

THE EXTENT TO WHICH HIGHER EDUCATION IS A WORTHWHILE INVESTMENT TO INDIVIDUAL GRADUATES AND TO SOCIETY AS A WHOLE IN UGANDA

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ABSTRACT

This paper discusses investment in higher education from an individual graduate and societal perspectives. It reflects a rationale for an investment in higher education and it is intended to guide education investment decisions by individuals and society. The objectives of the study are: (1) How does an individual graduate benefit from higher education investment? (2) How does investment in higher education benefit society? Literature indicates how investment in higher education is vital and this explains the need for this study. In this regard our study focused on five individual graduates who had completed their Masters degrees and Doctorates from Makerere University and St. Lawrence Universities and three community leaders. Semi-structured interviews were conducted and analyzed in depth from the individual students and some societal members. The benefits for individual investment in higher education is presented and the benefits of higher education investment to society is reflected.

Keywords: Higher education, Investment, Benefits, Individual graduates, Society.

INTRODUCTION

In most countries, higher education is a key agenda issue upon which knowledge economy, economic development depends in part on the presence of an educated and skilled workforce and on technological improvements that raise productivity hence, a well-performing higher education system contributes to national competitiveness (OECD,2014). Higher education is an engine of growth and key to development of individuals and societies based on its Quality and Quantity which serves as an input to develop the human resources necessary for economic and social transformation.

Higher education is an important form of investment in human capital development which through specialized knowledge it offers the necessary

contribution in concert with other factors, to the success of national efforts to boost productivity, competitiveness and economic growth is essential if they are to climb out of poverty. Higher education has widely been seen as an economic investment that drives the economic growth of society by equipping people with lifelong skills that enhance productivity and prosperity (Musaazi, 2013). Investments in higher education is partly financed by student loans typically yielding large returns. However, the return to college varies substantially across individuals, institutions, and programs. In higher education, the World Bank concentrates its support to larger, research-orientated universities and enrolling top students and leading research at the local, national, and international levels (Heider and Bloom, 2017). There should be a clear state approach to investment losses with higher education.(Zaneta and Vilda ,2015). It is argued that individuals make investments in education and other forms of human capital to earn a return that is to increase their income in the future and live better and also contribute to the economic growth of the society. However, to broaden our understanding of the benefits of education, we need also to appreciate its roles in enabling people to fulfill the various capacities to their full potentials (Musaazi, 2013). Therefore, amidst this, the key question as to whether higher education is a worthwhile investment remains a conundrum and in attempting to respond to this Question, we examine the costs, benefits and economic returns of a higher education.

1. Research problem

The cost of higher education has risen tremendously compared to colonial times and pre-independence days when higher education was partly free and highly subsidized. Investment in education is tantamount to investment in human capital formation. Investing in education can take many forms including the establishment and management of schools as a business venture and/or the acquisition of any particular type of education by individuals to enhance their employment prospects and income earning capacity (Agabii, 2012). The diminishing salaries offered to higher education graduates and non-availability of jobs on offer makes it impossible to graduates to live socially acceptable standards of living and to be of benefit to themselves and society. If this study is not done, higher education institutions will continue to loose potential individual investors who are the pillar of higher educational development worldwide. In additional society will loose benefits that will have accrued from these academically viable individuals. Therefore it is important to carry out this study to understand the benefits of higher education to an individual graduate and to society.

1. Research questions

1. How does an individual graduate benefit from higher education investment?

2. How does investment in higher education benefit society?

2. Theoretical perspective

This study has been guided by the Human capital theory was originally propagated by Adam Smith and it refers to the stock of knowledge, skills, values and progressive attitudes that are essential in higher education development

METHODS

Desk study methods were engaged. It was based on reviewing secondary data and researcher observations. Qualitative methods were applied, and generated information was categorized into themes, that is, benefits of individual graduate from higher education and benefit to society from higher education

RESULTS

An individual graduate benefit from higher education investment

Higher education is a worthwhile investment to an individual graduates in Uganda in the following ways;

It is widely accepted that higher education creates and makes individual beings invest in themselves by means of education, training, health as well as migration that raise their future income by increasing the life time earnings. One possibility is that when an individual goes to college, the person gains skills that raise their value to employers in labour markets. These skills are referred to as human capital. Therefore attending higher education is often said to be an investment in one's human capital. Higher education to an individual graduate increases the productivity and efficiency by increasing the level of cognitive stock of economically productive human capability, which is a product of innate abilities and investment in human beings. The provision of higher education is seen as an investment in human capital which is equally more worthwhile than that of physical capital (Woodhall, 1997). Higher education further regarded as the expandable, shareable individual experiences, work habits which include individual intellectual property thus increasing the productivity of individuals which provides an analytical framework why individuals and government invest in higher education in a manner to investment in physical capital.

