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OPEN JOURNALS IN EDUCATION

Higher Education Financing in Ghana: The Case of the Ghana Education Trust Fund (GETFund)

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ABSTRACT

I examine the Ghana Education Trust Fund (GETFund), an agency established by the Ghanaian government to finance higher education institutions. I focus on the organizational and governance structure of the GETFund and the autonomy of the fund. Some important research questions in the literature include the justification for creating such Funds, the extent of power these funds hold, and the degree of control their sector ministries exert over them. The study argues that if the autonomy and control issues are addressed properly by giving the GETFund a more appropriate level of autonomy, the fund can use its resources to the fullest. Still, as it stands, it appears that the GETFund does not have its statutory autonomy, leading to a clash of goals. This limited autonomy of the GETFund does not help the management of the GETFund understand the complexity of the revenue streams and their effect on the GETFund's organizational and governance structure.
Keywords: financing, autonomy, agency, government, organizational structure, governance structure, Ghana

Higher education is imperative for national development. Marina and Irina (2025) note that higher education is closely tied to productivity and economic growth and is supported by many governments worldwide. As the demand for higher education has risen over time, so has its cost, putting pressure on governments and individual households. Given its importance in economic development, many countries initially offered free higher education. However, rising costs coupled with declining national resources resulted in cost-sharing between governments and students (Salmi, 2003). The shortcoming of this strategy is that poor populations are denied access to higher

education (Woodhall, 2004). In response, governments introduced financial support systems, principally student loan schemes, to promote equal access to higher education (Ziderman, 2013).

Student loan schemes have become one of the alternative solutions to the financial challenges facing higher education institutions worldwide. They provide considerable financial relief for students. Mostly, loans enable student beneficiaries to delay payment for higher education until they complete school and are employed (Ziderman, 2013). Many student loan schemes have been established by many governments and are publicly financed. Usher (2005) identified Australia, Canada, Germany, the Netherlands, New Zealand, Sweden, the United Kingdom (UK) (England and Wales), and the United States as some of the countries with long-standing publicly funded student loan programs. Such schemes are also common in African countries, including Zambia, Kenya, Tanzania, Rwanda, Uganda, Botswana, Lesotho, South Africa, and Ghana.

In South Africa, realizing the growing problem of inadequate access to higher education faced by disadvantaged students, the South African government established the National Student Financial Aid Scheme (NSFAS) as an income-contingent funding arrangement in 1996 (Wildschut et al., 2018). Essentially, the focus of NSFAS is on promoting equal access in higher education participation and establishing an affordable funding scheme (Wildschut et al., 2018). NSFAS is currently the leading student financial aid scheme in South Africa and has grown significantly that between 1999 and 2013 NSFAS funding grew from R441 million to R8.5 billion (Wildschut et al., 2018). According to the 2021 NSFAS report, the government released approximately R43 billion to fund students in all higher education institutions in 2021 (NSFAS, 2021). A total of R171 billion has been released by this funding scheme since 1999 (NSFAS, 2021). There have also been increases in the total number of students funded per year. In 2016/17, 451,507 students were funded, up 9% from 414,949 students funded in the 2015/16 financial year (NSFAS, 2016/17). Since 1999, more than 4.5 million students have been assisted by the Fund (NSFAS, 2021).

Since independence, financing higher education in Ghana has always been the sole responsibility of the central government. Students enrolled in public universities of Ghana have enjoyed tuition-free education, free room and boarding, and even the provision of allowances to cover living expenses and academic amenities, such as textbooks (Abass et al., 2024). This condition lasted until the end of the 1960s, when the education budget bloated to the level that the government could no longer afford to remain the sole sponsor of education in the country (Awotwe, 2020). The result of this was the neglect of certain sectors of education, particularly higher education.

The government alone could not afford the responsibilities of funding tertiary education in Ghana. Higher education has been predominantly free with no tuition fee, and the government provides for accommodation, boarding, and allowances for books and living expenses (Sawyerr, 2001). While the budget for education was increasing, other public and social services were competing for limited government financial resources, so there was a need to introduce some kind of cost-sharing mechanisms (Bondzi–Simpson & Agomor, 2021).

In Ghana, where the higher education system is constitutionally funded by the state, the introduction of cost-sharing policies has not only been politicized and rejected but also brought inequalities, making higher education exclusive for the socially privileged (Acquah, 2021). Given this, the government introduced a meagre cost-sharing mechanism by establishing a student loan scheme (Dadzie, 2009). The rationale of the loan scheme was to reasonably spread the cost of education among the students, parents, and government (Addo & Adusei, 2021). Even though parents and students contributed to the financing of higher education under the cost sharing policy, higher education continued to take a sizeable part of the government's annual budget and higher education remained under funded, because the contributions of students and their parents were woefully inadequate (Abass et al., 2024). Higher education institutions were faced with numerous challenges, such as the increasing rate of the number of tertiary education students; deterioration of academic and residential facilities; lack of better pay incentive to reward academic staff; brain drain, quality and relevance of academic programs to national development agenda; and other related problems remained the hallmark of higher education development in Ghana (Pongo, 2018).

