investment in HEIs has increased steadily over the past ten years. The largest allocation to TI’s has been allocated to UNAM.

Table 4.1: below indicates the total annual budget allocations to UNAM and PoN from year 2000 to 2011.

Table 4.1: Total annual budget allocation to UNAM and PON since 2000

<table>
<thead>
<tr>
<th></th>
<th>R/N$ (IN MILLION) UNAM</th>
<th>R/N$ (IN MILLION) PON</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000/2001</td>
<td>115.84</td>
<td>144.09</td>
</tr>
<tr>
<td>2001/2002</td>
<td>140.92</td>
<td>75.29</td>
</tr>
<tr>
<td>2002/2003</td>
<td>133.87</td>
<td>89.93</td>
</tr>
<tr>
<td>2003/2004</td>
<td>196.14</td>
<td>84.12</td>
</tr>
<tr>
<td>2004/2005</td>
<td>198.59</td>
<td>85.2</td>
</tr>
<tr>
<td>2005/2006</td>
<td>189.99</td>
<td>81.8</td>
</tr>
<tr>
<td>2006/2007</td>
<td>199.22</td>
<td>85.58</td>
</tr>
<tr>
<td>2007/2008</td>
<td>210.17</td>
<td>98.9</td>
</tr>
<tr>
<td>2008/2009</td>
<td>402.27</td>
<td>116.89</td>
</tr>
<tr>
<td>2009/2010</td>
<td>319.09</td>
<td>152.89</td>
</tr>
<tr>
<td>2010/2011</td>
<td>429.42</td>
<td>173.52</td>
</tr>
<tr>
<td>2011/2012</td>
<td>541.00</td>
<td>208.88</td>
</tr>
</tbody>
</table>

Source: Iyambo; 2011:6
4.4 Namibia Student Financial Assistance Fund

The investment in TE has increased significantly since 2008 giving more learners access to higher education. The fund supports students in tertiary institutions both at home and abroad.

In 2011 MoE could only assist 7 454 students out of 11 100 aspirant applicants.

Table 4.2: below indicates the trends in the NSFAF budget allocations from 1999 to 2011.

<table>
<thead>
<tr>
<th>YEAR</th>
<th>R/N$ MILLION</th>
<th>NUMBER OF STUDENTS BENEFICIARIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999/2000</td>
<td>33</td>
<td>1392</td>
</tr>
<tr>
<td>2000/2001</td>
<td>36</td>
<td>1109</td>
</tr>
<tr>
<td>2001/2002</td>
<td>39</td>
<td>2479</td>
</tr>
<tr>
<td>2002/2003</td>
<td>40</td>
<td>2722</td>
</tr>
<tr>
<td>2003/2004</td>
<td>41.36</td>
<td>3032</td>
</tr>
<tr>
<td>2004/2005</td>
<td>50.87</td>
<td>3268</td>
</tr>
<tr>
<td>2005/2006</td>
<td>55.59</td>
<td>1584</td>
</tr>
<tr>
<td>2006/2007</td>
<td>55.45</td>
<td>3905</td>
</tr>
<tr>
<td>2007/2008</td>
<td>56.10</td>
<td>1628</td>
</tr>
<tr>
<td>2008/2009</td>
<td>213.62</td>
<td>3562</td>
</tr>
<tr>
<td>2009/2010</td>
<td>213.77</td>
<td>4302</td>
</tr>
<tr>
<td>2010/2011</td>
<td>224.42</td>
<td>5487</td>
</tr>
<tr>
<td>2011/2012</td>
<td>296.63</td>
<td>7454</td>
</tr>
</tbody>
</table>

Source: Iyambo; 2011:7
4.5 Regional allocation of study loans

Namibia is divided into thirteen administrative regions, in line with the principles of decentralisation. These regions are:

- Caprivi
- Erongo
- Hardap
- Karas
- Kavango
- Khomas
- Kunene
- Ohangwena
- Omaheke
- Omusati
- Oshana
- Oshikoto
- Otjozondjupa
Figure 4.1 below illustrates the student loan allocations per region, including Namibian students studying outside the SADC.

**Figure 4.1: Regional allocation of funds and support to Namibian students studying outside the SADC region in 2007**


The high allocation (23%) to the Khomas Region could be attributed to the fact that it is resource-endowed and that it has many secondary schools, with a relatively high number of its learners qualifying to study at HEIs. In addition, the proximity of learners in Khomas to the NSFAF, mechanisms for information dissemination and general access, among others, may contribute to the enablement of students to apply for study loans. However, regions like Kavango and Ohangwena might have fewer secondary schools, although they have many learners. In fact, according to the Southern and Eastern Africa Consortium for Monitoring Educational Quality (SACMEQ), the Kavango Region has the highest number of schools (313 schools, with 62 441 learners) in the country (Matengu *et al.*, 2009b:37). The comparison would demonstrate that the
population sizes in these regions (202 694 in Kavango and 228 384 in Ohangwena) are not very different from the population of Khomas (250 262). However, if the low number of loan allocations to other regions is attributable to the fact that they are resource poor, then something could be done to ensure and to enhance regional equity. At the same time, the human resource component in terms of service provision should not be ignored, as it could ultimately affect access with equity.

The fundamental principle being followed is that the allocation of funds to the regions is based on a fixed quota system with estimates calculated of the number of Grade 12 learners in proportion to all Grade 12 learners. According to Matengu et al. (2009b:35), the biggest share of the funds goes to the Khomas (23%), Oshana (17%), Omusati (13%) and Oshikoto (10%) regions. The Caprivi Region occupies fifth position in terms of the greatest share of loan allocations and awards to students. Geographically, this seemingly uneven allocation could be the result of several factors. Firstly, it could be that these regions have the largest number of secondary schools. Secondly, the academic performance in these regions could be higher than in other regions, which enables more students to qualify for admission to HEIs, as per Figure: 4.2.

The diagram (See Figure 4.2) illustrates the thirteen administrative regions in which Namibia is divided.

**Figure 4.2: Loan allocations by region (1998-2006)**

Source: Matengu et al., 2009b:36
What could be noted from the above figure is that, in terms of total awards, the Khomas, Omusati and Oshana regions received the highest number of awards across all disciplines. When considering the period from 1998 to 2008, the pattern of allocations does not change, except that, on average, Oshana is second to Khomas in terms of the share of financial resources awarded to individuals by region and discipline. The same could be true for the regions of Karas, Kunene, Ohangwena, Kavango, Otjozondjupa and Omaheke, which receive the lowest number of awards and smallest share of financial resources by discipline.

Conceptually, it could be assumed that the information in Figure 4.3 is indicative of regional academic strengths in various disciplines. What should be noted is that behind these disciplines are subjects taught by teachers using comparable or even the same syllabi.
The trend in loan allocations by study field would determine Namibia’s development strategy. Namibia, through Vision 2030, envisages that, by 2030 and through her own efforts, the country would have achieved living standards similar to those of developed countries. For any country to develop, it should have highly qualified and competent human resources in certain priority professions and key occupations. However, inasmuch as all fields of study are essential for the development of a country such as Namibia, there are fields of study that are fundamental pillars for economic growth and social development. Those are the disciplines that are commonly referred to as the science and technology fields.
Figure 4.4 below shows that there has been an enormous cumulative investment in education, engineering, architecture and ICT.

**Figure 4.4: Number of students awarded loans by fields of study (1998-2006)**

Source: Matengu et al., 2009 b:39
Table 4.3 shows the actual number of awards across disciplines and funds allocated per region per study field for the year 2006/2007.

Table 4.3: Regional quotas and awards per field of study

<table>
<thead>
<tr>
<th>Region</th>
<th>Agriculture and Sciences</th>
<th>Veterinary</th>
<th>Medical/Paramedics</th>
<th>Nursing/Social Work</th>
<th>Education and Culture</th>
<th>Education Sports and Technology</th>
<th>Accounts, Business and Economics</th>
<th>Law</th>
<th>Tourism, Conservation and Communication</th>
<th>Computer Science and Technology</th>
<th>Architecture and Technology</th>
<th>Engineering</th>
<th>Administration</th>
<th>Number of Awards</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Caprivi</td>
<td>11</td>
<td>10</td>
<td>15</td>
<td>30</td>
<td>6</td>
<td>6</td>
<td>12</td>
<td>22</td>
<td>33</td>
<td>145</td>
<td>1,674,274</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hardap</td>
<td>1</td>
<td>2</td>
<td>-</td>
<td>10</td>
<td>1</td>
<td>3</td>
<td>9</td>
<td>4</td>
<td>2</td>
<td>32</td>
<td>372,380</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Karas</td>
<td>3</td>
<td>7</td>
<td>5</td>
<td>13</td>
<td>4</td>
<td>4</td>
<td>8</td>
<td>6</td>
<td>9</td>
<td>59</td>
<td>646,030</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kunene</td>
<td>-</td>
<td>6</td>
<td>-</td>
<td>1</td>
<td>-</td>
<td>4</td>
<td>-</td>
<td>5</td>
<td>1</td>
<td>17</td>
<td>202,756</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Erongo</td>
<td>2</td>
<td>14</td>
<td>-</td>
<td>22</td>
<td>3</td>
<td>4</td>
<td>9</td>
<td>9</td>
<td>15</td>
<td>78</td>
<td>964,686</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Oshikoto</td>
<td>9</td>
<td>25</td>
<td>17</td>
<td>51</td>
<td>3</td>
<td>7</td>
<td>24</td>
<td>27</td>
<td>29</td>
<td>192</td>
<td>2,180,576</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ohangwena</td>
<td>5</td>
<td>8</td>
<td>13</td>
<td>9</td>
<td>-</td>
<td>7</td>
<td>5</td>
<td>16</td>
<td>6</td>
<td>69</td>
<td>752,988</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ommusati</td>
<td>21</td>
<td>26</td>
<td>31</td>
<td>38</td>
<td>1</td>
<td>10</td>
<td>26</td>
<td>18</td>
<td>22</td>
<td>193</td>
<td>2,093,472</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Oshana</td>
<td>14</td>
<td>33</td>
<td>33</td>
<td>44</td>
<td>2</td>
<td>11</td>
<td>32</td>
<td>34</td>
<td>28</td>
<td>231</td>
<td>2,577,450</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kavango</td>
<td>13</td>
<td>23</td>
<td>9</td>
<td>31</td>
<td>4</td>
<td>9</td>
<td>19</td>
<td>16</td>
<td>19</td>
<td>143</td>
<td>1,579,940</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Otjozondjupa</td>
<td>6</td>
<td>6</td>
<td>4</td>
<td>19</td>
<td>3</td>
<td>2</td>
<td>6</td>
<td>9</td>
<td>16</td>
<td>71</td>
<td>865,792</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Omaheke</td>
<td>-</td>
<td>2</td>
<td>1</td>
<td>5</td>
<td>1</td>
<td>1</td>
<td>3</td>
<td>2</td>
<td>3</td>
<td>18</td>
<td>203,922</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Khomas</td>
<td>16</td>
<td>34</td>
<td>16</td>
<td>81</td>
<td>11</td>
<td>18</td>
<td>34</td>
<td>32</td>
<td>43</td>
<td>285</td>
<td>3,324,092</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign</td>
<td>-</td>
<td>3</td>
<td>-</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td>2</td>
<td>14</td>
<td>218,462</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sub-Total</td>
<td>101</td>
<td>199</td>
<td>144</td>
<td>357</td>
<td>41</td>
<td>87</td>
<td>189</td>
<td>201</td>
<td>228</td>
<td>1547</td>
<td>17,656,820</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixed Quotas</td>
<td>50</td>
<td>250</td>
<td>910</td>
<td>-</td>
<td>-</td>
<td>16</td>
<td>-</td>
<td>1,110</td>
<td>-</td>
<td>2336</td>
<td>16,865,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grant Total</td>
<td>151</td>
<td>449</td>
<td>1054</td>
<td>357</td>
<td>41</td>
<td>103</td>
<td>189</td>
<td>1,311</td>
<td>228</td>
<td>3,883</td>
<td>34,521,820</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: MoE Annual Report, 2006/07:47
It can be observed from Table 4.3 that some regions are not benefiting equally from the Fund in proportion to the number of Grade 12 learners graduating from those regions. A properly designed regional quota would ensure that all regions benefit equally from their allocated quotas for regional equity.

