daughters. However, some compensation may be called for in the form of a higher means-tested grant for daughters than for sons.

Student loan programs can advance the general aim of cost sharing (as opposed to the aim merely of getting money to students with little concern for its recovery).

Problems of Student Loan Programs
While acknowledging the poor record of student loan programs around the world, including many failed or poorly performing programs in Africa, such programs (or graduate taxes and other ways of deferring student financial contributions) are essential for a program of cost sharing that includes students. Student loan programs can advance the general aim of cost sharing (as opposed to the aim merely of getting money to students with little concern for its recovery). To do so—that is, to shift a portion of higher education costs to students—the loan programs must provide for cost recovery, measured in the discounted present value of the stream of repayments, in an amount nearly equal to (or at least not a great deal less than) the sum loaned or advanced to the student in the first place.

Most “failed” student loan programs throughout the world, as well as in Africa, have failed because of insufficient capital (i.e., lack of savings) to make loans at reasonable rates of interest, insufficient policies and procedures for servicing and collecting the loans (and thus high administrative expenses and default rates), excessive built-in subsidies (generally through overly low rates of interest charged to borrowers). These problems seem mainly solvable, and the conference participants thus looked forward to more success with future student loan programs in the African context.

As elsewhere, there is interest in Africa in the concept of income contingent loans (or their variant, so-called “graduate taxes”), in which the repayment obligation is expressed as a percentage of future earnings rather than as a schedule of fixed repayments (e.g., as in the Australian Higher Education Contribution Scheme). However, income contingent loans require a means of verifying all (or at least most of) borrowers’ incomes for their working lifetimes. Such loan schemes can work in a society and an economy where most borrowers work predominantly at one job at a time, in the formal economy, and where their earnings will be known to and monitored by the government along with their income tax and pension contribution obligations. In societies and economies where many of the borrowers will derive much of their income from the informal economy, or “on the side” from second and third jobs, or will likely leave the country where the loan was originated for much or all of their earning lifetimes—which is the case in most sub-Saharan African countries—full incomes will be hard to verify and may not be legally capturable. In such cases, income contingent loans will probably not work.

According to the students who spoke at the conference, the essence of a student loan program is sufficiency—that is, providing enough money to support the costs of living and any tuition fees. The next most important features, in order, were a sufficiently long repayment period to keep monthly (or annual) repayments “manageably low,” a low rate of interest, and the absence of a need for a co-signatory.

Funding and Regulating Lithuanian Higher Education

Liudvika Leisyte

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Lithuania’s higher education system is in a state of constant flux, facing major challenges of expansion, diversification of funding, and changing regulations. The transition from a centrally planned economy to a market-led one has caused Lithuania to restructure the social sector, including higher education. The practice of higher education governance through state control engrained during the Soviet period has been shifting to one of state supervision. Tendencies toward deregulation have been apparent in the policy debates on higher education, starting with the law on science and higher education (1991), the Constitution of the Republic of Lithuania (1992), and the law on higher education (2000).

As in most Central and Eastern European countries, both public and private higher education institutions in Lithuania expanded—going from 12 in 1990 to 35 in 2002. A number of former technicums and vocational schools opted to participate in a competition to become fully fledged higher education institutions granting bachelor’s degrees. Individuals or religious organizations created 13 new private higher education institutions. The Ministry of Education and Science tightly controlled their establishment though licensing and quality assurance, which slowed the process of expanding private-sector
higher education, when compared to that of other countries in the region. As a result, a binary higher education system was established. In the same period, student numbers increased from 59,000 in 1996–1997 to 96,000 in 2000–2001. However, public funding has been decreasing quite dramatically at the same time as demands for efficiency and quality have been growing. Subsequently, regulation and funding of the expanding higher education sector have become key topics in the current policy debate in Lithuania. How does the decreasing funding challenge the higher education sector in Lithuania, and is this drop in funds an opportunity for higher education to become more efficient?

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Major Transformations in Funding
After 1999 funding started to decrease from U.S.$148,700 in 1999 to U.S.$129,500 in 2000. Higher education institutions have faced serious difficulties in financing wages, heating, electricity, and building maintenance. Moreover, they have had to tackle the state bureaucracy’s complicated system of accountability and control. This led many institutions facing financial crisis to search for alternative sources of funding. The most immediate target to obtain extra funding was the students. Tuition and fees were introduced, although these were not covered by the 1991 law on science and higher education. This lack of regulation allowed for a huge discrepancy in student fees among different institutions. Students, parents, and lobbyist groups started intense public debates on the accessibility and the efficiency of higher education under the new conditions.