Aware of these predicaments and appreciating the importance of higher education to national development, Parliament passed a bill that created the Ghana Education Trust Fund in 2000, which levies a 2.5% Value Added Tax (VAT) on goods and services to complement government budgetary allocations to education (GETFund Act, 2000). The aim is to offer financial resources to support all educational institutions and offer financial assistance to genuinely needy and academically talented students. Hence, this study is an analysis of the organizational and governance structure of the Fund. The study also examines how much autonomy the Fund has and how much control is exerted by the Government.

Research Questions

My choice was to study the GETFund from a specific analytical perspective, that is, principal-agent theory. Taking that as a starting point, the following research questions have been formulated:
   1. How is the GETFund organized and governed?
   2. How has the organizational autonomy of the GETFund developed since its establishment?

THEORETICAL FRAMEWORK

In this study, I largely explain perspectives and some strands of the principal-agent theory. I anticipated this theory would provide some important explanatory factors about how GETFund is organized and governed, and how the fund is controlled by the Sector Ministry. Fundamental arguments for the theory are presented in the following sections.

Principal-Agent Theory

Through this theory, we can examine the link between two rational actors who have gone into a contractual relationship. The principal-agent relationship arises when one party (the principal) employs another party (the agent) to carry out a function or set of tasks on behalf of the principal (Kassim & Menon, 2003).

The principal-agent theory is a relevant approach for studying the contractual relationship between the government and its policy implementation agencies. It concentrates on how to govern the most effective contractual relationship between the sector Ministry and its agencies in the circumstance that forms the setting of goals (Buchanan et al., 2014). By giving functions to agencies, a contractual relationship is developed between the government and its agencies. Arising from that contractual relationship are the problems of information irregularity and the goal confusion between the two (Lægreid et al, 2006). The situation of information irregularity and goal conflict is particularly widespread in the public sector because public policies are often unclear concerning the goals, and policy actors do not always share the same goals (Bernhold & Wiesweg, 2021).

The issue of information irregularity is of central concern to the principal-agent theory. It is claimed that agents have a tendency to have more information than principals because of their specialization (more expertise) and due to their proximity to the point of service delivery (customers; Colin, 1994). Agencies are well-positioned to know the real costs, quality, and volume of goods and services delivered. In their own right, they are specialists in their fields, and they know the situations under which they produce the necessary goods and services (Bernhold & Wiesweg, 2021).

According to Kassim and Menon (2003), the irregularity of information allows the agency to engage in unscrupulous behavior that disturbs the interests of the principal. For instance, while the government may desire to ease the cost of public services by demanding the well-organized and efficient use of resources, agencies may be more concerned about increasing budgets for their offices so that their benefits also increase. Here we can see a clear clash of interests between the principal and the agent. The agent may as well spend fewer hours, less effort, and fewer skills in dealing with the productivity and the eminence of public services (Buchanan et al., 2014).

Buchanan et al. (2014) contend that because of information irregularity and goal confusion, the principal-agent relationship is characteristically challenged with the agency's unscrupulous behavior, and control of some kind is certainly necessary. Ensuring control to limit the avoidance of certain forms of behavior of the agent is essential to the principal, but the challenge has been how to achieve perfect obedience from the agent (Bernhold & Wiesweg, 2021).

The principal-agent model offers several ways of reducing these agency problems. In the literature, solutions are of two types depending on the nature of the problem to be solved. The first set of solutions is associated with information sharing and revealing actions to tackle the subject of information irregularity between the principal and agent (Verhoest, 2005). These measures would include performance monitoring, appraisal, and performance auditing, and these actions can help lessen

the problems of an information breach between agencies and their sector Ministries (Lane, 2008). This permits the responsible sector Ministry to perceive not only any unscrupulous behavior of an agency but also to know the intervening environmental factors that may hinder the agency's candid efforts for success (Lane, 2008).

The principal-agent theory, therefore, advises that creating agencies necessitates the government to confirm that there is sufficient performance information flowing from the agencies (Laffont, 2003). This would permit the government to know the real costs, quality of goods, and the hard work put forth by the agency in producing the goods and services required. Because the principal has some information to help him or her to verify the agency's performance, the agency is expected to act in the principal's interest (Laffont, 2003).

Moreover, the government may employ methods to reduce goal confusion between agencies and their sector Ministries. The most important actions would include having the government design a well-functioning performance contract that sets clear performance goals, uses performance indicators for assessing results, and inspires agencies to attain those predetermined performance goals by introducing performance-related incentives (Verhoest, 2005). These foundations would help both actors (government and agencies) to have clear performance goals and to know what is anticipated from each actor, and here the question of goal uncertainty is abridged (Bernhold & Wiesweg, 2021). It is really contended that performance-connected payment may not only integrate the agency's interest with that of the government, but it also tends to move failure from the government to the agency. The disagreement here is that when the agency's performance is connected to expected performance, the agency may try as far as possible to see to it that expected criteria for decent performance are met so that its benefits are not reduced (Bernhold & Wiesweg, 2021). The two sets of solutions discussed above (information revealing measures and the design of a well-performing performance contract) have been defined in recent literature as management by results or result-based control (Lægreid et al, 2006).

