
Challenges of Government Funding Model on Public Universities: A Case of Botswana

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ABSTRACT

Purpose: The purpose of this study was to examine the challenges posed by the funding model on the transformation of public universities into entrepreneurial universities in Botswana to determine how the model affects or influence the adoption of an entrepreneurship model in public universities.

Design/methodology/approach: A qualitative study with 30 participants from four (4) public universities was conducted with the use of a semi structured interview. The sample was drawn from top management in each of the universities. Data was transcribed, coded and grouped into themes with the use of Atlas ti software version 22.

Findings: Government funding model hinders the transition of public universities into entrepreneurial universities. Firstly, the funding model is bureaucratic in nature. Secondly, the model forces public universities to operate from a zero budget. Thirdly, the model encourages irresponsible spending. The less funds a university utilizes the higher the cut in funding in the next budget allocation cycle. Fourthly, the funding model has a short budget cycle which hinder public universities to conduct long term projects which brings more financial returns compared to short term projects. Lastly, while research is seen as a key driver to aid the transformation, the model does not cater for a research and transformation budget.

Research limitations/Implications: The study was limited to the enquiry of the challenges of the government funding model on the transition of Botswana public universities into entrepreneurial universities. The study focused on insights from senior management of public universities. While this formed a good basis for this exploratory study, future studies may consider a quantitative study with other key players to validate these findings. Further research is therefore recommended amongst middle management and university students in public universities.

Practical Implications: This research improves knowledge in the systematic executions for developing strategies that are likely to influence and support the entrepreneurship model in Botswana's public universities.

Originality/Value: This research was the first attempt to examine the challenges posed by the funding model on the transition of public universities into entrepreneurial universities in Botswana. Recommendations were made for government policy makers to review the current funding model with the view to develop a new model to support an entrepreneurship model in public universities.

Paper type: Research Paper

Keyword: Government Funding Model, Challenges, Public Universities, Transformation, University Entrepreneurship.

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I. INTRODUCTION

To operate a university is a capital-intensive exercise and for any university to achieve its strategic goals relies on the availability of funds (Ogunode & Ohiosumua, 2022:92). Globally, one of the major challenges faced by public universities is insufficient funding which tend to cripple university operations (Ahmad, Farley & Naidoo 2012; Ogunode & Ohiosumua, 2022; Newfield, 2018; Wachira, 2018; Zusman, 2005; Cross, 2020). Still on a

global landscape public universities drive their budget through their parent ministry of education which approves the budget and release the funding. Owing to the recent global economic downturn due to Covid 19 crisis and increased social demands for other services, the educational budget for most countries has declined (Omona, 2012:14; Mohamedbhai, 2011:3; Cardoso, 2020:3&4; Grove 2020; National Academic Press, 2012:9; World Bank Group, 2020:5) and Botswana is no exception. Even though this is the case, public universities still depend on the shrinking ministerial budget for their funding. According to the World Bank data, education accounts for only 13% of government expenditure worldwide (Chernova, Akhobadze, Malova & Saltan, 2017:37).

Much literature has been written on the diverse types of government funding models for public universities (Layzell, 2007; Chernova *et al*, 2017:42; Mokaya, Mabeya & Ochieng, 2020), nevertheless, how this funding models influence the transition of public universities into entrepreneurial universities is still ambiguous and outstanding. Further scholarly research is required in this area especially in developing countries. Therefore, this study sought to investigate how the funding model negatively impact the transformation of public universities into entrepreneurial universities in Botswana. The study contributes to the knowledge gap on challenges posed by funding model on the transition of public universities into entrepreneurial universities.

A. Research Purposes

The purpose of this research was to examine challenges of the government funding model on the transition of public universities into entrepreneurial universities in Botswana, to determine how the model affects or influence the adoption of an entrepreneurship model in public universities.