Furthermore, agricultural development is one of the pillars of developing economies, but additional data (See Figure 4.5) shows that funding in this field has been modest. However, with the soon to be established School of Veterinary Sciences at UNAM, it is expected that the current trend would improve and subsequently be reversed.

Figure 4.5: Total awards by discipline in 2007

Source: Matengu et al., 2009b:40

Geographical and regional considerations in the loan allocation per discipline are that, according to the procedure put in place by the NSFAF, applicants are awarded funding for the field of study for which they apply. Accordingly, if potential students from Kunene Region, for instance, do
not apply to study medicine, they would not be awarded funding in that discipline even if they qualified.

Figure 4.6 shows the annual loan recovery rate from 1997 to 2009 and also illustrates the annual loan recovery rate within the period indicated. However according to Forojalla (1993:xi-xii), the rationale for applying any cost recovery programme is that it should be directed towards those levels of education where the potential savings would be greatest and where the impact on student and parental welfare would be felt the least.

Figure 4.6: Loan recovery rate (1997-2009)

Source: MoE, NSFAF, 2010
Table 4.4 indicates the amount recovered against the total amount allocated, the amount recovered, the recovery rate and the total number of beneficiaries per financial year.

Table 4.4: Total amount recovered (1997-2010)

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount allocated (R/N$)</th>
<th>Amount recovered</th>
<th>Recovery rate</th>
<th>No. of beneficiaries</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997/98</td>
<td>19,221,211.23</td>
<td>857,289.32</td>
<td>4.5</td>
<td>3,272</td>
</tr>
<tr>
<td>1998/99</td>
<td>32,872,544.19</td>
<td>968,936.00</td>
<td>2.9</td>
<td>5,743</td>
</tr>
<tr>
<td>1999/00</td>
<td>29,710,261.00</td>
<td>5,606,264.00</td>
<td>18.9</td>
<td>4,455</td>
</tr>
<tr>
<td>2000/01</td>
<td>32,031,739.91</td>
<td>1,249,514.93</td>
<td>3.9</td>
<td>4,760</td>
</tr>
<tr>
<td>2001/02</td>
<td>32,198,683.37</td>
<td>752,040.00</td>
<td>2.3</td>
<td>5,976</td>
</tr>
<tr>
<td>2002/03</td>
<td>37,980,948.65</td>
<td>817,853.39</td>
<td>2.2</td>
<td>5,283</td>
</tr>
<tr>
<td>2003/04</td>
<td>53,635,726.07</td>
<td>752,671.30</td>
<td>1.4</td>
<td>5,632</td>
</tr>
<tr>
<td>2004/05</td>
<td>60,680,464.00</td>
<td>3,235,486.00</td>
<td>5.3</td>
<td>9,111</td>
</tr>
<tr>
<td>2005/06</td>
<td>83,665,346.08</td>
<td>2,538,586.88</td>
<td>3.0</td>
<td>6,986</td>
</tr>
<tr>
<td>2006/07</td>
<td>77,586,144.23</td>
<td>3,958,940.96</td>
<td>5.1</td>
<td>8,054</td>
</tr>
<tr>
<td>2007/08</td>
<td>89,935,935.06</td>
<td>4,144,978.48</td>
<td>4.6</td>
<td>8,914</td>
</tr>
<tr>
<td>2008/09</td>
<td>112,935,534.00</td>
<td>5,742,926.65</td>
<td>5.1</td>
<td>9,955</td>
</tr>
<tr>
<td>2009/10</td>
<td>225,734,770.95</td>
<td>172,559.40</td>
<td>2.7</td>
<td>11,050</td>
</tr>
<tr>
<td>2010/11</td>
<td>224,420,000.00</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grand Total</td>
<td>1,112,609,308.74</td>
<td>36,798,047.31</td>
<td>62.0</td>
<td>89,146</td>
</tr>
</tbody>
</table>

Source: Indongo, 2010

Table 4.5: Number of written-off cases

<table>
<thead>
<tr>
<th>Financial year</th>
<th>No. of cases</th>
<th>Amount written off</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005/06</td>
<td>30</td>
<td>376,685.43</td>
</tr>
<tr>
<td>2006/07</td>
<td>8</td>
<td>77,631.23</td>
</tr>
<tr>
<td>2007/08</td>
<td>7</td>
<td>959,277.64</td>
</tr>
<tr>
<td>2008/09</td>
<td>11</td>
<td>210,342.78</td>
</tr>
<tr>
<td>Grand Total</td>
<td></td>
<td>1,623,937.08</td>
</tr>
</tbody>
</table>

Source: Indongo, 2010
Table 4.6: Files redeemed through recovery (2003-2009)

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of files</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>30</td>
<td>395,795.71</td>
</tr>
<tr>
<td>2004</td>
<td>61</td>
<td>877,271.81</td>
</tr>
<tr>
<td>2005</td>
<td>63</td>
<td>1,196,961.61</td>
</tr>
<tr>
<td>2006</td>
<td>66</td>
<td>1,399,574.04</td>
</tr>
<tr>
<td>2007</td>
<td>88</td>
<td>1,236,764.00</td>
</tr>
<tr>
<td>2008</td>
<td>94</td>
<td>1,551,163.79</td>
</tr>
<tr>
<td>2009</td>
<td>93</td>
<td>1,753,243.77</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td><strong>495</strong></td>
<td><strong>8,410,774.73</strong></td>
</tr>
</tbody>
</table>

Source: Indongo, 2010

From tables 4.1 and 4.2 it is clear that the MoE has made a huge investment in widening access to HE through NSFAF financial support. According to Table 4.3 a total of 89 146 loanees benefited from NSFAF funding that entered HEIs. However, the increase in government funding and the slight increase in loan recovery could have enable NSFAF to expand its pool of funding. The financial demand on the scheme continues to exceed the available financial resources. The undesirable situation could be re-dressed by identifying a new, steady stream of funding involving funding by various entities such as the GRN, the private sector and the donor community. The need for adequate funding has been clearly identified as an important leg in the building of Namibia’s human resources capacity, including its social and economic development.

The trend is now established in terms of more and more funding aimed at meeting the needs of scarce skills in the country’s economy being offered through the fund to attract students to fields such as teaching, social work, medicine, engineering, accounting and actuarial sciences, information technology and science, among others. It has been observed that the response from both the GRN and the private sector to address the human resources development towards reducing skills gap in the country has been inadequate, while the challenge for the inadequate NSFAF funding and the inadequate capacity of HEIs remains a concern. In many instances it is
difficult to identify the most suitable candidates for the scarce skills loans, and this arises from a range of reasons. Clearly, the schooling system in Namibia is not yet producing sufficient numbers of Grade 12 learners with strong foundations in mathematics and science, while questions around basic numeracy and literacy hinder many young people’s ability to enter higher levels of education in the post-Grade 12 phase.

4.6 Private and public enterprise spending on education

Investing in skills development by the private sector has been satisfactory. It is observed that most of the money spend in providing scholarships and bursaries for young Namibians is mainly covered by the public purse. In 2006, the MoE, through NSFAF, was assisting more than 6 900 students with study loans totalling R/N$83 million. According to Insight Namibia (2008:28), even with that level of investment from the State, many potential students would still struggle to find funding for HE. Meanwhile, student fees are continuously increasing, while more and more students drop out of courses because of their inability to maintain their tuition payments.