Following the above discussions, when it comes to this study, the principal-agent theory would help to find out why the agency (GETFund) was established, how decisions are made the way they are made, and what the level of autonomy is for the Fund when it comes to making decisions. In this study, the GETFund is assumed to have a level of organizational capacity to cope with government influence. This is where this theory is important in revealing the extent to which the Fund can cope with government interference without compromising its effectiveness and efficiency.

Again, including the principal-agent theory in the analytical framework for this study is aimed at making it possible to examine the quality level of information delivery between the government as the principal and the GETFund as the agent, and how to resolve any information irregularity. The theory is also expected to help in placing this study in a relevant context when it comes to goal confusion that sometimes arises because of governments' interference and imposition of their policies on agencies.

METHOD

In this article, I employ the use of qualitative research methodology. Bryman (2012) posits that qualitative research is a research strategy that emphasizes words rather than quantification in the collection of data. Using qualitative research methodology, the researcher interviewed the GETFund Administrator about organizational structure, organizational autonomy, and the governance structure of the GETFund. In addition, government and other documents were examined and analyzed.

The GETFund Administrator was carefully chosen as an interviewee for this study. A pilot examination of the GETFund indicates that to get information about the operations of the Fund, one must look for specific individuals who have an in-depth knowledge about the operations of the Fund. Rubin and Rubin (2005), for example, underscore that to secure the reliability of research, the researcher should interview people who understand and have deeper information on the issue. Rubin and Rubin (2005) believe that the credibility of interviews depends on the knowledgeability of the interviewees or participants of the study. This means having an interviewee with different perspectives is an added advantage to the richness and quality of information collected. Moreover, it is only when you get individuals who understand the object of research, such as the activities and operations of the GETFund, that this requirement of reliability can be met.

Purposefully, the researcher identified and interviewed the GETFund Administrator because he met the following criteria:

a. The Administrator has actively been involved in the decision-making of the Ghana Education Trust Fund (GETFund).

b. The Administrator is aware of the operations of the Fund–formulation and implementation of the Ghana Education Trust Fund–and understands the goals and objectives of the Fund.

The purpose of this was to gather rich information that illuminates the research questions for the study. As noted by Patton (2002), the logic and power of purposeful sampling lie in selecting information-rich cases for the study. Information-rich cases are those from which one can learn a great deal about issues of central importance to the purpose of the inquiry.

Document analysis is seen as one of the essential approaches to get information in the framework of a qualitative study. Documents collected for this study include GETFund's annual reports, official government publications, and educational policy reports. This study exploited the countless documents, reports, and information relating to the financing of higher education in Ghana. Government report papers on higher education and agencies were fully analyzed by considering the objectives and purposes of those reports. Emphasis was placed on government reports and papers on funding higher education, which has posed a serious challenge over the past four decades. In addition, policy papers, reports, and publications from the Ghana Education Trust Fund are the most accessible resources and reference tools for the study. Finally, publications and reports, and other important documents from the Ministry of Education and the National Council for Tertiary Education were critically considered in the study.

In this direction, I communicated with the appropriate offices, such as the Ministry of Education, the Ghana Education Service, the National Council for Tertiary Education, and the Ghana Education Trust Fund's headquarters to obtain all the necessary documents for the study. Having access to and understanding of documents on the research topic expands the richness of information for qualitative study, and learning to use, study, and understand documents and files is part of the stock of skills needed for qualitative inquiry (Patton, 2002).

GHANA EDUCATION TRUST FUND (GETFUND)

By far, one of the most important recommendations in the funding regime of tertiary education was the establishment of an education trust fund. This policy has been described by Effah (2003) as a *landmark policy* initiative in Ghana. In January 1999, the President of Ghana at the time incorporated the National Union of Ghana Students' (NUGS) proposal into his annual address to Parliament, and a technical committee subsequently recommended its broad objectives and outlines. Debates over the policy framework on the Fund led to a series of parliamentary deliberations until 2000, when the Ghana Education Trust Fund Act 581 of 2000 became law (Effah, 2003). The Internal Revenue Service was required to increase the already existing Value Added Tax (VAT) rate from 10 percent to 12.5 percent, of which 2.5 percent was scheduled for the GETFund account to supplement government budgetary allocations to education (GETFund Act 581).

In 2005, the GETFund announced the establishment of the Student Loan Trust Fund (STLF) under the GETFund with seed money of over 60 million Ghana Cedis (Atuahene, 2009). Student Loan Trust Fund (SLTF) provides loans to Ghanaian students in approved higher education institutions. The table below shows the total amount released by the Fund and the number of student beneficiaries. The amount is in Ghana cedis.