Higher education in Uganda, it is increasingly seen as a key determinant of individual economic performance. It is a key strategy in determining economic performance, has been to employ a conception of individuals as human capital such as technological change, research, innovation, productivity and competitiveness. Therefore individual graduate will be of great use in policy formulation, management of educational institutions. Other considerable

economic benefits associated with higher education in the earning that last over an entire lifetime. The assumption here is that all graduates get employed after their education and work up to their retirement age which varies in societies and organization and that they all took the ideal path of education of joining higher education. As university graduates (researchers) create new innovations, they have been turning into new firms that create jobs and wealth and support economic expansion.

Generally higher education represents the assets each individual graduate develops to enhance economic productivity. Therefore, an educated individual graduate is a productive population, this increases the productivity and efficiency of workers by increasing the level of cognitive stock of economically productive human capability which is a product of innate abilities and investment in human beings. As a result an individual graduate can be productive by setting up long term investments like a school which can benefit an individual and to the entire society.

Shifting our attention from the economic returns to individuals, we look at the non-quantifiable ways in which higher education improves the quality life of an individual. Higher levels of labour force participation, employment, and earnings increase the material well-being of individuals, and also carry psychological benefits. Adults with higher levels of education are more likely to engage in organized voluntary work, to understand political issues and to vote. They are more likely to live healthy life styles, the issue is not just that they earn more and have better access to health care, educated adults lead to a health conscious lifestyle. These differences not only affect the life style. These differences not only affect the lifestyles and life expectancies of individual graduates but also reduce medical costs for them and society as a whole. Mothers with higher levels of education spend more time on their children's activities, in other words participation in post secondary education improves the quality of civil society.

For individual graduates for example PhD students, such investment is seen to provide returns in the form of individual economic success and achievement. Most education economists agree that it is human resources of nation, not its capital nor its material resources, which ultimately determine the character and pace of its economic and social development. Human resources constitute the ultimate basis of the wealth of nation. Capital and natural resources are passive factors of production, human beings are the active agencies who accumulate capital, exploit natural resources, build social, economic and political organization and carry forward national development. Higher education worthwhile investment to individual graduate which leads to human development which is seen as the enlargement of human capabilities, where the strategy is to promote investment

in the development of people human, along with physical and natural capital serves as a means to promote economic development. This issue is determining the most effective ways to use the least resources to create human capital through development strategies.

In return from the investments in the higher education programme, there are expected benefits or gains. The benefits can also be grouped as private benefits and social benefits. The private benefits are those benefits which go directly to the individual who has attained the higher education. These private benefits include the expected increase in salary and other allowances accrued too. The rise in social status and greater promotional opportunities, For example head of department, head of schools (etc). There are all private costs (investments) in the higher education for example, the PhD programme. These costs in the PhD programme can be referred to as direct private costs and opportunity costs, there are also social costs of the programme. These are what the society loses as a result of individuals enrolling in higher education like in the PhD programme. The money the government would spend on other social services for the society is used to subsidize the cost of education at institutions of higher learning. The subsidy is from the tax payers' money, therefore higher education utilizes inputs as students, learners, instructional materials, institutional facilities, equipments and time which are transformed into output through teaching, research and innovation. The cost of education may therefore be regarded as the economic value of all the resource inputs that go into the educational programme. The economic value of an educational input is defined as its opportunity cost and it is measured by the value of the input and its alternative use.

Through higher education systems, human beings become more productive. Higher education requires a lot of money, economists prefer to call the money spent on higher education not as expenditure but as investment, adequate investment in higher education is always reflected in the economic growth of a nation. The cost of education consists of government expenditure on teachers, administrators and institutional facilities and equipments, parents and students expenditure on education which include tuition and non-tuition fees, expenditure on scholastic materials, feeding, forgone opportunities, sacrifices as to attend higher education. Higher education is equivalent to the wages that could have been earned by working instead of going to university or college.