II. METHODS

A. Material And Method

A qualitative research method was utilised to examine the challenges posed by the current funding model on the transition of public universities into entrepreneurial universities in Botswana. An exploratory case study design was preferred because it is cross-sectional in nature and enabled the researcher to show the intricacy in the existence of relationships, patterns and links (Saunders, Lewis & Thornhill, 2016:163; Kumar, 2019:195; Babbie, 2020:88). Primary data was collected with the use of an online semi structured interview and to answer the research questions of the study, an interview guide was designed. The interview guide was developed based on the following references: Burykhina, 2008; Dinh, 2020; Fernández-nogueira, Arruti, Markuerkiaga & Saenz, 2018; Guerrero, Urbano, Fayolle, Klofsten & Mian, 2016; Sultan, 2017. Atlas ti software version 22 was used to transcribe, code and grouped data into themes. The study used Atlas ti software to do all the six steps of thematic analysis (Braun & Clarke, 2006; Braun & Clarke, 2021) because it was found efficient for analysing bulky qualitative data (Miller, 2000:98).

The total research population for this study was N=3311 which comprised the total number of staff and council members from the four public universities in Botswana (Mauco, 2021; Boima, 2021; Mubu, 2021; Sebanda, 2021). A sample size of forty (40) participants was identified for the study but only thirty (30) participants managed to attend the interview. Since 30 out of 40 participants took part in the interview that made a response rate of 75%. This response rate was regarded as satisfactory in accordance with (Funkhouser *et al*, 2017:333 and Nulty, 2008:303) who claims that a response rate of more than 70% is excellent as it offers reasonable precision and a lower margin of error. Participants who formed the sample included Vice-Chancellors, Deputy Vice-Chancellors, Ministry of Education and Skills Development representative to the University Council, Faculty Deans, directors and coordinators of business centres within the universities. The sample was drawn from top management of the universities through purposive and snowballing non-probability sampling techniques. The two sampling techniques were selected as they allow the researcher to specifically identify a sample that fits the characteristics of the broad population (Bryman, 2012:188). The rationale for selecting this sample was because they form the strategic leadership of universities who make decision and drive the implementation of the strategic plan of the universities.

B. Literature Review

1. Defining Funding models

“Funding models are modern instruments of financial management in tertiary education institutions. They are transparent to the user and the public, objective in that they do not entertain unjustified flexibility, and with advanced information technologies, are easy to implement” (Government of Botswana, 2009:3). They are a set of tools used to allocate funds to public universities. These tools denote a set of plans to achieve objectives and maximize outcomes with the prevailing resource limitations (Chernove, Akhobadze, Malova & Saltan, 2017:40).

2. Types of funding models

The body of knowledge reveal that in general there are three main types of public funding models for public universities. These includes formula-based funding, outcome-based funding, and negotiated funding (Chernove et al, 2017:37). Formula based funding involves the use of an algorithm to calculate the size of university funding using a mathematical formula. Certain variables are considered in the formula, and these include student population, publication performance, and other indicators. Basically, this type of funding model fixes the size of funding with measurable indicators (Kováts-Németh, 2014). Outcome based funding often referred to as Performance based funding is a funding model that involves the signing of performance contracts between a university and government. (Teferra, 2013; Wachira, 2018; Simelane, 2007). The Performance contract clearly stipulate target performance indicators that the university accepts to achieve by getting the required amount of funding. This funding mechanism requires that the university achieves goals that are aligned or informed by its strategic plan and or national high education goals (Spooner, 2019). The university must fulfil its performance goals and reach targets in the performance contract within the agreed period to receive the agreed funds (Claeys-Kulik, 2015). Indicators commonly used to measure performance include retention rate, completion metrics, faculty productivity, external research funding and transfers. The model can include premiums for certain preferred study areas and for academically underprepared students (Gandara & Rutherford, 2018). On the other hand, negotiated funding as the name suggest involves informal negotiations between government and public university to acquire funding. Certain characteristics come to play such as the university reputation, rankings and its core mandate (Chernove et al, 2017). All these funding models comprise Teaching Fund (recurrent budget), Research Fund and Capital Fund (physical infrastructure development budget) (Teferra, 2013).

In the case of Botswana, none of these three major types of funding models is being utilised. The funding model used is based on a recurrent budget. Every government budget cycle, all public universities are requested to submit to the Ministry of Education and Skills Development their budget for the year. Basically, there are two sources of government funding being conventional and alternative. The former includes subvention fund and grants while the latter includes tuition fees, government education tax fund donations and endowment funds (Okani, Ogunode & Ajape, 2021; GS, Ogunode & Ohiosumua, 2022:193). The subvention funds allocated to public universities in Botswana are dependent on what the country can afford. In most cases the requested budget is usually cut due to insufficient funds since government revenue has been declining over the years (Selatlwa, 2016:1). Since 2021, institutional budgetary allocations have been cut by 5% yearly as government invested in other priorities such as vaccines, equipment and amenities for Covid 19 (Republic of Botswana, 2020a:28).