Table 1: Student Loan Trust Fund Annual Report (2019, 2020, 2023)

Construct	Min.	Max.	*M*	*SD*
Transformational	1.25	5.00	3.56	.78
Transactional	1.33	4.67	2.97	.77

From the table above, the Fund released 75, 964, 069 Ghana Cedis to about 30, 870 students in all higher education institutions in 2019. In 2020, a total of 23, 961 students in the higher education institutions received an amount of 53, 098, 425 Ghana cedis from the Fund. There was a reduction of an amount of 22, 865, 644 Ghana cedis and a decrease of 6, 909 students. In 2023, a total of 44, 927 students from higher education institutions received an amount of 52, 900, 230 Ghana cedis. There was a reduction of 198, 195 Ghana cedis from 2020. However, there was an increase of about 20, 966 students.

Recovery of loans has generally been a challenge worldwide. Shen and Ziderman's (2009) study of 44 loan schemes in 39 countries found an average

recovery rate of 39 percent. Loan repayment arrangements can be income contingent, where repayment is a fixed percentage of the beneficiary's income, which is the case in Ghana's GETFund loans. Income-contingent repayment loans are more prevalent worldwide (Ziderman, 2013). The Fund allows for various means of repayment, including banks, cheque or cash payments at the Fund's headquarters, and cheques at its offices across the country (Boamah, 2015). The average monthly repayment per beneficiary was approximately GH¢50, while the loan recovery rate was around 55 percent (Bokpe, 2018).

FINDINGS, ANALYSIS, AND DISCUSSION

This section provides an analysis of the organizational structure, the governance structure, and the autonomy of the GETFund as perceived by the sampled respondent from the Fund. The documentary analysis consists of two different sets of data: the analysis of reform documents in general and the analysis of documents related to the official policy documents that explain the operations of the Fund. In what follows, the specific research questions are discussed in turn with data from the study.

The Organizational and Governance Structure of GETFund

According to Greenberg (2011), the term organizational structure refers to formal structures between individuals and groups concerning the allocation of tasks, responsibilities, and authority within the organization. Mintzberg (2009) points out that organizations or agencies can be distinguished along three basic dimensions: (1) the core part of the organization, that is, the part responsible for the main task that determines its success or failure; (2) the key organizing mechanisms, which are the primary methods organizations or agencies use to structure their activities; and (3) the level of decentralization employed, meaning how much organizations or agencies involve subordinates in the decision-making process.

The chairperson is appointed directly by the President of Ghana, and then there is an ex-officio member. There is an *ex-officio* member on the board because the law says that a member of the Ghana Revenue Authority should be a member of the board, who is the Commissioner General of the Ghana Revenue Authority. He is a permanent member of the board. The remaining members are the representatives of the specific bodies and institutions mentioned in the act. So, the Fund has: the religious bodies bringing their representative, Ghana National Association of Teachers and National Union of Ghana Students bringing their representatives, Ghana Employers Association bringing their representatives, financial institutions, that is, banking, insurance, non-insurance, non-banking bringing their representatives, and then the Ministry of Education, the Ministry of Finance also bringing their representatives. According to the structure, the GETFund has four levels- the board of trustees, the administrator and his deputy, management, and administration. The highest internal body next to the Board of Trustees is the Administrator and his deputy, who have the responsibility of managing the Fund on a day-to-day basis. The third highest body within the Fund is in the form of management officers, such as the

financial controller, auditor, technical unit, and finance unit. Finally, there is the administration, which must make sure that the office of the GETFund is in good working conditions all the time in terms of the provision of logistics needed for the running of the office.

This is consistent with the work of Greenberg (2011). He argues that organizations or agencies need the coordinated work of many people to be able to function efficiently and effectively. The principal-agent theory also agrees that the division of labor and specialization are central to many of these organizations. Judging by the definition, the GETFund structure looks like a traditional model of public administration, as it is clearly under the control of the Ministry of Education. It is also hierarchically arranged and staffed by permanent officials. The GETFund also acts on the policy directives from the Ministry of Education. This is how the GETFund looks like according to the interviewee:

> We have the board of trustees at the top (…). We have the administrator (…). He is the Chief Executive Officer of the Fund. He has a deputy. We have management (…). We have a financial controller (…). We have an auditor (…). We have a technical unit (…). They do this in collaboration with the finance unit (…). We have administration (…). The Ministry of Education gives policy directives to the board. This is a policy directive, then the GETFund would now, under this policy directive, allocate funds to make sure that this policy directive is given effect.