The way individuals are motivated when spending money on higher education like PhD programme. The money spent on this programme is widely viewed as investment now (today) but which will secure returns or benefits for individuals in future (tomorrow) returns are always expected from an investment, whether it is in physical capital or education. This education like

PhD programme, choose to do so while knowing very well that they are going to spend (invest) their money in the programme. But later in the long run, will reap some benefits or gains. Thus investments are made on the programme by individuals and families with an eye on future earnings or benefits. Not only are the expenses for higher education gained, but anytime over the initial investment are also enjoyed during ones career as an educational manager or an academician. It is widely assumed that higher education produces a more competent workforce as a result of education attainment and is used as a criterion for selecting employees. But with the diminishing job opportunities, there is a tendency towards education attainment in the job seeking population. However, in the low developing countries like Uganda, there is a problem of open unemployment and under unemployment but this situation has not brought about a crisis of confidence in the education system. Higher education helps to justify the relevancy of individual graduate thereby imposes on the individuals' ability to operate within the job market. For example a graduate output on the job may be slightly higher than the output of a diploma holder given the same job. Hence in the job market employers may at the same time fear to employ a PhD or masters' student because of the class attained as regards to qualifications.

Individuals invest in higher education in form of money paid for tuition, travel expenses, feeding, secretarial services, text books and other stationary. Individual also invest in a lot of time and other non-monetary expenses such as the opportunities the students forego and other productive ventures for gone while on course.

Returns to society from investment in higher education

However, higher education is also to greater extent is a worthwhile investment to society as a whole due to the following;

The social benefits are what the society expects from individuals who enroll in higher education in all programmes that is under graduate, masters and PhD. Definitely the society also stands to benefit after completion of the course, the individuals are expected to be more productive than they were before the course. Productivity here means being better education managers in terms of knowledge, skills, progressive attitudes and pedagogy of teaching. The society's children that those managers handle are expected to perform better and gain admission into higher education. These are benefits to society; better educated individual graduates will also be able to offer realistic guidance and counseling to their clients and thus help them (students) to be better academic achievers and socially well adjusted.

One of the goals of higher education is to generate knowledge and skills

which students acquire in order to achieve their motives and contribute to the development of their society through human capital development (Chan, Brown and Ludlow, 2014). Both government and non-government organizations have invested immensely in human capital development in order to address in human capital development in order to address the development needs of society. Unfortunately, in Uganda the level at which higher institutions of learning have realized this goal, is still questionable since many of the graduates are not productive to the expectation of society (Nabayego, 2011).

Higher education helps individual graduates to be well equipped with the ability to generate new ideas. Companies benefit by hiring graduates with knowledge and research skills. University graduates helps firms become more efficient and productive, and help them to introduce new products and processes.

It is recognized that investing in higher education is a good thing for the economy and society. Greater investments in universities increase the quality and quantity of highly educated graduates. It increases productivity and the number of highly trained research graduates. Graduates take their experience and knowledge to future employers and become key players in the percentage of university graduates enjoys greater general health and civic participation (World Bank, 2008).

Academic knowledge is essentially a global public resource and highly educated workers, university graduates are the primary source of application of global academic knowledge to the domestic economy. This knowledge may be used to generate innovation, and that this innovation leads to productivity improvements in the economy. These productivity improvements translate directly into economic growth, and hence standards of living. If graduates of higher education need to be produced in numbers which are based on clear analysis of the rate of growth of the economy so as to meet the anticipated demand of the various skilled workers. Uganda and many other developing countries operate in a highly economic uncertainty environment where is virtually highly impossible to accurately forecast manpower requirement. This has resulted into production of idle human resource to the disadvantage of both graduates and the society.

Higher education also leads to knowledge transfer. This is possible if formal strategies are introduced to facilitate research and transfer process. Allocating human resources for linking the transfer can be established. Teaching policies in creating the research and transfer link improves the effective use of advanced technologies, creating and maintaining interactive forums. Higher education delivers services to local citizens, as undergraduates, graduates or to local employers. It is clear that the social returns are not a sufficient reason to execute

their neglect. University academics may engage with local networks and interest groups, national media input and enter into collaborative relationships with other research groups for example in think tanks, private enterprises.

