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RESEARCH ARTICLE

Higher Education Financing and the Realization of the Tanzania Development Vision 2050

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ABSTRACT

This paper investigates innovative approaches to financing higher education in Tanzania and their potential contribution to the realization of the Tanzania National Development Vision 2050. Drawing on a review of reports and existing literature, the study critically examines historical and current models of higher education financing, the challenges of sustaining quality in resource-constrained environments, and opportunities for more efficient and equitable financing mechanisms. The analysis reveals that while global spending on higher education has increased, per capita allocation remains insufficient, particularly in developing countries where education quality crises persist. The findings indicate that sustainable financing requires an inclusive and stable economic model that supports revenue generation, a conducive business environment for investment, and strategic public–private partnerships. Furthermore, the study emphasizes the need to invest in human capital, maintain peace and social stability, and strengthen governance structures to ensure efficient utilization of resources. Recommended financing innovations include blended financing, debt swaps, skills development levies, income-contingent loans, results-based financing, impact bonds, and public–private partnerships. The paper concludes that bridging Tanzania's higher education financing gap demands not only increased funds but also effective, transparent, and innovative mechanisms aligned with long-term national development goals.

Keywords: Higher education, financing models; national development vision 2050, tanzania, innovative financing, public–private partnerships

INTRODUCTION

Financing education is a political and social decision-making process, as public collections or revenues and other resources are used for education and lifelong learning. The whole process translates public or government visions and goals for education and lifelong learning into financial resource amounts and budgets and ways of financing schools and education institutions. It is political and social decision making because it includes governance and public sector systems, legal framework, policies, mechanisms and administrative structures. It requires the government to regulate, distribute and allocate these resources to different geographical areas, schools, educational institutions, specific populations and groups which in turn affect the quality of education and education opportunities (UNESCO, 2024)

Education financing is crucial for human development, the economic growth of the country and poverty reduction (World Bank, 2024) as each year of schooling increases earnings by 10% (Psacharopoulos & Patrinos, 2018 and Montenegro & Patrinos, 2023),

though the individuals and the society do not always fully realise the benefits of education and lifelong learning (World Bank, 2024). Countries have been straggling to have the best models and innovations for financing education as for a long time, the existing models have been failing to achieve quality, efficient and effective education and lifelong learning opportunities as the main goals of education. Despite of many countries and institutions coming up with more funds for education, the current financing in education sector is inadequate, inefficient and inequitable to ensure quality education and improve learning outcomes as to date 70% of a 10 years old learner is unable to read and comprehend a simple text (World Bank, 2024; World Bank & UNESCO, 2024; World Bank et al, 2022)

Total education spending by governments, households and donors in the world has increased steadily during the last decade, though the increase has not led to a major increase in allocations per child and has not addressed the learning crisis, especially in poorer countries with growing populations (World Bank & UNESCO, 2024). UNESCO (2024) indicates that there are still huge challenges in education financing as countries are still spending less than what was agreed in 2015 education agenda 2030 adherence to international and regional benchmarks of at least 4%-6% of their Gross Domestic Product (GDP) and/or 15%-20% of public expenditure allocated to education. Though these agreements exists, World Bank (2024) indicates that countries are spending 3%-5% of their GDP in education on average from primary to tertiary education translating 10%-20% of public expenditure mostly less than expected in education agenda 2030 evidenced by Tanzania spending 3% of education in relation to GDP and 12.5%-14.5% in relation to government expenditure according to World Bank 2023 quoted in Trading Economics (2024) and URT (2023) respectively. While countries are budgeting less to fund education, funding from international development agencies has also declined by 7% in 2020-2021 (World Bank & UNESCO 2023) and the share of total development aid allocated to education fell from 9.3% in 2019 to 7.6% in 2022 according to (World Bank & UNESCO, 2024). The issues are raised more in low-income countries and lower-middle-income countries, where families spend one-third of their income on education expenditures, a huge burden to poor families (World Bank and UNESCO, 2023).