Greenberg (2011) goes on to offer the characteristics and criteria for modern bureaucracy in the bureaucratic organization. For example, officials are generally free and are employed based on a contract. Officials are employed, not elected. Weber argues that elections alter the firmness of hierarchical subordination. Officials are employed based on professional qualifications. Officials have fixed salary and pension conditions. The official's post is his only or main occupation. An occupational structure exists with promotion based on merit. The employee is subject to a cohesive control and disciplinary standard in which the means of coercion and their use are clearly defined. The interviewee's response is an excellent illustration of the characteristics and criteria for GETFund:

> GETFund is part of the public services in Ghana. For the conditions of service, everything is guided by the rules emanating from the Public Service Commission. The tenure of an employee is permanent.... According to the specifications of the scheme, one periodically gets promoted.... This is the general framework within which GETFund operates, so that once a person is appointed here, until the person leaves for personal reasons, misconduct, or death, he or she cannot be removed but could be reassigned to other places, on transfer or to other public organizations.

A significant difference to this classical model of public administration was brought to the fore by Woodrow Wilson, who brought in the politics-administration division. Wilson (1887) defined public administration as the detailed and systematic execution of public law, and he argues that there should be a clear separation of

politics from administration because administration lies outside the appropriate field of politics and administrative matters are not political matters. This argument is found to take a different form from the perception of the interviewee's suggestion of the prevalence of the government's interference in the decisions of the Fund. Mintzberg (2009) strongly argues that the division between politics and administration would not only get rid of the arbitrariness and corruption in the public administration, but also may have broader consequences (Mintzberg, 2009). At the core of the principal-agent theorization, particularly concerning the examination of bureaucratic incompetence, is the argument that human beings are rational actors and utility maximisers (Lægreid et al., 2006). According to principal-agent theory, it is this economic rationality that forms actors' behavior and their successive choices, and not entirely politics.

Contrary to this theory, the earlier discussions show various government interferences in the internal affairs of the GETFund, the major one being the policy directives from the Ministry of Education. The researcher agrees with Mintzberg (2009), who argues that, from a theoretical point of view, achieving the separation of politics from administration appears to be very easy, but in practice, this separation has not been total and clear.

In this makeup, even though the nature of the structure was, in general, hierarchical, critical analysis of power distribution reveals how the hierarchical structure was dictated by collective decision making. For example, though the apex of authority of the GETFund rises as one moves from bottom to top as is the case in the traditional single line bureaucracy, it is highly overtaken by horizontal relationships when it comes to the dynamics of interactions at a specific level such as between the administrator and the board of trustees, auditor and financial unit and management and administration. Although the GETFund is run by an Administrator and his deputy appointed by the government, the highest decision-making body is vested in the Board of Trustees. All in all, the organizational structure of the GETFund draws on predominantly collective decision-making in practice, but in law, it is hierarchical. Each of the units or bodies, like the audit unit, financial unit, management, and administration, is positioned and connected to the unit heads at its respective level. The following statement from the interviewee is an excellent illustration of what has been discussed above:

> The Fund was set in a hierarchical way, but in practice, we take collective decisions. Every department, made up of three to six members, meets on a day-to-day basis to deliberate on matters concerning their department. Any decision taken is presented to the administrator through their head before the administrator also presents it to the board of trustees. If there is a need for input from other departments, it is done before the final decision reaches the administrator. For example, the audit department often than not takes decisions in collaboration with the financial unit.

The GETFund is, therefore, organized as follows: At the top of the fund is the Board of Trustees, which is followed by the administrator and his deputy. Next in

command is the management, which consists of a financial unit, an audit unit, a financial controller, and a technical unit. The final level is the administration.

Governance is the processes and interactions by which an organization engages and consults with its stakeholders and accounts for its achievements (Wilkins & Mifsud, 2024). Governance depicts how things are decided and then realized within an agency. Governance is thus an important issue for any agency or organization and determines how they are directed, administered, or controlled (Wilkins & Mifsud, 2024).

The Fund constitutes a seventeen-member Board of Trustees. The Board of Trustees of the GETFund is charged with the responsibilities, including policies concerning the goals and objectives of the Fund, overseeing the collection of monies for the fund, maintaining and keeping an accounting system, and raising funds and investing monies into productive ventures considered beneficial to the Fund. This is consistent with the findings by OECD (2004) six core functions of an agency. It was revealed that almost all six core functions, as enumerated by the OECD, were exercised by the Fund.

However, the board of trustees, in exercising its functions and power, shall receive policy directives from the Ministry of Education (GETFund Act, 2000). As part of this control exercised by the Minister, the Board is required by the Act to submit a report summarizing the general activities of the Fund within six months at the end of each financial year for scrutiny by the Minister; this report is then submitted to parliament two months after receipt (GETFund Act, 2000). The Board oversees the direct application of the Funds within a policy framework guiding the drawing up of the distribution formula. The Board exercises a supervisory function. For example, they can direct that the funds should be applied in line with the Fund's objectives for a particular year (GETFund Act, 2000). This result is in line with the proponents of the principal-agent theory in the sense that there is a link or contractual agreement between the government and the Fund. The government set up the Fund and gave it specific responsibilities. For example, the Fund was set up to provide a supplementary budget for funding education in Ghana.