Higher education also promotes national unity necessary for achieving national development. This is because higher education integrates nationals from diverse ethnic groups in a country. Higher education further creates a national language through which the students are taught and communicate with each other which plays a significant role in fostering and integrating unity in higher education institution. The integration also leads to the emergence of national identity among the multi-ethnic communities on campus (Yaacab et al, 2011). In higher education institutions there can also implement civilization dialogue for shaping a one kind culture reminding students of the importance of achieving national unity.

In relation to the above, higher education promotes democracy. This is possible if it is ensured that values of peace, conflict prevention and resolution as well as the right attitudes, behaviours and ethics are inculcated in students and staff. These are attitudes favourable to an open democratic society. Therefore, higher education can help to foster democratic values amongst those in the higher institutions of learning. Furthermore higher education can help to promote democracy which is requisite for national development (Otieno, 2014), through buttressing a democratic political system that is issue-based people centred, result-oriented and accountable to the public by providing the intellectual citadel where political discourse occurs and ideologies pertinent to policy formulation are generated. Still, higher education promotes community work that facilitates development. This is possible if higher institutions of learning refocus their research and teaching missions to transform and revitalize the relationship between higher education and national development needs. Higher education activities can be aligned to community services through a cluster of activities that include service learning problem based teaching and research that addresses specific wants and needs of a community. This means that there has to be a process of creating a shared vision between community needs and higher education institutions.

Higher education leads to civic participation, political scientists have highlighted correlations between voter participation and education for many years and have used this, to argue that education leads to more informed voters and hence a more democratic society. Studies show that individuals entered higher education increases the probability of voter participation by 21-30%. There is a clear consensus among US political and academic leaders that universities have a clear responsibility do more to promote greater civic participation by university

graduates. Therefore through civics and ethical education in universities inculcates core values, social and cross-cultural skills that are critical for character and citizenship development producing rational and ethical citizens who participation in affairs of their community in particular and nation in general.

Companies benefit from higher education by hiring graduates with knowledge and research skills. University graduates help firms become more efficient and productive, and help them to introduce new products and processes. The stream of new ideas and technologies stemming from universities translate, when its economic impact is measured through the dynamic approach, into an appreciable growth in GDP and employment. Universities provide an important role as a public space for ongoing conversations involving local industry practitioners about the future direction of technologies, markets and local industrial development.

Furthermore, higher education supports society's innovation, higher education institutions can turn their researchers and production of knowledge into innovation. This can be through applying them in a new and novel manner that creates new outcomes and the intellectual property that accompanies such innovations. This adds value to industry and the economy. Higher institutions of learning can orient themselves to the national innovation system which both positions of knowledge as the key factor of economic growth and sees the main purpose of knowledge as contributing to such growth (Blass & Hayward, 2014). Another imperative role of higher education is that it can lead to a country's realization of its vision through its ability to increase productivity. Higher education leads to the accumulation of skills that make workers more systematic and dynamic in performing their chores, thus leading to productivity. The skills can be either job specific or broad skills relevant in improving productivity (Arshad & Ab malik, 2015). Therefore higher education institutions can plan to offer those skills necessary for realizing a country's vision.

As far as societal crimes are concerned, human capital enhancement is a potential important tool to accompany policies directly targeted at crime prevention. Criminal activities are less or negatively associated with higher levels of education, quantifying the social benefit resulting from crime reduction that would follow from individuals with no education qualifications. The potential higher education produces a significant social benefit by reducing crimes in society. Among other effects graduates are on the whole the least likely to commit crimes.

CONCLUSION

In conclusion, higher education is a worth while investment because can be described as a multi-product firm which produces instruction, research, socialization and other myriad social functions. Evaluation of its output or benefits becomes extremely complex, some of the benefits produced may be private, and others may be social benefits. The benefits may directly affect a group of people in society, and there may be short run, while others may have lasting implications, and a substantial part of benefits may be non-monetary. In view of this multiplicity of dimensions, analysis of the benefits of higher education to both individuals and society requires a wide range metrics. We should focus not only on providing more higher education but also on providing the opportunities that will best serve the varied needs, preferences, and circumstances of the population. Higher education does not carry out a guarantee of a good life or even of financial security but however, with appropriate planning, provide tools that help people to live healthier and more satisfying lives, to participate actively in civil society and to create opportunities for their children. Because of higher education influences development of improved technology, knowledge transfer, promotes national unity, promotes democracy, supports innovation and increases productivity both individual graduates and society as a whole.

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