Tanzania is currently at the final stages of implementation of National Development Vision 2025 which aimed to achieve 5 main targets i.e. high-quality livelihood; peace, stability and unity; good governance; a well-educated and learned society and finally strong and competitive economy (Planning Commission, 2000) and generally, we have not achieved much which call for vision 2050 to work on the identified gaps including in education which was not achieved better in National Development Vision 2025 specifically in education sektor the skills and learning or education didn't match the market demands (Planning commission, 2025, URT 2023). The country has launched National Development Vision 2050 after research and consultative meetings with stakeholders and evaluating and collecting opinions from the citizens and experts with four the main goals to achieve as suggested by Tanzanians i.e. strong, upper middle income, inclusive, competitive and resilient economy which changes people's lives; quality lives and prosperity for all i.e. social services like water, education and health; protection and use of natural resources efficiently, sustainably, profitably and resilience in climate change and finally educated society with technological skills (Planning Commission, 2025). Specifically in education this vision targets by 2050 to have inclusive education, equal opportunities in education, all Tanzanians to have primary education and at least 25% of Tanzanians to have higher level education and more than 75% of citizens to have skills in communication technology. For all these and the four goals to be achieved, financing strategies must be inclusive and innovative to accommodate all, we need quality education in each sector so that we can have quality experts for the implementation of the same. Unfortunately, Tanzania has no Education Financing Act or Policy that gives guidelines and important strategies to achieve more educational resources and quality education. It is only through proper education financing that quality education may be achieved. Without quality education no quality experts in all sectors and the targets of the Vision 2050, hence achievements may be less. Generally, it has to be understood that the performance of all sectors and the vision 2050 will be proportional to the effective, efficient use of funds used in financing education, as well as the amount well spent.

To achieve the objectives of education and learning we have to assess and understand the resources available in the countries and the continent Africa at large, leadership position, economic models and position of

countries in Africa, Tanzania included so that we can optimize the use of human capital and natural resources to mobilize enough funds for funding education for the generations to come. This paper ends up with financing approaches or innovations that can work for Tanzania and Africa to achieve what is expected of them by National Development Vision 2050 and the African Agenda 2063.

Foundation to Achieve Sustainable and Reliable Education Financing towards 2050

To achieve the goals of National Development Vision2050 we need foundation to fund education, which can change resources and situations or opportunities we have into money, which in turn we can finance education sustainably and quality of life. As for now, if the current resources are harvested, we can easily fund education. To finance any sector properly and sustainably, especially social services like education, you need one key important assurance and it is an enabling economy that will be able to fund all the activities related to the sector. The economy to finance education in developing countries today needs inclusivity where all actors in the economy participate in the production and consumption of the produce and ensure that no one is left behind. This economy will enable the government to collect enough revenue to fund its intended goals and missions and vision like vision 2050 in all sectors, and education included; where the government can't reach, an inclusive economy will help individuals, development partners, and society to have the ability to finance their services, including education. This will only happen if we have a clearer economic model like what Mwalimu Nyerere did immediately after independence i.e. UJAMAA na Kujitegemea. To achieve all these, we have to know that higher education is not local i.e., it is universal and therefore important to analyze Africa and beyond Tanzania included that lack of an economic model results to leadership gap and therefore gaps in each sector, though we have enough to make us move from the current status.

Africa is a rich continent in terms of natural resources and human capital, with 54 states with their own geographical, economic and cultural characteristics. For centuries, the people of Africa have remained poor regardless of the endowed resources they are sitting on (Ntui & Kiemi, 2016). The efforts to define development in Africa for the better Africa can be traced back to the research by the South Commission in 1987 named as "The Challenge of the South" where the founders of the continent wanted prosperous and free African people and insisted that the true development of the south needs sacrifice and are at the hand of the people of the south (South Commission, 1987). The continent covers 20% of the Earth's inhabitable surface or land. The continent has a population of more than 1.43 billion people, which is approximately 18% of the world's population. The continent is characterized by low revenue collection, education and health, standard of living, life expectancy and also fastest fastest-growing economies (World data, 2023).

The global importance can be measured by how the continent is trading both internally and externally, where goods and services are exchanging hands. In 2022, the Africa Export Bank shows that exports were 573 billion USDs while Imports were 608 billion USDs, indicating that the continent consumes more what it doesn't produce. Though the report indicates that the deficit is declining, it is a sign that what is exported may be large in terms of content, i.e. raw materials, but low in value, calling for value addition and processing to be done on the continent and avoiding exporting raw materials. The report also indicates that Africa exports 6 times more than it trades internally, indicating that the continent lacks coordination and perhaps leadership so that we use the resources ourselves and the excess is exported, as indicated by intra trade in 2021 being USD 169.73 billion and Extra Trade being 1.01 trillion USDs i.e. 1,010 billion USD (African Export-Import Bank, 2022).