Following a benchmarking exercise in 2009, the Tertiary Education Council (TEC) reviewed the current funding model and proposed the use of a formulaic input model. The model was found most appropriate to Botswana due to scarce resources and cost-inefficiency in the system which is also in transformation (Republic of Botswana, 2019). This funding model allocates funds based on input factors such as student enrolment, programme cost and fixed expenditure. In some developing countries they use formulaic output model which unlike the formulaic input model, allocates funds based on the quality and quantity of graduates (Republic of Botswana, 2019). Even though TEC made a recommendation to approve the formulaic input model in 2009, the model is still a draft and await government approval. Chernove et al (2017:40) argues that the type of funding model to choose is not an issue, the key issue is that if government does not grant public universities autonomy, they will continue to struggle to be financially independent. Once granted autonomy, public universities can diversify their funding base and attract external funds from business communities in financial markets, non-government organisations and research centres.

Besides these major types of funding models, most governments unlike Botswana provide their public universities with research funding. For any university to conduct outstanding scientific research, funding is essential (Howard & Laird, 2013). It enables principal investigators to set up their research activities through the hiring of young, talented researchers, access to current research infrastructure, databases, and libraries, and acquisition of the necessary consumables to conduct experiments and other types of research activities correctly (Van Dalen et al, 2014:76). Even though Botswana has no research fund yet, a special interuniversity allocation key has been planned to determine the yearly share of financial resources from the Industrial Research Fund for each university in Botswana (Mogomotsi, Mogomotsi, & Norris, 2020:283). However, the planning has been going on for years while the research fund is long overdue.

3. Challenges of Government Funding Models

While some scholars are of the view that different funding models have diverging impacts (Gándara & Rutherford, 2018) others argue that there are no clear-cut differences in the impacts of the main types of funding systems (Frolich, Schmidt & Rosa 2010:7). Different funding models show various strengths and weaknesses, yet their impacts converge. Even though government funding models provide budget security and enable long-term planning, they also tend to force public universities to narrow their mission (Bell, 2005; Frolich & Klitkou, 2006).

With regards to the performance funding model, one of the challenges found is that universities tend to produce more short-term certificates than long term certificates to be able to fulfil the performance goals in the performance contract (Hillman, Tandberg & Gross, 2014). Students tend to pursue courses that are easy to achieve even though these have less value in the labour market in comparison to long term certificates (Liu, Belfield & Trimble, 2015; Gándara & Rutherford, 2018; Tandberg, Hillman & Barakat, 2014). Because of this model, universities become more selective by enrolling students with high scores or reducing their admission rates (Barnetson & Cutright, 2003:279; Taylor & Taylor, 2003: 73). Universities focus their efforts on excelling students and admit very few minority students thus limiting access to higher education for minority groups (GS, Ogunade & Ohiosumua 2022:193). The model has premiums for preferred programmes and academically under prepared students (Gandara, 2016). Subject to this model, universities focus on raising credit production and can lower the level of points for education programmes which in turn affect quality. In principle, the model makes universities to reduce their quality control requirements to be able to obtain a large share of the funds (Salmi & Hauptman, 2006; Frolich et al, 2010).

Unlike the performance-based model, formula-based funding model is usually used in a highly centralised system where government decides even the number of students per programme (Frolich et al, 2010). Government has complete authority on the allocation of funds and universities are given only a small portion of funds which they can use freely while a substantial portion is directed towards co-financing of external projects. (Liefner, 2003; Frolich et al, 2010). Formula based funding offer universities inadequate research funds hence discourage innovation and limits the universities` aptitude for long term strategic planning (Altbach, 2001; OECD-IMHE, 2007; Tochkov, Nenovsky & Tochkov, 2012).The model is also criticised for too much control of universities and it is anticipated that in the long run the strategic management of universities might be transferred from university top management to funding agencies (Jongbloed & Vossensteyn, 2001; Jongbloed, 2004). This has been identified as one of the major weaknesses of the model as it has no implementation of autonomy law to give universities autonomy so that they are not too dependent on government for resources (Wangenge-Ouma & Cloete, 2008; Ouma, 2007; Ivanova, Kuznetsova & Khoma, 2019). Furthermore, the model poses a challenge in that it does not consider quality and efficiency parameters. Funds are allocated based on variables such as enrolment figures, number of research recruitments and ability of public university to attract external funding (Hasbrouck, 1997). Consequently, universities focus on maximising the enrolment and recruitment numbers at the expense of quality. In addition, the model is critiqued for not rewarding good management practices in universities (Morgan, 2006; Lingo, Kelchen, Baker, Rosinger, Ortagus & Wu, 2021).