This result again concurs with the main argument of principal-agent theory. The theory argues that, at the core of the public choice theorization, particularly concerning the examination of bureaucratic incompetence, is the argument that human beings are rational actors and utility maximisers (Colin, 1994). According to the theory, it is this economic rationality that forms actors' behavior and their successive choices in making decisions. It makes a case that bureaucrats are, in fact, egoistic, rational, and utility maximisers, and therefore, given the opportunity, they can step out of their boundaries and do things to maximize their satisfaction against the corporate interests of the agency. The government is, therefore, obligated to be part of the decisions of agencies to minimize the level of egoism.

Moreover, the Act lays down the policies and procedures by which Funds can be accessed by the institutions and agencies under the Ministry of Education (GETFund Act, 2000). These procedures have checks and balances that serve as a monitoring tool to ensure the smooth implementation of the policy. The GETFund is supposed to get its funds from a 2.5% Value Added Tax (VAT) on goods and services, which is

supposed to go straight into the GETFund's account open at the Bank of Ghana (GETFund Act, 2000). These proceeds are accrued from the VAT deductions and are shared in a distribution formula approved by parliament. The GETFund is supposed to use some of it for the running of the secretariat, so salaries and everything that go into the running of the secretariat are charged to the distribution formula. Every year, the GETFund's budget is sent to parliament for approval, and then the managers of the Fund use some of the money to run the secretariat.

The interviewee emphasized that this is supposed to be a very unproblematic and straightforward issue, but the challenge is that the government withholds the money at the Ministry of Finance and pays the GETFund as and when it deems fit. The action of the government in this regard is therefore contrary to the law that established the Fund. The consequence of this action is that there is always a delay in receiving the money from the government. This, in turn, delays most of the projects earmarked for a specific year. When the beneficiaries of various projects (higher education institutions) complain about the implementation delay, the government hides under the autonomous nature of the Fund, as stipulated in the law, to blame the GETFund for delaying the execution of the projects to win a political point.

Development of the Organizational Autonomy of the GETFund since its Establishment

Central to the idea of creating agencies outside the Ministries is to give these agencies some flexibility to discharge their duties to the best of their knowledge, as some of these employees who work in these agencies are professionals. As is the case elsewhere, in Ghana, the autonomy of agencies usually emanates from the statutory, and GETFund is no exception (GETFund Act, 2000).

The fundamental notion behind autonomy is that by giving organizations more suppleness and managerial autonomy, the performance of public organizations is expected to be improved. It is presumed that there is a positive link between organizational autonomy and the level of performance of a particular organization (Blom-Hansen et al., 2024).

This research explains autonomy as the decision-making abilities of an agency, or the degree to which the agency can decide for itself on matters it finds important for reaching its goals. In the context of the public sector, this means that the agency is freed from centrally indomitable rules and regulations concerning input management (Verhoest et al., 2004). Therefore, theoretically agencies are free to make their own decisions on human resources management matters such as staffing, salary grading, dismissal, promotions, evaluation of performance, and on financial management aspects such as setting tariffs, generating revenues and shifting budgets between different financial years, and in taking loans for further investment (Blom-Hansen et al., 2024). These elements are traditionally the prerogative of central ministries, such as the Ministry of Education and the Ministry of Finance.

Though the heart of decision-making within the GETFund seems to be collective in theory, frequent interference from the government, especially the Ministry of Education, which is in a way outside the fund, was found to be the trend. Excessive

government interference in the form of policy directives seems to have heavily undermined the autonomy of the GETFund. The following interview response confirms this:

> At the beginning of every year, the Ministry of Education gives policy directives to the board. The Ministry indicates that, this year, for example, we want to expand all tertiary institutions in the country. This is a policy directive, then the GETFund would now, under this policy directive, allocate funds to make sure that this policy directive is actually given effect.

The idea of control is here defined as the devices or tools used by the government to deliberately affect the behavior and action of agencies so that the government's purposes are attained (Verschuere, 2007). In order to incorporate the works of Verschuere (2007), the interviewee was asked to assess the relationship between the sector ministry, which is the Ministry of Education, and the GETFund by way of goal setting and information delivery. It was revealed that the Ministry of Education sets goals for the year in the form of policy directives. The GETFund also sets goals for the year in the form of a distribution formula. The distribution formula is drawn based on the policy directives from the Ministry. The confusion that arises concerns the actual meaning of a policy directive. The sector Ministry seems to define a policy directive in its way, completely different from the GETFund. The following interview response is the one in reference to this view.

> .... is the confusion as to what policy directives are. This has become a running battle between the Ministry of Education and the GETFund. Because policy directives are supposed to be broad indications of intent, of the sort of things the Ministry of Education wants to be done. The moment you go down to specifics, for example, build hall theatre in this institution, buy two vehicles for this institution, then, it means that you have moved away from policy directives to direct implementation which should not be the case, but the Ministry of Education does its interpretation of policy directives, because that gives them power.