The position of Africa is indicated by the fact that 30% of the earth's mineral resources are found on Africa continent (oil, copper, diamond, bauxite, lithium, gold, hardwood forests, tropical fruits etc.). It is also indicated that 12% of oil comes from Africa, i.e. Nigeria, Libya, Angola, Algeria, Egypt, where Nigeria and Libya are among the top 10 oil producers in the world. With all these resources and potential, people in Africa remain poor as out of the poverty increase in 2021, 50% of the poor were from SSA (World Bank, 2021; World Atlas, 2024) main reasons for poverty with all these resources being high level of corruption, poor resources management, lack of policies on wealth management and political instability. These reasons are just symptoms or outputs of the main reason which if not dealt the continent will remain poor for centuries more. The main root of the problems is lack of a documented and unified economic model or philosophy which availability will outline how the resources available will be harvested and also how they will be utilized. The

model will give values of those who will be entrusted to care for resources on behalf of the current and future generations and also clearly indicate the way to do business with external partners. The model will make the continent have one way of thinking and the most important part of the model is that all policies in all sectors will be rooted in there. This will finally eliminate conflicts and disputes among the members on the continent and also the continent will have one voice in the market and all international engagements.

This is a literature review paper where different reports and journal articles on education financing were critically read and the word “education financing” was used as key word using Google search to find education and training financing journal articles and reports which were critically read and conclusions were drawn. To ensure that education financing is sustainable, identification of education financing related materials was extended to “general education” and other materials which are foundational for education, teaching and learning environment i.e. human development, peace and stability, leadership, health issues in the society, economic status and availability of natural resources in the community, national budgets and provision of social services in general. The following are the details of the reviewed literature, findings and discussions divided into subsections: Leadership, Economic Model and Philosophy, Tanzania and Africa Performance on Selected Sectors, Reasons for Financing Education and Education Financing Approaches:

Leadership, Economic Model and Philosophy

Mwalimu Nyerere, immediately after being the President of Tanzania in 1961, realized that it is difficult to lead and unite a country without an economic model or philosophy and came up with the Ujamaa and Self Reliance model or philosophy. The model was documented and communicated to every citizen and stakeholders and it was understood that Tanzania is an African Socialist Country, and all decisions made and policies in all sectors were rooted in the model. The model informed how to do business where all major means of production were controlled by the state (the model was not friendly to the private sector), education policies where private schools were made public, health policies, foreign policies etc.

Tanzanians united both Tanganyika and Zanzibar with Kiswahili being a uniting Language of all more than 120 tribes. This is rare in Africa and the world, but was possible in Tanzania because the Mwalimu Leadership was guided by a philosophy or economic model which was well documented and communicated to the society and became part of the lives of the community. We can also cite Swahili and the Union of Tanganyika and Zanzibar as evidence that without a model, no unity and prosperity to the people can exist.

This can also be witnessed in other Unions which failed and successful in the world. Africa as a continent if wants to change from being a place where other countries benefit while our people are poor, we have no choice but to have clear economic model which will unite our decisions and our activities both leaders and citizens. Africa has witnessed regional integration groupings like ECOWAS, COMESA, EAC, AOU and now AU, SADC etc., which generally are not helping citizens as the regions are still full of conflicts and poverty is still a problem. With all these groups there is still Coup like what recently happened in Niger and Burkina Faso while the groups are watching. The reasons for the Coup are leaders staying in power and misusing public resources for their families and friends. These groups may not work because they are not coordinated or founded in the model or philosophy in which the values, language and policies are derived from.

It is difficult to unite capitalists with socialists or those who don’t have a model with the ones with a clear model as even their networks and partnerships may not work together. This may be a reason why Africa with all trials and integrations Africa is still there. The continent has not learnt a lesson in past integrations and recently came Africa Continental Free Trade Area (AfCFTA) and the Africa Agenda 2063 which all require members to work together. These may not be different from the previous efforts which for years have not benefited Africa in a way that poverty and conflicts change unless we learn from Mwalimu Nyerere who saw that unity is impossible without a philosophy or model.