The top 20 profit-making companies in the country were requested to provide information on the number of bursaries they grant annually and how much it costs each of the companies (Insight Namibia, 2008:28). On the basis of the information provided it was found that there was little correlation between the profits being made by these companies and the amount they spent on educating Namibians. Of the 20 companies approached, only ten responded. The most impressive response was from Rössing Uranium (now Rio Tinto), even though the company was not among the most profitable companies identified in 2007. In 2008, this mining company provided 62 ordinary bursaries, 69 bursaries for employees’ children, and 151 apprentice bursaries. This includes students specialising in technical subjects at vocational training centres. In total, Rio Tinto spent R/N$24 million on educational assistance in 2007, or 2.4 percent of their profit of R/N$979 million after tax for that year. The figure of R/N$24 million does not include the R/N$48 million that was donated to the Rössing Foundation. The Foundation also provides educational support and opportunities for many Namibians.
In 2007, Bank Windhoek (a commercial bank) gave bursaries to eight students to study at UNAM and four to study at the Polytechnic of Namibia. Together, these bursaries cost Bank Windhoek R/N$180 000, or 0.1 percent of the Bank’s after-tax profit. Namibia Breweries, a subsidiary of the Olthaver and List (O&L) group of companies, is also in the same range, spending R/N$136 000 on supporting students, or 0.05 percent of their R/N$169 million after-tax profits in 2007. Standard Bank (Commercial Bank) gives two annual bursaries to UNAM art students, five to students at the Rundu College of Education and nine to staff members interested in furthering their studies.

Other major companies, like Mobile Telecommunications Ltd (MTC), the Trustco International Group of Companies (Trustco), and Commercial Investments Corporation (CIC) (Pty) Ltd, did not respond to the request. Old Mutual was planning to start their scholarship scheme in 2009. The company aims to educate about 10 Namibians annually at an estimated cost of about R/N$400 000. Despite focusing on scholarships, it is important to note that some companies do make donations directly to educational establishments. As an example, the Pupkewitz Group donated R/N$10 million to the Polytechnic of Namibia’s School of Business Management in 2010. The money would be used to enhance the quality of education on offer at the school. The provision of HE is not only the responsibility of the GRN, but also of other stakeholders. The table below illustrates the level of bursary allocations by the private sector.
Table 4.7: Level of bursary allocations by the private sector

<table>
<thead>
<tr>
<th>Company</th>
<th>Profit after tax, in million N$</th>
<th>Contribution to bursaries in 07</th>
<th>Percentage of profit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank Windhoek</td>
<td>163</td>
<td>N$ 180 000</td>
<td>0.1</td>
</tr>
<tr>
<td>Standard Bank Namibia</td>
<td>169</td>
<td>N$ 100 000</td>
<td>0.05</td>
</tr>
<tr>
<td>Namibia Breweries</td>
<td>121</td>
<td>N$ 136 000</td>
<td>0.1</td>
</tr>
<tr>
<td>Rossing Uranium</td>
<td>979</td>
<td>N$ 24 million</td>
<td>2.4</td>
</tr>
<tr>
<td>MTC</td>
<td>337</td>
<td>Did not respond</td>
<td></td>
</tr>
<tr>
<td>First National Bank</td>
<td>304</td>
<td>Did not respond</td>
<td></td>
</tr>
<tr>
<td>NedNamibia</td>
<td>40</td>
<td>Did not respond</td>
<td></td>
</tr>
<tr>
<td>Trustco</td>
<td>30</td>
<td>Did not respond</td>
<td></td>
</tr>
<tr>
<td>CIC</td>
<td>16</td>
<td>Did not respond</td>
<td></td>
</tr>
<tr>
<td>O&amp;L</td>
<td>27</td>
<td>Employees only</td>
<td></td>
</tr>
<tr>
<td>Oryx Properties</td>
<td>55</td>
<td>Did not respond</td>
<td></td>
</tr>
</tbody>
</table>

Source: Insight Namibia, 2008:29  **Pre-tax profits

4.6.1 Public enterprise spending on education

Skills development should not only be the preoccupation of the GRN, but it should be expected that all stakeholders in the Namibian economy contribute accordingly. The Namibia/DeBeers (Namdeb) mining company spends R/N$3 million annually on bursaries and scholarships. The figure amounts to one per cent (1%) of their R/N$305 million after-tax profit. Although the bulk of bursaries are awarded for studies in mining-related fields, Namdeb also grants bursaries in the fields of education and accounting.

Namibia Telecommunication (PTY) LTD (Telecom) spent R/N$8.7 million on education in 2007, but only about R/N$1.9 million went to external bursary holders. The rest of the funds were used to fund further studies by the company’s existing electronic engineers and IT technicians. In the same year, Telecom had 32 external bursary holders. The parastatal forked out the highest in terms of percentage in relation to their profits, namely 7.6 percent of their after-tax profit of R/N$114 million. However, only 1.6 percent of profits was spent on non-employees.
The Namibia Power Utility Company (NamPower) spent 1.5 percent or R/N$2.5 million of its profits on providing educational opportunities. The power utility currently supports 68 bursary holders as well as eight disabled students. The energy utility also supports 15 vocational trainees every year (Insight Namibia, 2008:28). The Namibia Ports Authority (Namport), TransNamib and Namibia Airports Company (NAC) did not respond to a request for this information. Namport shut down its bursary fund three years ago, while the Road Contractors Company (RCC), Civil Engineering Construction Company, also seemed to be scaling down its number of bursaries, as the company currently only has one person benefiting from its scheme – a considerable drop from 25 beneficiaries in 2003. The table below illustrates the level of bursary allocation by the State Owned Enterprises (SOE) and their contribution to HRD.

Table 4.8: Bursary allocation by public enterprises

<table>
<thead>
<tr>
<th>Company</th>
<th>Profit after tax, in million N$</th>
<th>Contribution to bursaries in 2007</th>
<th>Percentage of profit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Namdeb</td>
<td>305</td>
<td>N$ 3 million</td>
<td>1</td>
</tr>
<tr>
<td>NamPower</td>
<td>145</td>
<td>N$ 2.5 million</td>
<td>1.5</td>
</tr>
<tr>
<td>Telecom</td>
<td>114</td>
<td>N$ 1.9 million</td>
<td>1.6</td>
</tr>
<tr>
<td>Namport</td>
<td>11</td>
<td>Did not respond</td>
<td></td>
</tr>
<tr>
<td>TransNamib</td>
<td>17**</td>
<td>Did not respond</td>
<td></td>
</tr>
<tr>
<td>Namibia Airports Company</td>
<td>11</td>
<td>Did not respond</td>
<td></td>
</tr>
<tr>
<td>RCC</td>
<td>6</td>
<td>Stopped offering</td>
<td></td>
</tr>
<tr>
<td>Nampost</td>
<td>22</td>
<td>Stopped offering</td>
<td></td>
</tr>
<tr>
<td>DBN</td>
<td>41**</td>
<td>Employees only</td>
<td></td>
</tr>
</tbody>
</table>

Source: Insight Namibia, 2008:29  **Pre-tax profits

4.7 Resource challenges

The enormous expansion of funds under administration in recent years necessitated NSFAF to move away from the manually intensive process currently under implementation. There is a great need to automate and computerise its operations. From this perspective, the undertaking by the MCA to implement a computerised database system and equip the secretariat with the most appropriate equipment should be seen as a step in the right direction (Pillay; 2010:2).
Concurrently, the MoE has awarded a tender to acquire the services of a consulting firm to assess the current situation in order to implement the most appropriate database system. As indicated by Namwandi (2010), the process of manual filing is still continuing. The process is cumbersome and awkward and the subdivision responsible for entering the information has a staff complement of nine (9) officers. According to Namwandi, the subdivision is understaffed and does not possess the right skills. On an annual basis, a staff member deals with 2 000 to 3 000 or more student files on average. The ideal situation would be that each staff member handles 250 files per year. The staff makes use of the Microsoft Word and Excel software packages, which are inadequate and not suitable for the capturing and manipulating of data of this nature. Currently, student files are scattered in and amongst staff members’ offices due to a lack of adequate and proper and/or secure designated storing space, as can be seen from the picture depicting the manual filing system (see Figure 4.13). The risk involved is that student files could easily become lost or misplaced.

The current skills profile of staff in the NSFAF is Grade 12, with experience at the administrative level. From closer investigation, the key skills component of the job would require advanced accounting skills beyond Grade 12, since NSFAF officials are required to monitor and reconcile bank statements, update files, including advising the Board on a monthly basis. This is especially true of those officials responsible for recovery (G. Besser, personal communication, 2010). The increasing demand placed on the Fund together with the need to offer services more efficiently has necessitated Cabinet directives and guidelines requesting that the NSFAF complement its work force with professional and specialist staff possessing the requisite knowledge and skills. The section that follows is a study of the NSFAF legal framework and its application to the case study.
4.7.1 Governance and organisational framework of the Namibia case study

The Model

The model adopted by NSFAF could be considered as a compromising model, since parents are expected to contribute to the education of their children. Means testing is carried out, with the main consideration for receiving a loan being the parental income (MoE, 2005:2).

Name of Fund

The SFSS in Namibia is called the Namibia Student Financial Assistance Fund (NSFAF), (GoN, 2000: 2).

Placement of Scheme

The fund is being administered wholly as part of Government, as a Division in the MoE under the Directorate of Finance and Administration (GoN, 2000:4)

Legal Framework

The NSFAF and its operations were approved in 1996 and implemented with effect from January 1997. Ultimately, the Namibia Student Financial Assistance Fund, (Act No. 26 of 2000) serves as a legal instrument and as a legal framework overseeing the administration and implementation of the fund.
At independence, Namibia had a big demand for trained public servants. As a result of this need, a public service bursary scheme (PSBS) was created with the main purpose of training people to work solely in the public service. However, when the ethnic-based administrations were consolidated into one government, the demand for new recruits in the public service decreased significantly. This development rendered the PSBS irrelevant. Meanwhile, the demand for financial assistance to students with no inclination to work in the public service increased dramatically. Different proposals, which could allow government to continue addressing the human resource needs of the country above and beyond the service requirements of the public service, were considered. In 1996 Cabinet decided to do away with the PSBS and replace it with the NSFAF. The latter became operational in January 1997. The Namibia Student Financial Assistance Fund Act, (Act No. 26 of 2000), which governs the Fund, ultimately came into force in 2000. What was previously awarded as a bursary has now been transformed into a loan. The contract conditions between the beneficiaries of the loan and the Fund were deemed not to be effective in bringing about improvements in the administration of the loan, including the recovery of the loans. To offset this shortcoming, Cabinet reviewed, amended and approved changes to this Act through Cabinet decision No. 16th/18th.09.07/002. Some of the proposed changes likely to be implemented under the new bonding agreement between the GRN and beneficiaries of the NSFAF would be set at the ratio of 90 percent grant and 10 percent loan for all bonded beneficiaries. Those not bonded were set at the ratio of 50 percent grant and 50 percent, and those bonded were set at 10 percent loan and 90 percent grant (MoE, NSFAF, 2007a:1).
Figure 4.7 illustrates the staff complement of the NSFAF Secretariat, the staff members and their job designations. The total staff complement for the NSFAF Division is currently 29, as per the approved organisational structure.