This is consistent with the claims by principal-agent theorists that agents tend to have more information than principals because of their specialization (more expertise) and due to their proximity to the point of service delivery (customers). Agencies are well-positioned to know the real costs, quality, and volume of goods and services delivered. In their own right, they are specialists in their fields, and they know the situations under which they produce the necessary goods and services (Verschuere, 2007). But this is not the case with the GETFund, as the Ministry of Education seems to have taken over that role instead of the GETFund, who have the specialists on the ground and who are also close to the projects the GETFund is undertaking. In effect, the Ministry more often than not misreports the actual situation on the ground, either to score political points or escape blame. In support of this, this is what the interviewee said:

.... The fund does not have a Public Relations department (PR), and so most time it is the Ministry of Education, which communicates with Ghanaians about the situation of the fund. This means that the fund does not have a medium other than the government to explain its activities, operations, programs, plans, strategies, policies, and challenges to the general public. This gives the government a leeway to extricate itself from any blame and put all the blame on the managers of the fund, so in the public eyes, the managers are to be blamed for the lapses but in fact, the government is to be blamed for not releasing money early enough as stipulated by the law for the fund to function as expected.

According to the administrative manager of the GETFund, there was a time when the Board of Trustees was forced by the Ministry's misinformation to hold a press conference to basically deny the government's allegation of misappropriation of money within the GETFund. This resulted in accusations and counteraccusations between the Ministry and the Board of Trustees of the Fund. This problem arose because of not allowing the agency (GETFund) to report to the public on whose funds are being used for numerous educational projects in Ghana. This is in line with principal-agent theory' argument that the irregularity of information allows the agency to engage in unscrupulous behavior that disturbs the interests of the principal. In the case of the GETFund, the agent (GETFund) was rather disturbed by the irregularity of information, and there was also no proof of unscrupulous behavior on the part of the fund. Also, while the government may desire to ease the costs of public services by demanding the well-organized use of resources, agencies may be more concerned about increasing budgets for their offices so that their benefits also increase. It was revealed that this was not the case with the fund, as the activities of the government rather disorganized the resources of the fund. Here we could see a clear clash of interest between the principal and the agent. The agent may also spend fewer hours, less effort, and fewer skills, consequently affecting the productivity and the quality of public services. It was revealed that this was not the case with the fund. The managers of the fund spent more hours at work; at times, they went home very late.

Also, according to Kamala and Mustafa (2024), agents are likely to make full use of and derive the benefit of every opportunity to increase their level of egoism since the principal does not see or chastise them. It is, therefore, necessary that the government interfere to curtail the potential unscrupulous behavior of the agent (GETFund) to ease the cost, and to demand well-organized use of resources. Again, this was not the case with the Fund, as there was no proof of egoism.

To solve this problem of goal confusion and information irregularity, the parliament of Ghana is about to pass an Act to properly define a policy directive so that the Ministry of Education would know its limit as well as the GETFund. The Fund also has a performance monitoring system and an audit department. This is the interviewee's response to this:

A few days ago, we had a meeting with the lawyers who are working on the Legislative Instrument (LI), this issue came out for discussion, and it was

agreed that when the LI is passed, this issue would be straightened up. The LI operationalizes the act. An act is a broad statement of what should be done and what should not be done. The LI goes into the specific details of the act. This LI has not yet passed by the parliament of Ghana. When this is passed by parliament, this confusion as to what policy directives mean would be taken care of.

This is in line with principal-agent theory's set of solutions to information irregularity and goal confusion. To tackle the subjects of information irregularity between the principal and agencies, the measures would include performance monitoring, appraisal, and performance auditing. It was revealed that all these measures were being operationalized by the Fund. These actions can help lessen the problems of an information gap between agencies and their sector ministries. This permits the principal to perceive not only any unscrupulous behavior of an agency but also to know the intervening environmental factors that may hinder the agency's candid efforts for success.

Furthermore, according to principal-agent theory, the government may employ many methods to reduce goal confusion between agencies and their sector ministries. The most important actions would include having the government design a well-functioning performance contract in which the principal sets clear performance goals, performance indicators for gauging results, and inspires agencies to attain those pre-determined performance goals by introducing performance-related incentives. These foundations would help both actors (government and agencies) to have clear performance goals and to know what is anticipated from each actor. Here, the question of goal uncertainty is abridged (Kamala & Mustafa, 2024). But no evidence of a well-functioning performance contract was found in place for the Fund.

Moreover, the study of Lægreid et al (2005) in Norway has presented numerous fascinating practical teachings as far as the autonomy and control of agencies are concerned, which are in line with the relationship between the government and the GETFund. The government of Ghana has the ability to control the GETFund through legal frameworks such as the GETFund Act. In addition, the budget of the GETFund is provided by the government. Even though the Act stipulates that monies accrued to the Fund through Value Added Taxes should go to the Fund directly, the government does not do that but rather keeps the money at the Ministry of Finance and releases the money as and when it wants to. The Ministry releases the GETFund's money at the Ministry's convenient time at the detriment of the GETFund. So, the financial autonomy of the GETFund has been insufficient. The government has defied the law that set up the Fund when it comes to funding in order to control the GETFund. The following response is an exemplary point in this.