Therefore, for the united Africa with effective policies for dealing with poverty and economic issues in the continent there must be a model or philosophy so that we all unite with a purpose. In this context, Africa including Tanzania can work as unified continent and unified country so that education is funded at all angles using all possible strategies and innovations identified by the leadership and stakeholders. Ujamaa united Tanzania and helped neighbors to be independent at that time and Mwalimu saw that it was Ujamaa to be a uniting factor as a model. Mwalimu changed as time and the world was changing too. We have to buy the

idea of coming up with a model for success but that model may be a new Ujamaa because Mwalimu was not static. Ujamaa should be a lesson and wit time we can pick some good things from Ujamaa and leave those we think may not be compatible with the changes in the word. Mwalimu admitted that there were many mistakes in his regime and also there were good things and warned us to pick bad things and leave good things. The following are the Quotes for us to learn:

To the importance of education and service to our people to avoid looting from them, Mwalimu said "*Those who receive this privilege have the duty to repay the sacrifice which others have made. It is like a man who has been given all the food available in the starving village in order to have the strength to bring supplies back from a distant place," in Ntui and Kiemi (2016) "If real development is to take place, the people have to be involved…You can't say that you have developed if the people are not free, no democracy and development is not the development of things, it has to be people-centered development i.e. their lives, education, health, freedom etc*." in South Commission, (1987).

The two quotes show that Mwalimu insisted on human development and people-centered development. More than 60 years after independence, Africa is fighting poverty, ignorance, diseases and conflicts. Leadership and philosophy are still lacking; we have not learnt from Mwalimu and Ujamaa, it is now high time to change so that the continent occupies its global economic and social position.

Mwalimu left us a debt that we owe him. His leadership and efforts in Africa are enough for us to be the change he wanted. We have to be leaders, not like him but more than him, so that we learn from Ujamaa and build the best Africa than what he left. We therefore have to learn from Ujamaa and be innovative with changes in time as Mwalimu trained us to be Leaders not Followers "The function of leadership is to produce more leaders, not more followers," Ralph Nader, an American Attorney and Activist. It has been a practice of praising the good deeds by Mwalimu but more than 60 years after independence, the continent is still poor and disorganized, there are more coups in West Africa and also conflicts in the EAC, central Africa and a large part of Africa. We have lost our resources and we are trading in unfair markets while we are the market in itself, and the main reasons for poverty and dubious deals are said to be that the US and the West are the cause, while we are here watching our minerals and all other natural resources disappearing. These excuses indicate that we have decided to loot our resources as if we are the last generation. Mwalimu didn't do and didn't teach this and left Tanzanians with plenty of resources until we signed the mining and mineral policies in 1998. We have to admit that we are the reason for poverty and conflicts in Africa, as "When there is no enemy within, the enemies outside can't hurt you," African proverb

Tanzania and Africa Performance on Selected Sectors

Countries in the world have used different approaches and models to achieve where they are now. Like most African countries, they also united and integrated for the purpose of economic, business, and finance and also social benefits but the differences arise in successes. We can measure the power of the models used from the benefits earned in the key areas like Economic Development and Growth, Human Development, Peace and Stability, Business Environment and Health Sector. We can learn from the successful countries by analyzing the model behind the success so that in the African context, we can come up with a unique model for the benefit of the African generation i.e. African prosperity, so that we do away with poverty and conflicts. The following are the details of the key selected sectors which are foundational conducive environment and to the sustainable education financing:

Economic and income level

In determining the position and success of the African continent, we can't ignore the power of the economic growth and development of each member state in general and also the continent at large. Recent reports indicate that 88% of low-income countries are in Africa, meaning that out of seven continents, Africa is the home of low-income countries. In the category of middle lower income countries, the African countries make a 44%, Tanzania included in this category of all countries in the group, indicating that almost 50% of lower middle-income countries are in Africa, indicating that the countries are struggling. The reports indicate that there are few African countries in the middle-income category as only 13% in the upper-middle-income category and none of the African countries are in the upper-income income (World Bank, 2023). Generally, Africa still works too hard so that the countries can compete and benefit their people. In this economic section, the Nordics seem to do better as they feature most in the upper income category. The analysis of the model and philosophy used there may benefit the continent if changes are to be made as economic development signals availability

of funds both in public and private sector hence sources of education financing.