This is also evident in a performance-based model, since the model links funding to indicators such as the number of students passing exams, credits and research publications, public universities resort to heightening the pass rate and research output while compromising the quality of the exams and the research. "... increase in the number of publications does not necessarily imply an improvement in academic quality" (Frolich et al, 2010; Morley, 2003). In fact, all these funding models allocate funds on a competitive basis which tends to compromise quality. Negotiation funding model has been condemned for lack of balance and clear logic in the allocation of resources among the universities. Scholars argue that its consequences are like those of the formula-based model (Frolich et al, 2010). Ideally, most universities view an ideal funding model as that which cover all expenses including maintenance, operational and staff salaries (Frolich & Klitkou 2016).

III. RESULTS AND DISCUSSION

A. Results

The study highlighted five main challenges posed by the current funding model on the transformation of public universities into entrepreneurial universities in Botswana. As illustrated in figure 1 below these includes: bureaucratic nature, zero budget approach, short term budget cycle, negligent spending and zero research and transformation budget

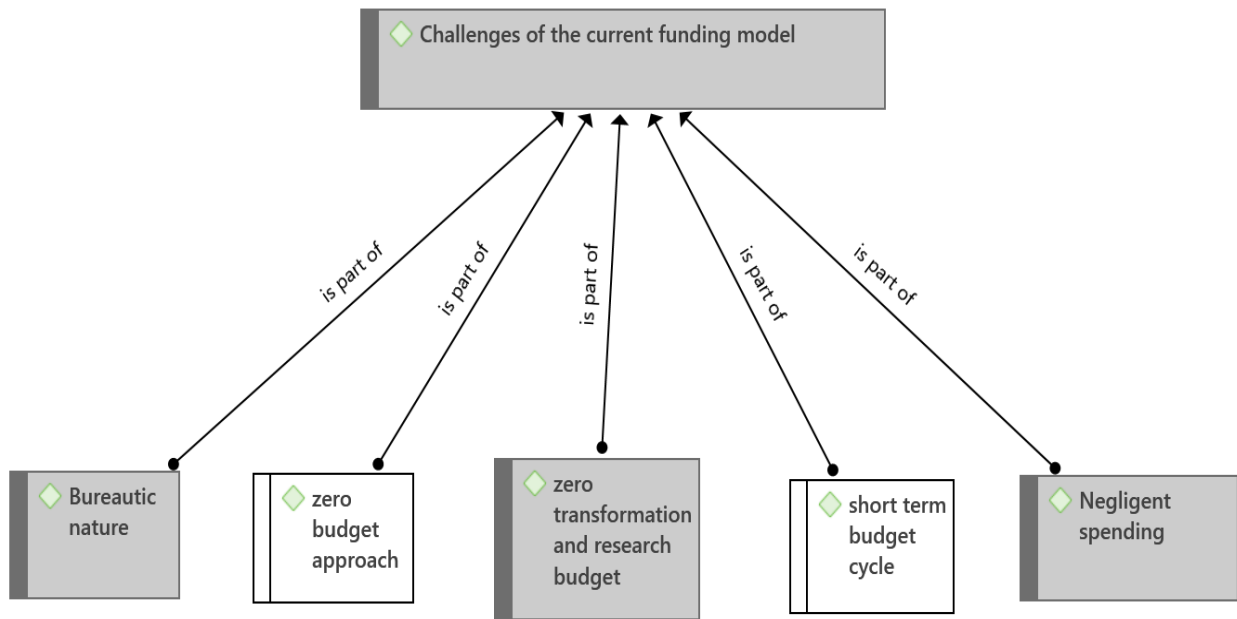


Figure 1. Challenges of funding model

Source: Compiled by Authors using ATLAS.ti v22, 2023

1. Bureaucratic Approach

The study established that the funding model for public universities in Botswana is bureaucratic in nature. On yearly basis public universities are requested to submit their budgets but government disregard their projections and dictates what percentage to give, what to cut from the budget and which activities to fund within the budget. Government decides how much funding to allocate and which activities the funds can be used for. Government also dictates which university programmes receive funding based on what they view as priority areas in the job market as advised by the Human Resource Development Council (HRDC). Participants further revealed that, in their efforts to generate income, public universities are not allowed to increase their tuition fees to market price. Government forbids this and force them to stick to the old tuition fees. This is mainly because majority of students in public universities are government sponsored therefore government does not want to incur the cost. Participants had this to say:

Participant 06 argues that government is too rigid and over controlling universities:

“I think government tends to run the university more than it should and this is because of the funding that we get from government....”

Participant 26 indicated that:

“In terms of the funding model, to be honest I am not quite sure how it works, but what used to happen was that you are going to be asked to provide your budget but then really you are not going to be given what you need.”

Participant 09 opined that:

“I am not even sure the government really has an explicit funding model that has addressed this, all they are doing is a knee jerk reaction, and they are forcing us to be entrepreneurial by default. Now our subvention has been cut by 28 percent over the past three years, government has now committed to cut it by a further five percent annually for the next few years. So, government is implicitly forcing us to be entrepreneurial without spelling out what the key enablers are on its side for us to become entrepreneurial.”

Participant 15 reasoned that:

“Now, if the university say that we start off by trying to match our tuition fee that we charge to the students at market price and then government says, no, you cannot do that, that means that government is not supporting. For me, this is where I am coming from, and you must understand that our statute and our other policies and the political landscape is hindering the university to move at the pace that it wants to for it to commercialise.”

Participant 11 opined that:

“The funding model is the same thing. When you look at it, I do not think we have a clear funding model because on one point you will be informed that you only get funding to promote programmes which the government

through HRDC identified and I do not know who else believe what is required in the market at the moment. Remember, a university can create a demand for a particular skill as opposed to university following what the market demands....as we try to be innovative and become entrepreneurial by doing those, you cannot get funded for those programmes because that is not what the government's funding model supports. So, for me, again, we lose it there."

Participant 12 observed that:

"I think maybe the funding model probably is not positively contributing to an entrepreneurship but the fact that the budget gets cut every year, that is probably making people think outside the box to say, no, for us to survive you will have to look for other ways of bringing funds otherwise we are going to sink with the successive cuts in the budget on an annual basis. So, the funding model I do not think is intentional in creating an entrepreneurial spirit, I think the fact that the subvention is going down every year, its making people think either we sink, or we learn how to swim."

Participant 17 argued that:

"Government policies dictate the budget lines and demand annual auditing to promote accountability of the money it gives universities, although this ensures accountability, but it does not give autonomy to utilize the funds the way the university see fits. Government dictates what the money should be used for."

2. Zero budget approach (Restrict revenue saving)

The findings highlighted the fact that the funding model prohibit revenue saving. Public universities do not have financial freedom and are not allowed to invest any of the profit they make yearly, instead they must hand the money back to government. This means that every 12 months public universities must start from a zero budget. This is supported by the following excerpts.

Participant 4 pronounced that:

"We could say that government funding model hinders entrepreneurship by public universities. This is how it operates. If you use University of Botswana as an example, we are in the budget year 2022/3, we just came out of 2021/22, so the zero-budget approach by government means that at the end of the budget year you will surrender the surplus or money that has not been used to government. What institution does that?"

Participant 8 argued that:

"The funding model is a big no, the funding model is not in support of an entrepreneurial agenda. For as long as you augment my capacity to make more, then I am not motivated to make more, but now that we are taking the direction to say we are going to reduce subvention, you are now removing that lifeline that has hindered you of some sort from being entrepreneurial. Now I have no choice but to survive, so I am now forced into going into survival mode"

Participant 5 stated that:

"..... There is truly little to say about the current government funding model, it is a challenge for the transformation if not the major hindrance because it restricts saving of accumulated funds and long-term investments in entrepreneurial activities."