The Lithuanian government brought up the question of tuition payment by students. The 2000 law on higher education and other by-laws have introduced more output-based funding formulas, and they have regulated student fees contracts between the Ministry of Science and Education and higher education institutions by subject. It is interesting to speculate whether these tighter regulations will allow for wider participation, keeping in mind that as of October 1, 2000, nearly one-third of the total student population in public higher education establishments was self-financed. Moreover, the increased student fees did not offset the increasing costs and the decreasing state funding. This situation has forced higher education institutions to establish contracts with businesses, industry, and communities. For instance, Kaunas University of Technology is a pioneer in this respect, receiving nearly 27 percent of its income from the nonpublic sector. Their partners are local enterprises, firms, and institutions for research, design, and small-scale manufacturing.

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Changes in Higher Education Regulation
Thus, other stakeholders are becoming more important in the regulation of higher education in Lithuania. Lobbyists for the so-called academic oligarchy—by which I mean the group of academics influencing decision making on the national level—increased their impact through participation in buffer organizations, such as the the Science Council of Lithuania, the Lithuanian Academy of Sciences, and the Conferences of Universities, Colleges and Research Institutes’ Rectors. Student participation in governance has been growing through student unions and nongovernmental youth organizations. For example, after passing the by-law on the new funding mechanism, a number of conferences were organized by academic lobbyists to attract attention to the critical situation in higher education funding.

Academic associations have expressed discontent with inconsistencies in funding policy. A new formula of resource allocation intimidates institutions with new efficiency demands. Moreover, some members of the above-mentioned academic oligarchy fear that the 2000 law on long-term funding of science and education, with its 2001 by-law on the new order of accountability, might discourage institutions from becoming more efficient. The latter regulation requires higher education institutions to transfer their independently generated income to the state budget for auditing and subsequently for earmarking. The Ministry of Finance still has an important say in the higher education funding process in Lithuania, since it is involved in the resource distribution mechanism of both public and nonpublic income of public higher education institutions.

Future Prospects
As seen from the above examples, the contradiction between policy discourse and the existing bureaucracy in state institutions still hinders the implementation of
higher education reform. Though the state agreed on lump-sum allocations to higher education institutions in the 1991 law on science and higher education, the accountability remained strict and the real funding mechanism has not changed. However, one must admit that, until recently, higher education has not been a top priority of the state. Thus, it might take time to develop and implement a homogeneous strategy and coherent policies, implementation, evaluation, and follow-up monitoring. The changing role of different stakeholders and the more aggressive participation of higher education institutions in the policymaking process might be a new impetus for further developments in the sector.

The Journal of Higher Education in Africa

In recognition of the growing importance of higher education in Africa and the need for research and analysis of higher education in an African context, the new Journal of Higher Education in Africa (JHEA) has recently been launched as a joint initiative of the Center for International Higher Education (CIHE) at Boston College and the Council for the Development of Social Science Research in Africa (CODESRIA).

The JHEA grew out of a desire to foster research, analysis, and discussion on African higher education. As the only Africa-wide journal on higher education, the JHEA will help to create and sustain a community of researchers and policymakers concerned with the issues facing African higher education institutions.

The JHEA will be devoted to all aspects of higher education in Africa. The JHEA strives to be a central element in the “invisible college” of researchers, policymakers, and others who have an interest in higher education. The JHEA will help stimulate additional research on higher education in Africa—work that will have relevance to other developing regions as well.

The JHEA will be distributed without cost to the higher education community in Africa; it will also be available internationally.

Inquiries and submissions should be sent to: Dr. Damtew Teferra, Editor-in-Chief, Journal of Higher Education in Africa, Center for International Higher Education, Lynch School of Education, Campion Hall 207D, Boston College, Chestnut Hill, MA 02467, USA; tel.: (617) 552-4413; fax: (617) 552-8422; e-mail: jhea@bc.edu; or Dr. Adebayo O. Olukoshi, Editor-in-Chief, Journal of Higher Education in Africa, Council for the Development of Social Science Research in Africa (CODESRIA), P.O. Box 3304, Dakar, SENEGAL; tel.: (221) 825 98 22/23; fax: (221) 824 12 89; e-mail: jhea@codesria.sn.

Further information is available at the websites of CIHE (http://www.bc.edu/avp/soe/cihe/Center.html) and CODESRIA (http://www.codesria.org).

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