Human development progress

Human development is the key to the development of any country and finally, the continent or region. It is human development that makes sustainable development, leadership that cares about the next generation and also values for humanity. Economically strong society, long and healthy life, educated and skilled society, freedom and high standard of living, and mostly importantly enlarging human choices make a human person comfortable and most satisfied. This is evidenced by UNDP (2022) where Tanzania is the 167th out of 193 countries, and in the best 10 countries with higher human development index, there is no single African country and in the list of 10 worst countries in the human development index majority of the category is African countries i.e. 90%. This category is dominated by the Nordics in the best 10 countries with a high human development index, indicating that we have to learn so that we contextualize and compete in global fight for the prosperity of our countries, individuals and the continent. There has been a tendency of African countries ignoring global statistics instead of using them for the change which may be a reason for not helping the continent but rather we shift blames to indicate that statistics are prepared to degrade Africa. These statistics are similar to our own statistics example in Tanzania 84% of its working power has low understanding of what they are doing while 13% has average understanding and only 3% has higher understanding (URT, 2023). The reports indicate that as a continent we have not done enough in human development indicating that in general our education, health, political and economic systems are still with problems which may be caused by lack of philosophy in each country in Africa where the policies are rooted. Since education is part of human development, we have a lot to learn from the Nordics who dominate the best performers. They use inclusive economy approach similar to social market economy model where in all sectors education inclusive no one is left behind. Therefore we have to invest significantly in education so that we bridge human development index gap.

Global peace and stability

Investment and economic activities work better in a peaceful environment where financial resources and human capital are used to the optimal. Peace is a foundation of all social and economic operations, as education, health, business; sports, agriculture etc. need peace to happen. In a violent environment, all systems i.e. social and economic collapse and the countries spend resources in wars and also resources are looted by enemies and the citizens, without any information end up in the hands of the few while majority of the population is left poor. It is in conflicts where the national budgets are heavily used in military operations which are the most expensive equipment to be purchased with little accountability, while the citizens remain behind closed doors without producing or children going to school. Africa in the global Peace Index lags behind, indicating that it is not stable as in the best 10 peaceful countries, there is no single African country in that category and in the Worst 10 countries, Africa hosts 40% of them, Tanzania being 91st in the ranking (Global Peace Index, 2023). This may be indicated by conflicts in great lakes and DRC which have lasted for decades, conflicts in West Africa and recent coup in Niger and Burkina Faso, conflicts in Sudan and Central African Republic as well as Chad and Mozambique etc. Again, the list of the best and most peaceful countries is dominated by the Nordics which call for learning from them and apply in African context so that we make our continent stable to avoid unnecessary expenditures in military, avoid wastage of resources during the war, allow our people to work peaceful and kids to go to school for human development.

Business environment

Though education is considered as service provided by the state in some countries, it is also a business provided by some private sector investors and institutions. The economy of the countries and individual businesses prosper when there is a conducive environment for businesses, from registration to the selling of goods and services. Investors, both local and foreign, prefer a stable business environment, specifically one with a reliable regulatory framework such that procedures are well stipulated and there is no expectation that rules or guidelines will change overnight. This is supported by the country's economic model as capitalists' business environment differs from a socialist's business environment etc. It is therefore each country ensures that business environment attracts investors to venture in economic and education activities freely and in case of disputes there is a clear conflict resolution process and there are independent institutions to supervise investments and businesses. These call for Africa as a continent to want to compete with other continents to

come up with one economic model in their context so that business and economic policies can easily be harmonized. It is the business environment that determines number of investors, investments and also value of investments meaning that where the environment is not suitable investments are low and vice versa as indicated in the Doing Business Report 2020 that African countries are 60% of the Worst countries in the doing business report ranking and no African country in the best 10 countries doing well in doing business reports Tanzania being 141st out of 190 countries assessed. This indicates that our legal systems and economic systems are not working together or we don't follow the rule of law and we lack clear model or direction on how to transact within our countries and cross borders. This report communicates the reason on why our economic regional blocks are not helping us much. The issue of AfCFTA and The Africa Agenda 2063 may remain on papers if we don't change and learn from Mwalimu Nyerere and the rest of the world with high performance in doing business environment, in this case, the dominance is the Nordics. Business environment also affect investments in education as investors need stable regulatory frameworks, easy of doing businesses and also protection of their investments and capital.