Participant 15 observed that:

".... government funding model promotes zero budgeting and this kind of budgeting affect the university's effort to be entrepreneurial."

Participant 3 argued that:

"I think unless things have changed recently, but I doubt they have, no, I know that we as a university, for example, are not allowed to keep any money, whatever money we had, had to be returned at the end of the budget year to the Ministry. So that acted for an exceptionally long time as a disincentive for raising funds. What was the point of raising money which would then be surrendered if it were not used to government? So, we are not allowed to keep it. In fact, as you would be aware, we are not even allowed to save."

3. Short Term Budget Cycle

The study demonstrated that the budget cycle for public universities lasts for only 12 months and as such it limits the universities to partake in long term projects that can generate more funding. Due to its short duration, the funding model confines public universities to short term plans which provide pocket-sized financial returns as opposed to long term projects. The short-term budget cycle proved to be a hindrance to the transition process.

Participant 4 argued that:

"...that kind of policy also limits vision, you cannot have a vision that is 12 months oriented. No, you cannot."

Similarly Participant 17 detailed that:

".... It does not allow long term projects that can generate huge income, so universities are forced to indulge in short term projects most of which do not bear much fruit in comparison to those for long term..."

Participant 20 reasoned that:

“Number one, I have said the funding model does not support, because if you look at how institutions are funded, they are funded through what we call a recurrent system. The recurrent system means money is available for one financial year, it does not roll forward to the next financial year, and therefore you can generate a lot of money in this year if that money goes into the recurrent consolidated fund, that money will disappear at the end of the year and next year you are going to start from ground zero..... to say the least the model is really discouraging”

4. Promotes Negligent Spending

Evidence from the interviewed participants established that the funding model promotes negligent spending. To avoid retiring all the generated funds at the end of the budget cycle, public universities conduct and rash and reckless to deplete all the funds. Moreover, this action is also triggered by the fact that the funding model has a condition that the less funds you spend the more budget cuts in the next funds allocation cycle. These terms and conditions of the funding model hinder the transformation of public universities into entrepreneurial universities. Participants had the following arguments:

Participant 3 opined that:

“If we could save then we would have saved a lot of money as an institution, but we were told that we are not supposed to save, we had to use all those reserves, deplete them, and so I think a lot needs to be changed in terms of the law, the policies, to allow university to be clearly entrepreneurial, raise money and keep that money. Now as far as I am aware, we are still bound by those very restrictive accounting policies, where the money must be returned”.

Participant 15 argued that:

“You cannot expect us to transform when you as government force us to engage in irresponsible spending out of fear of our budget experiencing further cuts. This is defeating if we aspire to be an entrepreneurial university”.

Participant 27 claimed that:

“Overspending is the order of every budget cycle because we do not want to retire the funds the university generated back to government. If government could revise this condition and allow us to keep our profits, then we could use the funds optimally and invest in projects that will provide third stream income.....”

Participant 1 indicated that:

“The only way through which government funding policy work against the development of an entrepreneurial university is Government takes control as of the extra money generated and government cuts spending because a university has generated enough funds but utilised less”.

5. Zero Transformation and Research Budget

The findings also revealed that within the funds allocated to public universities, government has no budget line for the transformation process. Public universities are put under pressure to transition into entrepreneurial universities, yet government is not giving out any funds to facilitate and support the transformation phase. The funding model does not have a budget line for research however it is mainly through commercialisation of research that public universities can transform into entrepreneurial universities.

Participant 06 argued that the transformation requires public universities to be research intensive yet there are still no resources for the transformation:

“For the university to be commercialised, then you need to give them the platform to design the path on how they want to achieve it, because if we are to move from where we are to a certain point without government funding then where do we start?”

Participant 19 contended that:

“That model, we have not really done well as a country because right now we do not have what we call a research fund. I have a lot of young postgraduate students that are here in BUIST, there are many, aspiring to study, to do all kinds of things, but support is just not there. We are struggling as a university to support them from the revenue we get from government. In a normal system, there would have been something like a research fund where the professors can apply for competitive grants, when they get the grants, they can now engage the postgraduate students”.

Participant 13 argued that:

“.... in government circles, almost every ministry has a research unit, and they have a research budget line item, but they have no capacity to do research, they cannot do research because it is not their vocation, they are not trained to do that.... so that money should be channeled appropriately to institutions that can do research.