Because the act that set up the fund stipulates that monies accrued be sent directly to the GETFund one month in arrears, so that when we are in June, then it is only May that should be in arrears. They must have paid up to April, but the government does not do that. They don't even pay directly to the GETFund as the law stipulates... The fund has an account at the Bank of Ghana, but it sends the money to the Ministry of Finance, and then the

Ministry of Finance pays as and when it deems it fit or necessary. So, in total, there are about thirteen months of arrears in running. So, the fund does not have money.

This action of the government is causing unnecessary delay in the implementation of the GETFund's policies and programs, thereby hampering the smooth running of the development of education in Ghana, and especially higher education, which is seen as the fulcrum around which the country's development revolves. Owing to these facts, the GETFund had long not been in a position to enjoy its statutorily granted autonomy. Indeed, a serious assessment of the government's actions and practices does not defy the doubts on its resolve to undermine the autonomy of the GETFund. The government is still at fault for undermining the GETFund's autonomy, as it has the arbitrary power over various internal affairs of the fund.

The government again uses legal frameworks to control the GETFund when it comes to monitoring. The GETFund is, in fact, by legislation obligated to present a budget detailing allocation of funds to the various accounts open by the Board of Trustees for study (GETFund Act, 2000). This is a legislative control by parliament in the policy implementation process. In a way, it is imperative because such checks and balances are good for democracy, which cannot be downplayed. Blom-Hansen et al. (2024) unambiguously argue that if leaders exert but little influence on the action of subordinates, then one of the axioms of democratic government ceases to apply. In this sense, controlling the operations of the GETFund by the legislative organ of government cannot be taken for granted in the implementation process, but this is in opposition to the suggestion by Juyumaya et al. (2024) that organizational autonomy matters for performance-quoting occurrences where unnecessary political intrusion in the management of public organizations led to poor performance.

According to Verhoest et al. (2004), theoretically, agencies are therefore free to make their own decisions on human resources management matters such as staffing, salary grading, dismissal, promotions, evaluation of performance, and on financial management aspects such as setting tariffs, generating revenues and shifting budgets between different financial years, and in taking loans for further investment. This is in sharp contrast to what is happening to the GETFund, especially staffing and salary grading. In all these cases, the government is the sole principal in deciding who should be employed, and how much salary an employee should get based on a general framework for civil servants, which appears to be in line with government interest. The following interview response gives a typical view in this regard:

> GETFund is part of public services in Ghana, and all public services in Ghana operate under the framework of the Public Services Commission. So, for the conditions of service, everything is guided by the rules emanating from the Public Service Commission, so we have no control as to who should get what. All that we do as an agency is to present information on our employees, and then the Public Service Commission, which is under the Ministry of Finance decides the rest. But we get salary increments within the general framework of the yearly government salary adjustment.

This is not in line with Blom-Hansen et al. (2024) suggestion that the desire for more managerial autonomy for agencies is centered on the dispute that complex and competitive modern societies need more organizational flexibility and professional management. For effective public sector management, official rules and regulations that are mandatory for the public sector should be avoided (Blom-Hansen et al., 2024).

The government also interferes with the work of the fund by way of appointing senior members to the fund. For example, the administrator of the fund is appointed by the government. This is consistent with the work of Molander et al. (2002) in Sweden. They revealed that, as an outcome of the problems, politicians in Sweden turned to other means of dealing with the power of agencies. These included building additional areas of discretion rather than working within clear sets of rules. Also, they made sure that this action worked by growing party political selection to senior positions in the agencies.

All in all, the qualitative analysis made so far suggests the presence of a discrepancy between what has been put in place in the form of statutory frameworks and what has been the everyday practice. Hence, it can be said that, even though decision-making bodies from the board level to the lowest body are established in the law that enables the devolution of authority from higher to lower levels, in practical terms, the agency is being entangled with the government's constant and arbitrary interference in their operations. This tells that the empirical functioning of the fund is far from what it ought to be.

CONCLUSION

Addressing the pressing challenges with higher education financing in Ghana requires swift action, which the government has responded to with the creation of the GETFund to provide financial support in the form of loans to students enrolled in approved higher education institutions. Receipt of loans was also found to be a viable form of financing higher education in Ghana. In this article, I examined the organizational and governance structure and organizational autonomy of the fund. In terms of the organizational and governance structure of the fund, it can be concluded that even though the nature of the structure was, in general, hierarchical, critical analysis of power distribution reveals how the hierarchical structure was dictated by collective decision making. Concerning the organizational autonomy of the fund, it is concluded that the government interferes with the work of the fund by way of appointing senior members to the fund. The qualitative analysis made so far suggests the presence of a discrepancy between what has been put in place in the form of statutory frameworks and what has been the everyday practice. This tells that the empirical functioning of the fund is far from what it ought to be.

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