Figure 4.7: Approved establishment of the NSFAF Division
Source: Bailey, 2010

The Board is appointed by the Minister of Education, with the main objective to serve as the chief administrator of the fund. The NSFAF Board consists of five board members. They meet on a quarterly basis and serve for a period of three years (Pillay, 2010:3).

Appendix A provides an overview of the organisational structure of the entire Ministry of Education Source: (MoE, 2010).

The MoE consists of four departments. The NSFAF Division in the MoE falls under the Directorate of Finance.
Cost-Sharing Policies

The fund gives one hundred percent loans. The loans currently cover what are considered one hundred percent of the education costs (tuition fees, accommodation, meals, transport and books). There is some evidence that the students are dissatisfied with the amounts allocated for the non-tuition items such as meals (Pillay, 2010:24).

Student Loan Policies/Programmes

The NSFAF pays student loans/grant monies directly through to the HEIs or the provider of services. Currently, no cash payments and/or cheques are issued to students directly, except in cases of contingency/emergencies.

In terms of the loan/grant contract, the beneficiaries are required to submit semester and/or annual academic/training results to the Fund. Loans/grants would be suspended and the students would have to repeat the semester or year at their own cost if they failed of in situations where a student has attained unsatisfactory results. Change of fields of study should be applied for in writing to the NSFAF and permission is subject to approval by the Permanent Secretary as delegated by the Board. Failure to observe these requirements would amount to a breach of contract. Should approval be granted for changing a course due to failing, the loan/grant would be suspended. Payment would only resume if the student is registered for the following academic year. Exceptional cases such as ill health or a change of majors (as long as it does not prolong the agreed timeframe for completion of the course) may be considered, otherwise the beneficiary will have to bear responsibility for the cost of any repetition of study years (MoE, 2005:6).

Change of field of study and/or institution will be considered on merit only once during the course of study. Should such change affect cost, the amount already paid on behalf of the student would be deducted from the new allocation. Requests for paying private accommodation will only be considered in exceptional cases where the fund has done an investigation and concluded that there is really a need to grant such support. Students/debtors should inform the NSFAF in
writing in cases and situation where changes are made in their surnames/ID numbers/first names/addresses, etc.

Whenever savings are accrued from money paid by the Fund to a beneficiary during the course of study, such savings would be returned to the Fund and would be deducted from the beneficiary’s loan/grant. Institutions are required to update the beneficiaries’ account and forward such information to the Fund.

By applying a means test, NSFAF provides a financing opportunity to students who do not have (sufficient) finances of their own or who may not be able to procure loans from financial institutions in the private sector.

The main objective of NSFAF is that it is used, *inter alia*, to:

- Serve to enhance regional equity in access to HE;
- Encourage students to enrol in certain (priority) fields of study, some of which are studies abroad; and
- Channel donor funding for studies.

The loan allocations per study field reveal that NSFAF has underpinned a clear shift towards the fields of engineering, architecture and technical study (with an increase from 6.6 percent of all loans in 2000 to 31.7 percent in 2001, after which it varied and reached a share of 29.3 percent in 2005). Study fields experiencing the biggest reductions are education, culture and sport (down from 45.6% to 30.2%), accounting and administration (Pillay, 2010:3-4).
4.7.2 Management and administration in the Namibia case study

**Head of Administration**

The Deputy Director serves as the chief administrator of the fund. The NSFAF Board consists of five board members who meet on a quarterly basis and their period of service is three years (Government of Namibia, 2000:4).

**Type of Administrative entity**

The NSFAF is fully government owned and is administered as a government entity and as a juristic person (Government of Namibia, 2000:4).

**Skills composition of the Board**

The board is represented by the Attorney General’s Office (AGO), the Bankers Association, the National Council for Higher Education (NCHE) and retired educational directors. In other words, the background, expertise and skills composition of the current Board is Law, Banking, HE and representation from former educational managers who are now retired (Republikein, 2009:1).

**Main source of funding**

The Government provides the required funding as part of operational and developmental purposes for the running and administration of the NSFAF in line with the NSFAF Act (Government of Namibia, 2000:9).
**Frequency of account auditing**

The Board is required to prepare an annual statement together with a report by the Auditor General on the past financial year’s activities within six months after the end of each financial year (Government of Namibia, 2000:9).

**Methods of Collection/Legal Enforcement Mechanisms**

The Subdivision responsible for Loan Recovery and Breach of Contracts in the MoE deals with the recovery of loans from the NSFAF beneficiaries upon completion of their studies and upon securing employment. Beneficiaries are expected to begin repaying their loans once six months has lapsed since the successful completion of their studies.

The Recovery Subdivision uses the following mechanism in tracing and locating debtors.

- Letters of demand are written to debtors after the first notification has been issued (sixty days thereafter a final demand is issued) according to addresses given in the application and contracts;
- Debtors are also traced through telephone and cellular phones, as indicated in the application form, as well as using telephone and business directories;
- The Attorney General’s Office (AGO) plays a role in the recovering of loans when debtors fail to fulfil their obligations;
- A list is prepared for the Government Attorney that contains all the information, contact details as well as signed contract;
- The AGO then takes over the responsibility of tracing debtors and making them pay, or takes legal action against defaulters;
- Money collected through the AGO is forwarded to the Fund and paid into the NSFAF bank account; and
• It is the Fund’s responsibility to update and acknowledge the payment received through the AGO.

Over the years, the Subdivision has encountered problems in the recovery of loan monies from the NSFAF beneficiaries as a result of the following factors:

• Lack of employment opportunities for students who have completed their studies;
• Postponements of loan repayments due to further studies;
• The tendency amongst debtors of changing their addresses, telephones and other relevant contact details without notifying the Fund;
• Lack of a sense of social responsibility and appreciation amongst the beneficiaries after completing their studies;
• NSFAF beneficiaries lacking information on the operation of the Fund; and
• Manual recording system and lack of human resources with relevant skills, which negatively affect the operation of the Fund.

According to Besser (2010) the fund is intensifying its efforts and is devising the most appropriate tracing strategies and mechanisms with the AGO. Since the money involved is GRN funds, the fund is only allowed to work through the AGO. According to Besser (2010) the AGO charges are R/N$250 per file. In the current financial year (2010/2011), R/N$3,6 million has been budgeted for the purpose of tracing defaulters. Due to delays and problems related to the non-payment to HEIs, it has emerged that MoE transfers funds timely to cover student fees at HEIs. The delay in payment could be attributed to the students not providing all the required personal document and having outstanding documents, such as unreturned loan contracts, no proof of registration and outstanding examination results.

The AGO has the legal mandate to enforce and demand payment from loanees. Once a student file has been handed over to the AGO, the employer of the loanee is also informed about the situation for immediate action to be taken by them.
Methods of repayment

The repayment conditions are a mixture of the mortgage-type and the mandatory income-contingency repayment type. The NSFAF is a loan/grant scheme that was designed to replace the PSBS, whose purpose was to train people to work solely in the public service. Shortly after independence, the demand for new recruits in the public service decreased significantly following the integration of the various ethnic-based administrations into one national government. Hence the PSBS lost its relevance. In the meantime, the demand for financial assistance by students was on the increase. The Cabinet therefore decided to replace the PSBS with NSFAF, which would allow the Government to continue addressing the human resources needs of the country in general, beyond the needs and requirements of the public service. NSFAF was approved in 1996 and was implemented with effect from January 1997. Ultimately, the Namibia Student Financial Assistance Fund, Act No. 26 of 2000 (Government of Namibia, 2000) came into being and the NSFAF became operational (MoE, 2005:1).

Overall, the establishment of a revolving fund has been one of the major objectives of the student financial support programme in Namibia. The sustainability of the fund could only be possible once full recovery of loans is realised. However, with the low recovery rates, the notion of self-sustenance could not become practical due to several factors. Factors that are decreasing government outlay for the loan programme are a rapid increase in student enrolment, and hence an increasing demand for financial support, unemployment and the high morbidity due to the HIV and AIDS pandemic (Otieno, cited in Owino, 2003:71). A second aspect of the loan scheme that impedes the realisation of the revolving fund is the bursary component. Besides constraining the flow of funds to the programme, it also poses the question of equity. In Namibia only study loans are awarded; bursaries and scholarships are a result of development cooperation between Namibia and other friendly countries. Since the very poor constitute a high percentage of university students, it implies that even those who do not deserve bursaries finally benefit. It is therefore necessary that the means-testing instruments are used to minimise benefiting those who do not deserve loans and bursaries, which is by itself a means of promoting equity. In addition, in
the case of Namibia, cost recovery could be fully achieved if loans continue to take up a significant portion of the available funds, i.e. one hundred percent loans. However, with the new cabinet directive aimed at providing 90 percent grant and 10 percent loan, which would be applicable to the priority fields of study, this approach is aimed at bonding loanees upon completion of their studies. This approach is aimed at reducing the financial burden on the loanees, while at the same time securing their employment upon completion of their studies (NCHE; 2009:11). However, these proposed new developments could contradict the study currently under way by Millennium Challenge Account (MCA), which seeks, amongst others, to implement that NSFAF offer through three products: (1) means-tested subsidised loans (70%); (2) non-means-tested priority area loans (20%); and (3) means-tested priority area scholarships (10%). It is anticipated that the same study would recommend that bonding be abolished. The loan programme was designed to promote equity in HE. However, the process by which the loan programme could contribute to ensuring equity in HE is quite beyond the means of the Fund in so far as the whole country is concerned. This could be because university education in Namibia disproportionately benefits children from more affluent families, who themselves went to the best primary and hence secondary schools. Addressing such inequalities would be necessary right from the primary level of education (Pillay, 2010:6).