Global health performance

Health population means health country and health continent. A healthy society is the reflection of energy and ability to work in the country and the continent, as a sick population means a sick economy, a sick country and sick continent too. For the people to be healthy there must be a system that allows the best health care possible. The health care systems are interlinked with country's health policies and the economic model and the economy of the country as it has to be financed either privately or by the state. The hospitals and health centers have to be well equipped and also easily accessible to the community as well as affordable or free for the disadvantaged group. The best health care system must ensure that people don't fall into bankruptcy when they fall sick. It also has to ensure that no need for one to have cash to be treated or attended. In this context, there must be health insurance for the larger population, especially lower-class citizens and the middle class. Africa has not invested much in this area as most of its people are out of health insurance and also in rural areas, medical services are either very few or very poor which in turn increases vulnerability for people to die without help. This is evident as indicated by World Population Review (2024), that in the ranking of the countries with the best health care in the world, no single country is from Africa, while 100% of the worst-performing countries in the ranking are from Africa. These statistics are far from the (ISCEJIC, 2018) indicating that 68% Tanzanians are not covered by any health insurance scheme while only 32% is covered by various levels and quality of schemes i.e. 8% is covered by National Health Insurance (NHIF), 23% covered by Improved Health Insurance (iCHF) and 1% covered by private health insurance. This report tells us that we have not invested much to protect the lives of the poor people, and we don't care about the health status of the health of population, which directly impacts our economies and human development. Like other sectors, health policies may not work properly if they are not rooted in the economic model or philosophy. Mwalimu Nyerere succeeded because it was the state to ensure that all basic needs were provided to the society by the government using the Ujamaa economic model or philosophy. In this context having a health society will enable the state and health society to direct its resources to finance education and other services. A healthy society can easily learn and also use funds available for research and education to ensure that all sectors have the needed manpower or experts.

Reasons for Financing Education

Education in itself is important for economic development and human development as well as lifelong learning opportunities and it is the window and foundation for all sectors of the economy and social needs. It is important to note that education is delivered by both the private and public sectors, calling for different ways of financing it. For the country and society to achieve their vision and goals and in this context National Development Vision 2050, education must be the key to all the areas calling for resources or funds to make it happen. The following are important reasons for financing or funding education according to UNESCO (2024): Firstly, education is a global common good and has direct and indirect effects or benefits to individual and their families' lives, security and their economies; it also has benefits to the countries and society's economies and planet where environment is protected for sustainability and also benefits to the lifelong learning opportunities. Secondly, education and learning are associated with other human rights and freedom and countries or states have obligations and responsibilities to guarantee the realization of the rights

to education as free education reduces the costs of schools and removes barriers to further education and prosperous youth and adult life. For all these to be accomplished, there must be commitments and long-term and predictable financing from the government to collect public revenues and mobilize, as well as regulate funding. These commitments may be supported by development partners and society or the private sector, as many countries face education financing gaps that can and are affecting the whole generation of children, youth and adults, hence calling for the best models, mixes and innovation for education financing.

Education Financing Approaches

The literature discussed in this paper and the discussion about the challenges and difficulties in funding education, resources available in the continent and Tanzania and economic development of Tanzania and the continent at large, human development status, health situation, business environment and peace index of the country and the economic model which is the sole foundation of the funds and sources of funds to finance education shows that there is a need to come up with more innovation to ensure that even at this difficult time education is funded while we work for future sustainable and reliable funds for education.

The discussions about changes in domestic revenues to ensure reliable collection of resources, innovative financing to come up with diverse funds and sources of financing, the role of employers (industry and professional bodies) in financing education to their employees or members and also the role of philanthropy are answered by the decided model of economy or philosophy and leadership we want towards 2050. The socialist economy can't have an answer because the private sector, which is the source of employment and more government revenues for funding education, won't be there and the capitalist economy will not be inclusive to all and only the haves will benefit. The only form of economy which answers inclusivity is the social market economy model evidenced by the performance of Nordic Countries and German in all reports discusses in this paper i.e. easy of doing business, human development index, peace index and also economic development and happiness index for reference. The model takes the good things from socialism and good things from capitalism and forms a documented, reliable, sustainable and inclusive economy that reduces poverty for parents and individuals to afford paying for education and government fees or revenues. This model of economy also answers questions like free education? Lower fees? and pay more or less to teachers? As with more revenues to all, i.e. individuals, businesses, government and partners, answers are available and funding is available and accessible.