Figure 4.8 illustrates the amount of loans recovered from 1997 to 2009.

![Figure 4.8: Amount recovered (1997-2009)](source: Indongo, 2010)
Table 4.9 provides a summary of the governance framework for management and administration of the NSFAF for the Namibian case study. The last section of the chapter will focus on the strengths and weaknesses of the Fund.

The section that follows gives an overview on the process and the different steps followed when applying for loans.

The loan application forms become available in August of each year at Namibia Senior Secondary Certificate Ordinary or Higher Level (NSSC O/H) schools, education regional offices of the MoE and at the NSFAF office and other institutions of HE. The closing date for all applications is 31 October of each year. Late applications are not considered.

The Selection Committee has the main responsibility of screening all applicants against the requirements of HEIs. The Selection Committee consists of representatives of key ministries, assisted by specialists in a particular field. The Constitution of the NSFAF makes provision for the establishment of a selection committee. The required selection criteria are applied by putting regional quotas and priority fields of study onto a matrix (MoE, 2005:4).

The Selection Committee consists of representatives from:

- The Ministry of Education;
- The Office of the Prime Minister;
- The National Planning Commission;
- The Ministry of Labour;
- The University and Polytechnic of Namibia;
- The International University of Management;
- The Namibia National Students Organisation (NANSO);
- Specialists per field of study (employer); and
- Offices/Ministries/Agencies (O/MA/s).
All applications received on time are acknowledged and presented to the Selection Committee for initial screening and consideration. The recommended applications are then submitted for approval to the Permanent Secretary or responsible official appointed by the Board. Similarly, appeal applications from students who were unsuccessful during the initial selection (January/February) may be considered during March/April of each year. Applicants with outstanding or pending documents would be immediately turned down by the committee. Notices/results for all the successful students are issued and displayed on their respective local HEI’s notice boards, while the information is simultaneously made available at the NSFAF offices (MoE, 2005:4).

Once a student is awarded a loan/grant, she/he is required to approach the MoE within two months or 60 days from the date of notice in order to enter into an agreement. It is also required from the students to affix their most recent passport photos on their loan/grant agreement forms. Students would automatically forfeit their offers if they fail to enter into loan/grant agreements within the prescribed period of time (MoE, 2005:4).

The two main principles for awarding financial support to students are based on regional quota allocations, namely the region in which the student wrote his/her first Grade 12 examination, and on the basis of priority of the field of study. The regional quota is based on the principle of awarding loans to a certain proportion of Grade 12 students in a particular political region as a percentage of all Grade 12 students enrolled in an academic year. The principle is aimed at ensuring the equitable distribution of funds to all political regions, and guarantees that many more students would have access to funding than in the past. The former bursary scheme was focused primarily on training people for the public service, which was already oversubscribed. Giving priority to certain fields of study enabled the Government to spearhead fields where the need for qualified staff is greater in terms of fulfilling Namibia’s human and economic development needs, or where economic growth would create more employment opportunities (MoE, 2005:1).
Once the loan beneficiaries have completed their studies, they would be required to fulfil their social responsibility and obligation of contributing to the Fund by repaying their loans.

Priority areas as per the bonding agreement require that each O/M/As submit the list of its priority fields of study. These are studies to be pursued by the beneficiaries of GRN financial assistance at the ratio of 90 percent grant and 10 percent loan to the MoE on an annual basis. However, practically, very few O/M/As are aware of this requirement with the exception of the Ministry of Health and Social Services and Ministry of Agriculture amongst others. Lack of proper guidelines and harmonised policy renders disharmony in staff training and development at O/M/A’s level.

The priority fields of study in which loans should awarded are the following:

- Teacher education majoring in Mathematics and Science, English and Computer Science;
- Medicine, Nursing and related sciences;
- Agriculture and Veterinary science;
- Natural science, Computer Technology and Information Technology;
- Engineering and related fields, including Energy, Mining and Architecture;
- Communication, conservation, tourism, hospitality and information science; including teacher education in these fields;
- Law;
- Economics, commerce and accounting, including teacher education in these fields;
- Police and strategic studies;
- Public administration and personnel management;
- Humanities, Social Work, including teacher education in these fields; and
- Cultural, sport and art including teacher education in these fields, (MoE,2005:5).
When repayment starts

Loan repayment starts when a period of six months has passed after the beneficiary has completed his/her studies, provided the beneficiary has found employment. The other requirement is that the beneficiary should be earning a threshold salary. A loanee is required to repay the loan if he/she has not completed his/her studies but has committed breach of contract. The other provision is when the loanee has negotiated or accepted different terms under the loan/grant agreement or he/she has received another loan/bursary outside the agreement (MoE, 2005:5).

The requirement is to repay the loan portion plus interest at half the prime rate in instalments of at least 15 percent of gross annual income minus tax and pension contribution. The maximum period for repayment must not exceed three times the number of years for which the debtor received the loan. The debtor may pay more than the minimum amount required, and so redeem the debt sooner. The debt is transferable to an employer, on condition that the amount is to be paid to the Fund within 30 days of acceptance of the arrangement. Proof of such arrangement should be submitted to the Fund.

In cases where a beneficiary is unable to find employment within six months of completing the course, he or she must inform the NSFAF in writing in order to receive a written extension of repayment. Loan holders who fail to commence their studies are obliged to repay the money so committed with interest. Instalments would be affected by the prime rate either on a monthly, quarterly, half-yearly or annual basis, and may be paid in arrears or advance to suit the debtor. The capital amount plus interest determines the instalment. “A debtor who is not earning a threshold (non taxable) salary at his/her discretion may offer to pay back the loan without interest. This is also applicable to debtors whose six months grace period has not lapsed yet” (MoE, 2005:9). Repayment could be made by debit order (through bank deduction), stop order (salary deduction), or through any other approved institution (MoE, 2005:9).
The Subdivision Loan Recovery and Breach of Contract of the NSFAF determines the instalment that would be payable by the beneficiary. The same Subdivision would then communicate such information to the beneficiary and the HEI authorised to receive the fees. The NSFAF Act (GoN, 2000:9) provides that legal action may be instituted if employment information provided by the debtor is deliberately misleading or is intended in any way to avoid compliance with the obligation under his/her loan/grant contract.

Furthermore, “[m]onies payable to the NSFAF under loan/grant contract are paid at half the current prime interest rate”. Interest is calculated from the date repayment is due. “If the beneficiary in any way fails to honour his or her term of contract, the full commercial interest rate (would be applied as opposed to the half prime interest rate offered to other NSFAF beneficiaries)” (MoE, 2005:8).

The NSFAF Board may decide to suspend the repayment of a loan if:

- The debtor becomes unemployed;
- The debtor’s annual earnings fall below the relevant threshold amount;
- The debtor becomes ill/mentally ill and is declared unfit for work for a period longer than three months by a registered medical practitioner; and
- The debtor dies, in which case all liability for refunding of monies would lapse, provided a breach of contract did not occur before the event of death (MoE, 2005:7).

When a loan is suspended, interest would not accrue to the loan; however, when repayment resumes, interest will also apply.

It is important that, at regular intervals, the MoE undertakes an assessment to discover the impact of the NSFAF on the beneficiaries and on loan repayment mechanisms, as well as to find out why some beneficiaries find it difficult to repay their loans. The Social Impact Assessment as a tool is used in assessing the impact of a policy or programme on individuals, groups or society as a whole. In this case, the focus is on the NSFAF and how the fund is achieving its set of intended
objectives. According to Dietz (1987) as cited in Cloete (2006:260), social impact can be defined as “a significant improvement or deterioration in the people’s well-being or a significant change in any aspect of community concern”. Accordingly, social impact is intangible phenomena that cannot always be measured directly and hence the importance of using indicators for a specific purpose. Indicators include subjective and objective indicators (Dietz, 1987 as cited in Cloete 2006:260-261). Subjective impacts include those results or perceptions interpreted or perceived by those affected, while objective impacts include those that could be measured objectively and directly, whether the affected audience agrees with them or not. The emphasis placed on subjective as well as objective impact indicators implies interactive impact assessment procedures. This is necessary in order to combine objective data on the changes brought about by the policy project or programme with the subjective experiences, impressions and opinions of the target groups involved in these processes (Dietz, 1987 as cited in Cloete 2006:260-261).

Furthermore, observable impacts could be measured and assessed directly by using various quantitative and qualitative techniques. An indicator is a measuring instrument that is used to give concrete, measurable but indirect value to an otherwise immeasurable, intangible concept (Miles, 1989 as cited in Cloete 2006: 261).

In order to understand the organisational and administrative setup of the Fund, what follows is an overview of the governance structure of the Fund in terms of its operational and functional responsibilities as established and provided for within the framework of the MoE.

**Name of Loan Administration System**

The NSFAF is currently using a manual filing system, while the information is captured mainly in Word and Excel, as shown in Figure 4.9.

The Loan Award Subdivision is responsible for the advertisement of loans and scholarships. It is the same Subdivision that handles loan applications and their screening for selection. Other
functions of the subdivision are the convening of selection committee meetings and ensuring that loans are awarded in line with the set criteria based on regional quotas, and that they are in line with the priority fields of study. Other responsibilities are those of ensuring that the loanees’ needs are attended to, and serving as a liaison between the MoE, HEIs and loanees. According to the Policy, the award and allocation of funds are based on what is needed compared to the available funds, measured against what the HEIs can accommodate.

In terms of the amounts of funds spent on loans thus far, it is obvious that the amount allocated for financial assistance to students has been increasing, which shows commitment by the GRN to invest in human resources development (see Figure 4.9).

Figure 4.9: Actual R/N$ (million) spent on student loans (2000–2006)

Source: Matengu et al., 2009b: 35

The NSFAF provides financial assistance by way of loans only to needy (full-time not part-time) Namibian students at recognised HEIs in accordance with the following requirements:
• Financial assistance is granted to cover tuition, text books, registration fees and related educational expenses/costs at rates as may be determined and approved by the NSFAF Board from time to time.

• Financial assistance relating to accommodation, meals, transport, maintenance, etc. is offered only to students in selected fields of study of high priority as determined by the Board from time to time.