According to Tanzania URT (2023), there has been an increase in education financing or funding from year to year, but there are still deficits and challenges in funding and financing education and training in Tanzania in all areas which have affected the quality of education and training in the country. This calls for more efforts to ensure that, with available resources, quality is not affected by finding ways to come up with innovative financing models. It is therefore clear that though countries have tried to come up with more funds in education, the financing situation is still tight to the governments, households or individuals, development agencies and therefore before we talk about giving quality, efficient and effective education globally we have to fill the financing gap (UNESCO, 2023). The Tanzania government has been using its funds to finance education through Higher Education Students Loans Board (HESLB) counting a total of 3% of GDP and 12.5%-14.5% of government expenditure lower than education agenda 2030 as explained by World Bank, (2023) quoted in Trading Economics (2024) and Tanzania URT (2023) respectively. Higher education in Tanzania is also funded by parents, individuals, society, employers and development partners inside and external to the country (URT, 2023). It is also important to note that according to the National Household Census 2022, the population growth rate is 3%, URT (2022) meaning that the number of youths requiring education is going higher and higher, calling for innovative means of funding. The funding is not only for fees and infrastructure but also for paying quality staff that will support quality education to bridge the current deficit of lecturers in Tanzania universities of about 5,748, according to Tanzania URT (2023).

The way to fill the financing gap is innovative financing, meaning that the focus is not only on sourcing new additional funds but also on spending the funds efficiently and effectively (World Bank, 2024). This can only be done properly if Tanzania decides to come up with the Education Financing Act (EFA) which will stipulate all important procedures and engagements and partnerships as well as diversity of funding strategies and conditions. These strategies and innovations will enable Tanzania to achieve educational goals of National Development Vision 2050 of all

Tanzanians having basic education, at least 25% having higher education, equal education opportunities for all, inclusive education and mostly important is education and skills provided to match market demands by 2050. The following are some important financing innovations or models which can help in funding higher education in Tanzania towards 2050 for increasing the volume of amount of funding and improvements in service delivery:

Blended finance

Towards 2050, Tanzania must invest heavily in higher education through blended higher education financing. This is the strategic use of development funds to attract or mobilize additional sources of finance or capital to promote the private sector to put capital, which will also give them a return. Blended financing may be in the form of a fund type blended, like the Regional Education Finance Fund Africa (REFFA) or project-type blended (Zelenczuk, 2021 and World Bank & UNESCO, 2024). It combines official development assistance with other private or public resources to leverage additional funds from other actors (OXFAM, 2017). This is in line with National Development Vision 2050 which sees Public Private Partnership as one of the approaches for implementation and sources of funds to achieve its goals.

Debt swaps for education

Tanzania can use the debts available to finance education through debt swaps. This is where the country fights or influences to have its debts forgiven so that it can mobilize more funds for education purposes. This approach should benefit both public and private education institutions and learners since all serve one purpose and one society. These innovations in financing can be leveraged for short-term relief as the countries stabilize their economies for stable revenue collections, because some low and lower-middle-income countries allocate nearly the same per capita resources to debt servicing as they do to education (World Bank & UNESCO, 2024).

Guarantees

The available guarantees in the world are sources of financing in higher education and Tanzania can use these funds towards 2050. Countries are guaranteed internationally to mobilize more funds for education (International Finance Facility for Education-IFFFE, 2024). Educational or Development guarantees or public guarantees are tools that can be used to mobilize additional education financing from the private sector, where a guarantor agrees to pay part of or the entire value of a loan, equity, or other instrument in the event of non-payment or loss of value. Again this is a relief for the straggling governments to ensure that the part paid by a guarantor benefits all learners equitably in line with vision 2050 goal of equal education opportunities for all.

Skills development levy

Towards 2050, this source of financing can be improved and widened into a large fund supporting both private and public institutions of education where more contributors may be added so that more students' and universities' activities are funded. As it is now, it is simply a tax on the employer calculated as a percentage of gross cash emoluments of employees for developing of workforce learning and training. To date, this is working, and about 75 countries have implemented it (UNESCO, 2022).

Impact bonds

As hinted in the economic growth, business environment and peace index, investors need assurance that their investments are safe. Towards 2050, Tanzania has to assure the private sector investors in higher education that their investments are safe and there is a return on their investments. This is where refunds are made when best outcomes are achieved by an investor after an independent assessor confirms best results after the government has entered into an agreement and contracted private providers of education (World Bank and UNESCO, 2024).