• Financial assistance is offered only to students whose combined parental/guardian annual earnings/gross salary does not exceed R/N$150 000 (basic salary plus allowances and other benefits minus income tax and pension fund contributions). Exceptions can be made in cases where parents/guardians are already paying for other children at any other recognised HEIs. In both situations, proof thereof would be required.

• Financial assistance offered to students on the basis of the regional quotas is meant to ensure fair distribution to students from all political regions.

• Financial assistance is only considered for first-degree studies at universities, and for certificate, diploma or first-degree courses at polytechnic, college and vocational training and health centres. Financial assistance is not given to students pursuing courses outside Namibia that are offered in Namibia. If and when such an exception is made, only the local rates would be applied.

• Financial assistance is provided to students pursuing studies in the SADC in specified fields of study at rates determined by the NSFAF Board from time to time.

• Financial assistance to students pursuing studies in the SADC is offered only on condition that the applicant provides evidence or commitment indicating ability to cover the difference in fees should the NSFAF rate be less than the total study costs.

• The NSFAF policy makes provision for funding only for undergraduate studies and not for postgraduate studies, except for students granted assistance in the form of scholarships offered by friendly governments and/or international organisations through co-operative agreements with the Government of Namibia.

• Students on scholarships receive loans only for air tickets and stipends.
• Payments for air tickets for students to come to Namibia to do practical training/research can only be paid upon approval of such a request, which should be received in writing from the Institution and the student after the Ministry/company concerned has accepted the student for practical training/research.

• Students returning to Namibia from foreign countries after completion of their studies could be assisted with excess luggage fees for unaccompanied weight up to 20 kg (kilogram) only.

• Students who are going for studies to foreign countries on their own or on scholarships obtained privately are not assisted by the Fund, except when they apply for scholarships offered by that country through the NSFAF and are selected. If such students are not selected and apply for financial assistance from the Fund in the form of a loan, the SADC rate would apply if the loan is approved.

• Payment could only be affected once the contract is signed.

To be eligible for NSFAF assistance, the applicant should be:

• A Namibian citizen;
• In good health;
• Have been admitted to/registered for the course which he/she has applied for (proof of admission); and
• Have obtained a Grade 12 or equivalent qualification or Grade 10 certificate in the case of vocational training.

The following documents should accompany the application:

• Birth certificate and/or Namibia Identification Document;
• A verified statement of parental income and/or if unemployed, a declaration made before a Commissioner of Oaths by the parents themselves;
• The final examination results for NSSC O/H and/or academic record; and
• Proof of registration/admission to an approved/recognised institution of HE.

The offer for financial assistance may be approved only when all required information and documents have been submitted.
Table 4.9: Summary of the Namibian case study

<table>
<thead>
<tr>
<th><strong>Governance and Organisational Framework</strong></th>
<th><strong>Namibia</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>The Model</strong></td>
<td>Some kind of compromising model, since parents are expected to contribute to the education of their children</td>
</tr>
<tr>
<td><strong>Name of Fund</strong></td>
<td>Namibia Student Financial Assistance Fund (NSFAF)</td>
</tr>
<tr>
<td><strong>Placement of Scheme</strong></td>
<td>Part of Government and administered by the MoE under the Directorate of Finance and Administration as a Division (as shown in Appendix B).</td>
</tr>
<tr>
<td><strong>Legal Framework</strong></td>
<td>NSFAF was approved in 1996 and was implemented with effect from January 1997. The Namibia Student Financial Assistance Fund, Act No. 26 of 2000, oversees the operations of the fund.</td>
</tr>
<tr>
<td><strong>Cost-sharing Policies</strong></td>
<td>The fund gives 100 percent loans. The funding formula is outdated and the NCHE is in the process of formulating a new funding formula for HEIs.</td>
</tr>
<tr>
<td><strong>Student Loan policies/programmes</strong></td>
<td>The NSFAF pays student loans/grant monies directly to the institution or the provider of services.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Management and Administration</strong></th>
<th><strong>Namibia</strong></th>
</tr>
</thead>
</table>
| **Head of Administration** | Deputy Director  
| | NSFAF Board consists of five board members.  
| | They meet on a quarterly basis and their duration of service is three years. |
| **Type of administrative entity** | Fully government owned and administered (as shown in Appendix B). |
| **Skills composition of the Board** | AG's Office, Bankers Association, NCHE and retired educational directors |
| **Main source of funding** | GRN |
| **Frequency of account auditing** | The Board is required to prepare an annual statement together with a report by the Auditor General on the financial activities within six months after the end of each financial year. |
| **Methods of Collection/Legal enforcement Mechanisms** | The AGO has the legal mandate to enforce and demand payment from loanees |
| **Method of repayment** | The repayment conditions are a mixture of the mortgage-type and the mandatory income-contingency repayment type. |
| **When repayment starts** | A period of six months has lapsed since the student has completed his/her studies;  
| | He or she has found employment;  
| | He or she is earning a threshold salary; and  
| | He or she has not completed his/her studies but has committed breach of contract; or has negotiated or accepted different terms under the loan/grant agreement or he/she has received another loan/bursary outside of the agreement. |
| **Name of Loan Administration System** | Currently using manual filing system (as shown in Figure 4.13)  
| | Information is mainly captured in Microsoft Word and Excel |

Source: NSFAF ACT (2000:8-9); NSFAF Policy (2005:1,7); Pillay (2010:3-5).
In this section the strength and weaknesses of the Namibian case study will be discussed. The strength and weaknesses are based on an analysis of Table 4.8 discussed earlier on a previous page.

The section that follows will highlight some of the identified strengths and weaknesses in the Namibian case study.

4.7.3 Strengths and weaknesses of the Namibia case study

**Strengths**

Namibia has a well-defined Act, Policy, Selection Committee and a functional Board. Namibia is a country with a small population, with strong support and commitment from the government for funding HE. There are many reforms currently under way in HE and its regulatory framework, such as the implementation of the funding formula by the NCHE, the Namibia Training Authority (NTA) and the Namibia Qualification Authority (NQA), which could further strengthen the operational framework of NSFAF and provide better funding options for HE.

Improvements could still be made, since the NSFAF was established at a time when many Student Financial Support Schemes in Sub-Saharan Africa and the world over were busy reforming their SFSSs, from which Namibia could still learn. The NSFAF has inbuilt checks for ensuring that regional equity is achieved; however, disparities between rural and urban schooling negatively affect the final output.

**Weaknesses**

The absence of a National Human Resources Plan is seen by the MoE as a major obstacle to the development of enrolment planning with emphasis on ‘priority skills’ for the HE sector. The absence of a Human Resource Plan could derail proper human resources planning and the effective utilisation of resources, since it is not clear whether what is being allocated is in line with the developmental priorities of the country. An HR plan would give effect to the
most appropriate policies and strategies for HRD. Some critical issues identified with respect to the role of the MoE in HE including inadequate staffing, inappropriate structures in relation to functions, and the absence of an HE Information System, which hampers effective planning.

Even though the funding allocation to the NSFAF has been increasing over the past few years, with the intention to benefit more students, in the absence of an improved and higher loan recovery rate the fund cannot benefit more students and would remain unviable and unsustainable in the long run. There are marked inefficiencies in the processing and awarding of loans through the NSFAF, which go beyond the computerisation of the Fund. The main problems concerning the NSFAF are related to targeting, administration, recovery, bonding and the funding formula to allocate resources between the tuition and non-tuition components.

The NSFAF does not have an electronic database for recording loan beneficiaries at HEIs and tracking loan recovery. The NSFAF has inadequate skilled human resources. Furthermore, the NSFAF does not have a computerised or database system for ease of access faster processing of information and for proper record keeping. Currently, one staff member handles approximately 3,000 files per year. The fund does not have an online system that links the HE and the NSFAF. Currently, loanees cannot apply online and neither is the NSFAF decentralised to the thirteen administrative regions of the country, accept to the Khomas region where the Fund is located. The administration and processing of loans is done from Windhoek (Khomas region).

Student records are not accessible online for the loanees to access their loan records. There are no provisions that enable loanees to apply from HEIs and where some of the functions could be performed such as the means testing and applications could be processed. The NSFAF is not widely marketed to all regions especially rural schools. There is marked delay in the transfer of funds from the MoE to the HEIs. This situation results in delays in submitting the required documentation when applying for loans. The delay in the transferring of funds is attributed to the inadequate information provided by students with regard to their loan application and the subsequent delay in the granting of loans. The state of affairs is
further exacerbated by the manual system whereby student files are administered, as the personal documents of the loanees are easily lost and/or misplaced. In the absence of a proper funding formula that is adjustable to annual inflation, the cost of education will remain unaffordable for many potential and prospective students. On the contrary, HEIs adjusts their fees by 10 percent annually, while loan values have not been reviewed or adjusted over the past years. The disparity between the tuition fees and the loan allocation per study field makes HE unaffordable to many students and could cause a financial burden for their parents.

Figure 4.10 illustrates the current manual filing system that is currently used by the MoE as a way of storing student records. The current system is considered outdated and risky, since student records are easily lost and even misplaced.
Figure 4.10: The manual filling system in use by the NSFAF

Source: (Compiled by Author, 2010)
4.8 Conclusion

An overview of the governance, administrative and management framework of the MoE and NSFAF was provided. The chapter provided the findings of the case study within the context of the NSFAF operational framework. The organisational framework of the NSFAF was evaluated, including the NSFAF policy and its regulatory framework. The methods and the current system for awarding study loans, their recovery as well as the current tracing mechanisms have been evaluated. From the case study analysis it is concluded that the NSFAF is experiencing inadequate operational infrastructure, under-capacitated personnel and inadequate legal enforcement mechanisms for proper loan disbursement and loan recovery, rendering the NSFAF ineffective and inefficient. The consequences of the highlighted shortcomings and weaknesses in the NSFAF administration will limit the growth and expansion of the revolving fund, as well as limit the fund from becoming more feasible and achieving some level of sustainability. Furthermore, the fund would continue depending on the GRN for funding, which is costly and could render it vulnerable in the future.

It can be concluded that, although policy products as the main objectives of governmental activities are the primary foci of policy management assessment, management process assessment is just as crucial. This often entails an evaluation of the way in which resources or systematic inputs have been converted into policy outputs and outcomes. Contrary to popular belief, there are also crucial normative elements inherent in management process assessment. Very often, performance assessments are undertaken only with regard to outputs or outcomes or the policy conversion process. Focusing on sustainability necessitates that both policy products and processes be subject to a systematic, integrative monitoring and evaluation system. The next chapter is the concluding chapter for the case study and will provide the overall conclusions and recommendations of the study.
CHAPTER FIVE

CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

Chapter Five serves as the concluding chapter of the case study. In this chapter a number of conclusions and policy recommendations based on the findings of the study are made as feasible policy options for the development of an ideal SFSS in Namibia. The conclusions and recommendations are firstly informed by the analysis of the comparative case studies on Australia, Botswana, Kenya and South Africa. Secondly, the conclusions and recommendations are informed by the outcomes of the analysis of the findings of the case study on Namibia. Thirdly, they are informed by the theoretical framework on public policy. The conclusions and recommendations are made on the basis of the Namibia case study and pertain to its governance and organisational framework, including the management and administrative features of the NSFAF.

5.2 Conclusion of chapters

Chapter One provided the introduction, background and research methodology of the case study. Furthermore, the chapter outlined the relevant historical development of Namibia’s education system, policies or social factors that have had an impact on educational development and contributed to education reform in Namibia. An overview was provided of the pre-independence era with regard to a historical perspective on education. The chapter highlighted the many educational reforms that have been undertaken and the accompanying relevant statutory provisions that have been made and implemented since the country’s independence in 1990. Despite rigorous reform in education since 1990, the impact of policies could not have an immediate effect due to many years of disparities within the education system, the segregation of the education system and ethnic considerations imposed by the previous dispensation prior to Namibia’s independence. The effect on human resources development resulted in career choices that were racially biased, job specific and
narrow in scope. Since independence, education was considered as one of the main priorities of the GRN, with strong financial support from the political leadership of the country. This commitment was evident in the continued financial allocation to the Ministry of Education, which received the highest allocation after independence. Education became increasingly recognised as a basic human right of every Namibian, as confirmed and enshrined in the Namibian Constitution.

Furthermore, the background to the study provided an overview of the different policy instruments and policy directives that the GRN implemented as reform initiatives and strategies within the education system. The National Development Plans, starting with the Transitional National Development Plan soon after independence, served as the first policy instruments for education reform and national development. Other reform initiatives in education relate to the adoption of international perspectives and practices, and membership of international bodies aimed at education reform in Namibia. Finally, the chapter provided the background to and research methodology of the study, the statement of the problem, the research objectives, the significance of the study, the methodology and a clarification of terms.

Chapter Two emphasised the need for the study, the nature of the study, the problem statement, the research methodology and the limitations of the research. This was done in view of the importance of the research problem. The components of the chapters are an overview of the policy-making process by providing the theoretical framework of public policy; and the public policy monitoring instrument for monitoring policy impacts. The MPI was identified as a public policy monitoring instrument that could only contribute to improved policy performance and increased effectiveness of policies if the results of the MPI are fully accepted and are seriously considered by policymakers. People in organisations and/or public officials might resist policy changes if the implementation framework and relevant mechanisms for policy change are not developed properly. When policy change is engineered, the public policymakers could be confronted with many possible options and strategies. In addition, the origins and development of frameworks for policy analysis over the past years point to the increased need for specialised information in changing societies for
evidence-based decision-making. The theory and literature provided an overview of the relevant policies and legislative framework for education in Namibia.

The importance of policy implementation has been highlighted as part of the policy process, since the interaction between policy-making and policy implementation is often very complex. For effective policy implementation it is essential that potential problems are considered in advance and that appropriate procedures should be incorporated into the programme.

With regard to policy evaluation, it should extend to other considerations, such as whether there are strong contenders for resources elsewhere in the organisation and whether the present policy and its format merits priority and/or whether it should be downgraded, and/or even terminated. The difficulty could be that a rigorous evaluation process requires significant commitment of resources. It is expensive in terms of both time and money, yet it is not an activity that could be avoided or done in a half-hearted manner and it is critical that senior managers support these efforts with the necessary financial support.

Public policy monitoring is the process used to generate information about the causes and consequences of public policies. It attempts to understand past and present policy actions based on factual requirements. When information about policy actions is converted through monitoring into information about policy outcomes, problems situations are experienced. Problem situations are those systems of interdependent problems that are subsequently converted through problem structuring into a policy problem.

Overall, public policy monitoring is considered a policy-analytic procedure aimed at producing information about the causes and consequences of public policies. It is found that policy monitoring is central to policy analysis. Specifically, monitoring enables analysts to describe relationships between policy programme operations and their outcomes. In one sense, monitoring is simply another name for efforts to describe and explain public policies. As such, monitoring represents a way of making designate claims about past and present policy actions, and is concerned with establishing factual premises about public policy.
The other component of the chapter was the provision of an overview of the Namibian context with regard to HRD, in relation to Namibia’s short-, medium- and long-term development strategies. Foremost in the policy instruments are the Namibia Constitution, Vision 2030 and the National Development Plans. Vision 2030 is a long-term planning process and is aimed at making Namibia an industrialised nation, enjoying high per capita income, a highly educated nation, abundant prosperity, and interpersonal harmony, peace and political stability. Vision 2030 is about people and their social and economic dynamics and overall well-being. A central and key aspiration of Vision 2030 is to rapidly transform Namibia into a high-income, and a more equitable, Knowledge Economy and Knowledge Based Society. National Development Plans are the main vehicles and drivers towards translating the objectives of the Vision into practical actions and as the monitoring mechanism of progress towards realising the Vision by the year 2030. Without considering the efficacy of policy implementation, evaluation and monitoring, policies cannot be implemented, evaluated and monitored effectively and efficiently.

Chapter Three gave an overview of the four sampled SFSSs that were studied for the case study. The four countries selected for the case study are Australia, Botswana, Kenya and South Africa. Through this comparative study the strengths and weaknesses and better and alternative methods of managing different schemes were uncovered. Namibia as a country could learn from these countries in some areas regarding how to better manage its own SFSS, with the ultimate aim of adapting some of these outstanding features and implementable best practices. Firstly, the chapter gave an overview of the SFSS, and then of the models for SFSS, their governance and organisational framework, including management and administrative aspects, and finally an evaluation of the strength and weaknesses of SFSSs in the four countries in the case study.

The four countries chosen for the case study were selected on the basis of some level of sustainability and their administration, and in view of some unique features from which Namibia could learn. The other guiding principles were the manner in which the funds were being administered, the policy instruments implemented and the uniqueness of their schemes regarding their governance and operational framework. Further considerations were the
efficacy of the policy for their schemes, geographical location, the level of development and comparable aspects of population, including administrative arrangements.

Some of the findings of the chapter are that there are a variety of SFSSs in existence around the world. At the same time, an effective SFSS does not necessarily have to be a privatised entity; even a government-administered entity could be workable and effective, provided the necessary legislative frameworks, policies, administrative systems and strategies are implemented. Some degree of semi-autonomy to avoid too much political interference, legal power to obtain information useful to its operation, and more resources to effectively carry out its mandate, are prerequisites. Providing loans at a lower rate of interest than commercial educational loans, coupled with the proper form of repayment of the loans, offers students a potentially affordable loan on favourable repayment terms. The best practices and lessons in this study are learned from HECS/HELP in Australia and the NSFAS in South Africa. Both employ a unique identifier, provide income-contingent loans with indexed thresholds, have found ways to encourage disadvantaged students to pursue HE, provide incentives if loans are paid back up-front or expeditiously, have found ways to encourage students to enter critical study fields, and require universities to counsel students through student services and on-campus financial aid offices. IT support is comprehensively used and interfaced with beneficiaries, HE and funding agencies for effective and efficient sharing of the required information. The countries believe that they have created loan repayment programmes that are fair and that the beneficiaries can cope with.

Chapter Four provided an overview of the Namibia case study and its application to the study in relation to and in comparison with the other four case studies identified in this study. The main focus of the chapter was to discuss the two main areas, namely governance and organisational framework, and management and administration of SFSSs. Under the governance and organisational framework, an overview on the statutory provisions of the fund, its mandate and its operational framework was provided. In discussing management and administrative issues, the study focused on the day-to-day administration of the fund with regard to its administration and functional responsibilities. Furthermore, the strengths and weakness of the NSFAF with regard to the governance and organisational framework and management and administrative components were discussed and evaluated.
The chapter provided the findings of the case study within the context of the NSFAF operational framework. The organisational framework of the NSFAF was evaluated, as were the NSFAF policy and the relevant regulatory framework. The methods and the current system for awarding study loans, their recovery as well as current tracing mechanisms were evaluated. From the case study analysis it is concluded that the NSFAF is experiencing inadequate operational infrastructure, under-capacitated personnel and inadequate legal enforcement mechanisms for proper loan disbursement and loan recovery, rendering the NSFAF ineffective and inefficient. The consequences of the highlighted shortcomings and weaknesses in the NSFAF administration are attributed to the limited growth and expansion of the revolving fund, which is preventing the fund from becoming feasible and sustainable. If the prevailing situation continues it could render the fund more vulnerable in the future.

The chapter concluded that the size of financial support and student coverage by the NSFAF, combined with the effectiveness of the implemented policy instruments, could be the determining factor in the efficacy of the policy. A focus on sustainability necessitates that both policy products and processes be subject to a systematic, integrative monitoring and evaluation system.