Income contingent loans

In this aspect Tanzania has worked well with HESLB though not all students are financed. To achieve equal education opportunities for all towards 2050 Tanzania has to ensure that an inclusive economy and a friendly business environment as described are necessary for beneficiaries of the loans to have employment or employ themselves after graduation, so that they can easily pay back loans and others benefit. This is the loan given to students covering tuition fees and other costs and students pay until they are financially able to do so and to date more than 10 countries have implemented (Chapma & Dearden, 2022)

Public private partnership in education

Since vision 2050 has insisted on Public Private Partnership as means to finance and implement its activities including education, the Tanzania PPP policy of 2009 has to be awake in higher learning and all other education levels and in all professions so that more funds can be mobilized to educate the current growing population by ensuring that no one is left behind, provided are qualified by 2050. This is where there are

contractual collaboration agreements between the government and the private sector to finance education. This is a complex mix but works better if more resources are from the private sector; funds are targeted for specific uses, when government spending can be reduced without compromising quality and when a service provider has autonomy over management and academic matters (Patrinos, 2023)

Results-based financing

To motivate investors and ensure quality of education, the best performers in the industry must be rewarded towards 2050. This is where incentives are given by the government or any other stakeholder to the investors along the chain, admission, book availability, curricula, teaching, etc. This strategy not only going to motivate investors but also will enhance quality education and also encourage more investors to invest in education while aiming at the best results.

Bank loans to students on education

The Tanzanian Banking Industry now has to see higher education and all levels of education as an opportunity for loans towards 2050, where parents and students can be given loans and pay by instalments before they graduate or after graduation, respectively. This is where banks and other financial institutions finance parents and students after they are admitted to higher learning institutions and other levels. Parents and relatives can then pay the loans as a student continues with studies. This facility is important when other sources are limited and a student is supposed to continue for studies. This will give relief for the government and parents or relatives and at the same time banks can use this window as part of corporate social responsibility and give discounts for interest rates for education.

Specialized industrial and professional financing

The corporates especially in private sector can decide to have scholarships or funds for funding the education of their employees and students in their specialized areas. These are opportunities or scholarships given by industries or professional bodies to educate professionals or experts in the specific industries or groups of industries to ensure that the quality and number of professionals are maintained or increased. Sufficient number of experts in all sectors with relevant skills will make it easy to achieve the targets of vision 2050 and beyond.

Generally, to be able to fund education and other sectors we need stable and inclusive economy, conducive business environment so that investors including those in education to work properly, we need health society so that they can produce, we need peaceful environment so that people can work without fear and finally we need properly developed human capital which will participate in production and decision making. These funding innovations may be used to fund research, equipment, utilities, training, infrastructure, curricula, technology, staff development, seminars and all other higher learning activities, not limited to students' tuition fees, meals and accommodation. To achieve all these we can learn from the Nordic countries or model which dominate global reports as highly performing countries in human development, peace index, easy of doing business and also health performance. Their performance is rooted on the economic model used i.e. Nordic model similar to social market economic model practiced in German too which is inclusive and leaves no one behind.

CONCLUSIONS AND RECOMMENDATIONS

Education financing is a responsibility, accountability and a rights issue for the current and future generation. Education financing determines the quality, output and results of all the government and private sector plans and visions. Stakeholders must understand that education financing is not just seeking funds or mobilizing funds for education but it is rooted in the economy of the country where the revenues will be collected, investors' environment to invest in education, human development efforts including lecturers and teachers to implement education goals, health of people and the security of the same etc. This environment will enable the learning environment to have resources and also quality deserved. In a situation where the world is struggling to finance education and the high rate of population growth and technological changes, especially in developing countries, Tanzania and Africa have to ensure that the resources available are efficiently and effectively utilized. The hinted innovations will only work to finance education if the foundations are strong. The financing gap will not only be filled by having many funds or revenues from the government, but having a clear target and understanding of what we need in terms of education and all sectors by 2050 and then use effectively, honestly and efficiently the available resources to achieve the results and the quality intended and needed. To realize Tanzania Development Vision 2050 education is the key to produce experts in all sector and there financing of education needs the following ten (10) strategies and innovations: Blended financing, debt

swaps, guarantees, skills development levy and impact bonds. Also it needs to be financed by; income contingent loan, public private partnership, results based financing, bank loans and professional and industrial financing. Future studies should focus on seeking views and facts from education stakeholders on the best education financing strategies and innovations in all education levels to achieve the 25% of Tanzanians in 2050 to have higher education and 75% being digital literacy.

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