Chapter Five served as the concluding chapter for this thesis’s case study. In this chapter a number of conclusions and policy recommendations based on the findings of the study have been made as feasible policy options for the further development and improvement of an ideal SFSS in Namibia. The conclusions and recommendations are firstly informed by the analysis of the comparative case studies on Australia, Botswana, Kenya and South Africa. Secondly, the conclusions and recommendations are informed by the outcomes of the analysis of the findings of the case study on Namibia. Thirdly, they are informed by the theoretical framework on public policy. The conclusions and recommendations made are based on the Namibia case study with regard to the governance and organisational framework, including the management and administrative features of the NSFAF. Chapter Five provides a comprehensive overview of the thesis and the concluding summary of the main findings of the study.
The background provided in this study shows that, since independence, education has been one of the main priorities of the Government of the Republic of Namibia (GRN), and has enjoyed the strongest support of the country’s leaders. Even though schooling in this country was once regarded as a privilege of the few, since independence education has increasingly being recognised as the right of every Namibian. Testimony to this commitment is Article 20 of the Constitution of Namibia, (Act No. 1 of 1990), which states that:

“All persons shall have the right to education. Primary Education shall be compulsory and the State shall provide reasonable facilities to render effective this right for every resident within Namibia, by establishing and maintaining state schools at which primary education will be provided free of charge”.

The problem statement of the study put forward that the students and the general public have lost trust in the administration of the NSFAF. The problems being experienced with the NSFAF are ineffectiveness, inefficiency in the administration of the fund, a lack of proper mechanisms in place for loan recovery, low recovery rates and high default rates by students. The students themselves are unhappy with the inadequate funding provided by the NSFAF, which is unable to cater for all of their individual study needs. The NSFAF is limited in scope and coverage, leading to many students dropping out of their studies. Although many students are very interested in furthering their studies, a significant number of them drop out during the course of their studies due to the inability of their parents/guardians to provide financial support during their studies. Against this background it is clear that there is a problem; things are not being done correctly. It was on this basis that the researcher investigated the efficacy of the fund. Study loans are well targeted to the needy and most deserving, and are designed and administered to become a sustainable cost-recovery mechanism, rather than a ‘hidden grant’. Increased accountability and transparency should help to achieve a higher repayment rate. The correct division of labour between governments, universities and the private sector should be strengthened. A lack of or inadequate policy implementation, monitoring and evaluation and the enforcement thereof have hampered the NSFAF Policy, making it ineffective.
5.3 Conclusion based on governance and organisational framework of the Namibia case study

The student loan scheme in Namibia can be regarded as being in its initial stage of implementation in several ways. Since its implementation there has not been a proper evaluation to assess its viability and to solicit ideas for its improvement, while no monitoring and evaluation system is currently in place to determine the efficacy of the policy. The efficiency and effectiveness of the fund in terms of its administration could be improved upon. Other negative factors are the extent to which the means test is being used to determine the student’s socio-economic characteristics, as well as the fund’s adequacy through means testing; the information is not always accurate, and this could lead to a wrong diagnosis of a student’s level of need. Often there are cases of students and parents underreporting their income in a bid to access loan awards. The increase in funding administered by the NSFAF has not gone hand in hand with similar growth in the required number of personnel or systems development and, as a result, the NSFAF finds itself under pressure to cope with the increasing demand for study loans. It also is under pressure to implement a proper recordkeeping and management information system in the form of a database system.

Although the SFSS currently is faced with very high default rates, amounting to over 90 percent of loans disbursed, the situation could change through the introduction of rigorous measures that streamline loan recovery mechanisms and reliable recordkeeping strategies. The still very high level of subsidy implies that the fund has not significantly improved its loan recovery obligations in the fourteen years since it was established. To improve efficiency while at the same time aiming to relieve the government of this financial burden, it would be necessary for loan recovery to be conducted in a more professional manner, more or less on the same principles administered by commercial banks and or through a semi-autonomous institution.
5.4 Conclusions based on management and administration of the Namibia case study

The experience with the SFSS in Namibia shows that, during the earlier years of the Fund, loans were awarded even to those individuals or applicants who did not qualify for financial assistance or those who might be politically well connected. If loan awards are to be determined by income levels, this should be enforced strictly. Loans should therefore be strictly for students who come from poor families if equity is to be achieved. Without increasing the recovery rate, the Fund cannot reach its intended objective of a revolving fund, and would not be able to cater for the increasing number of learners intending to pursue their HE.

Experience in both developed and developing countries has shown that student loans are feasible, despite the problems associated with high default rates. Apart from increased cost recovery, loans have other positive effects. Competition for places in HE would no longer be limited to applicants who could pay at the time of enrolment. Since a large number of highly motivated students would be able to compete for places, this could result in the selection of better students for HE. Studies have shown that, by enabling qualified students from poor families to enter HE, a well-functioning scheme could generate substantial efficiency gains, although the size of such gains would vary by country. Moreover, it has been observed that students with loans would be more likely to complete their studies successfully, and in the minimum time, than non-borrowers. It could be confirmed that students’ financial burdens, militating against effective study, are eased by the availability of student loans. However, it has also been argued that highly subsidised HE could lead to negative outcomes in the form of a lack of student commitment and a free-and-easy approach to study. Finally, most developing countries, including Namibia, are experiencing a dramatic increase in demand for higher levels of education, while at the same time severe public budget constraints and a profound overhaul of the education system aimed at significantly increasing its impact and relevance are under consideration. In attempting to ease the financial burden on public budgets, a number of countries have introduced student loan schemes, hoping to recover HE costs and increase the revenue base for the expansion of higher education, while at the same time providing opportunities for the poorer segments of the population to equally have access
to higher levels of education, as would be required for the enhancement of sustainable social and economic development and for achieving a better social order.

The following recommendations are made in relation to the conclusion of the study.

5.5 Recommendations based on the governance and organisational framework of the Namibia case study

1. NSFAF should be mandated in terms of the Namibia Student Financial Assistance Fund Act, (Act No. 26 of 2000) to blacklist defaulters, to have access to the Income Revenue Office and SSC for tracing purpose, and to be able to deduct loan monies from defaulter’s salaries with or without their consent.

2. In order for the Board to play a more active and effective role in the administration of the fund, the MoE should consider increasing the number of board members and to include individuals with financial/legal, technical and academic/educational knowledge, including those in key and influential positions. Student representative bodies and interest groups such as trade unions could be co-opted to the board.

3. With regard to the governance of the Fund in Namibia, although we adhere to policy-making, what is often lacking is effective implementation thereof. In other words, it is appropriate that, when a policy is implemented, an accompanying implementation plan and strategy should be formulated. Furthermore, there should be a monitoring and evaluation system in place to assess the progress of the policy or programme during the implementation, and to rectify unintended deviations during policy implementation as soon as they may occur.

4. Adjustment, re-grading and re-structuring of the NSFAF staff establishment should receive urgent attention from the MoE management, while the retraining of the current staff members of NSFAF could enhance the smooth running of the affairs of the Award and Recovery Subdivisions. Furthermore, an awareness-raising campaign
and advocacy of the fund should be part of the strategy to enhance advocacy and to sensitize communities and disseminate information about the Fund and its objectives. This should target rural communities, high schools and HEIs.

The following recommendations are made in relation to the conclusion of the study.

5.6 Recommendations based on the management and administration of the Namibia case study

For a system-wide HE coordination system to be effective, a Higher Education Integrated Management Information System (HEIMIS) could be implemented. Such a system could be funded and managed by a coordinating agency, consisting of all Higher Education Institutions, Ministry of Education, National Council on Higher Education, National Planning Commission, Namibia Training Authority, Namibia Qualifications Authority, Ministry of Finance and authoritative bodies within the domain of HE, which should be networked and aligned to this system in complementing national development plans, programmes and activities. The system could be automated to serve as a communication medium and for information dissemination purposes. More emphasis should be placed on reforming the Secretariat’s operations through the adoption of new systems of accounting, concurrent and parallel to the provision of the required capacity development and the adoption of appropriate electronic database systems for loan applications, recordkeeping and interfaced web-based applications.

All potential loan recipients should be treated equitably. The issue is twofold. Firstly, all potential and eligible applicants should have equal chances of receiving a loan. Thus, regardless of their area of residence or high school attended, all young people of similar socio-economic background should have equal opportunities to secure a loan. Secondly, all loan recipients of the same economic status and level of need should receive loans of the same size under the same repayment conditions. Whereas the main objective of a loans scheme is to provide loans to students from poor families, effective eligibility and screening criteria and procedures should be implemented to ensure that student loans reach the targeted
The use of the monitoring of policy impacts as a policy management instrument could be applied usefully towards determining the efficacy of the NSFAF policy in reaching its objectives. Effective screening mechanisms should be employed that would require not only the setting of definitions for loan eligibility, usually in terms of a family income ceiling, but also the ability to check and test the authenticity and accuracy of the information provided by the applicants. The Fund should grow annually in order to cater for the increasing demand for HE and for the Fund to become sustainable.

Alternative sources of funding should be found for HE, such as the private sector, development partners, student alumni and religious bodies. The Board should expand its sources of finance with a view to providing a wider resource base. An alternative source of student loans are the private commercial banks and even the Development Bank of Namibia (DBN), which traditionally have shied away from lending to students in the financing of their education. Alternative methods of tracing loan defaulters could be the use of the Inland Revenue of Office (IRO) and the Social Security Commission (SCC), while Namibia Post (NAMPOST) could be used as a medium of loan repayment. On the other hand, the Government Institution Pension Fund (GIPF) and the SCC could serve as additional institutions for advancing study loans.

The output combination should be changed (reallocation of education facilities to certain fields of study that are currently deprived). For instance, medicine, engineering and architecture students and other priority fields of study should be awarded full loans or bursaries on the grounds that their courses are not only financially demanding and longer, but they also provide services of national importance. This would entail the expansion of some faculties such as science and medicine, and the phasing out or merging of some courses that are not considered to be national priorities.

The loans scheme in Namibia should be converted to an income contingent loan repayment system instead of the current mortgage-type loan repayment system. This system would yield several advantages. First, the loans could be recovered faster and hence would imply less government subsidisation (with low interest rates, longer repayment periods translate to higher government subsidy). Second, students could pay off their debts fast enough to allow for further borrowing in the event that a student intended to pursue master’s or doctoral
studies. Third, the Fund should insure itself against certain eventualities such as death, emigration or even layoffs, which could be quite common in some economic sectors in the Namibian economy.

The abovementioned recommendations are by no means conclusive to address the overall shortcomings found through this study.
Appendix A: Organogram of the Ministry of Education
BIBLIOGRAPHY