In view of all these challenges posed by the current funding model, the study highlighted the need for government to review the model with an understanding of developing a new model which will enable the transformation of public universities into entrepreneurial universities to become a reality. Participants had this to say:

Participant 22 reasoned that:

“..... reward people that save and generate money and therefore move away from this recurrent funding model and go to a negotiation-based funding model. Government needs to give the university the autonomy to run its operations efficiently and utilize its resources efficiently to generate funds and keep the funds. Otherwise, we can forget about being an entrepreneurial university since even if we could generate funds, we are not allowed to save it”.

Participant 20 stressed that:

“Let us move away from this recurrent funding model and realize now that in entrepreneurial times you must reward somebody who makes money, do not punish them, recurrent model is such that when you make money you are punished”.

Participant 19 underscored that:

“With regards to government, I said before there is need for policy review on a number of policies such as the tertiary education policy and the funding model and others.”

Participant 08 emphasized that:

“...we need to look at government recurrent funding model it needs review. Right now, it has changed, and it has actually thrown us into confusion because we do not know how many further budget cuts to expect. The model is not enabling for the university because we have processes and projects in place that need funds, we do not even know what we are supposed to use these small funds for. So, this is one thing that I would say that maybe the model needs to change for us to be able to transform. “

B. Discussion

The study established that government funding model has a negative impact on the transformation of public universities into entrepreneurial universities. The findings showed that the model is bureaucratic in nature consequently government dictates the amount of funding allocated and its purpose (Tang, 2022; Liefner, 2003; Frolich *et al*, 2010; Hillman & Corral, 2017; Hölttä, 1998). Despite submitting their budgets, public universities are not allocated the funds they require. Instead, their budgets are continuously cut yearly (Zusman, 2005:116; Botlhale, 2015:649; Republic of Botswana, 2020a:28). Public universities receive only a small percentage of their operating budget from the state and are victims to the politics behind government budgets (Grove, 2020; Newfield, 2018). Shrinking state budget allocations (Republic of Botswana. 2021a; Barnová, Krásna & Gabrhelová, 2021) force public universities to grow its revenue base and re-organize costs (Business, 2020:5), however government disallow increase in university tuition fees (Botlhale, 2015: 670; Newfield, 2018).

Moreover, the findings revealed that the funding model has no budget line for research and the transformation process. Transformation is a very expensive exercise and to be entrepreneurial need start-up funding from government so that universities can invest in entrepreneurial activities which will diversify their funding base (Clark 2004; Etkowitz, Dzisah, Albats, Cai & Outamha, 2023; Etkowitz, Dzisah & Clouser, 2022). Funding is necessary to carry out excellent scientific research and for public universities to turn into research intensive universities (Simelane, 2007) In spite of this fact government of Botswana offers no research fund (Republic of Botswana. 2021b, Tabulawa & Youngman, 2017). Evidence collected from participants also indicated that the funding model promotes negligence spending because it prohibits saving of generated funds. This restriction to save funds acts as a demotivation for public universities to generate profits. At the end of the financial year, public universities are mandated to return all the remaining funds to government and to avoid this, they utilise the funds any how to deplete them. Technically, every financial year public universities start from a zero budget (Republic of Botswana. 2021a; Ahmad, Farley & Naidoo, 2012). The last challenge the study established was that the funding model has a short budget cycle (12 months) and this makes it difficult for public universities to engage in long-term projects and it narrows their mission (Bell, 2005; Frølich & Klitkou, 2006; Hillman & Corral, 2017).

IV. CONCLUSION

The study addresses the gap in the body of literature on the challenges posed by the funding model on the transition of public universities into entrepreneurial universities in Botswana. Due to its bureaucratic nature the model hinders entrepreneurship in public universities because government dictates the amount of funds allocated and the activities it can be for. Evidence from participants also revealed that the model has a zero-budget cycle in that public universities are not allowed to save any of the funds they generate. At the end of the budget cycle, they are expected to return all those funds to government. In response to these terms of the funding model, public universities engage in negligence spending to utilise all the funds before financial year end. Public universities are unable to engage in long term projects to maximise profit as the funding model has a very short budget cycle

of 12 months. Although intensive research is critical for the transformation of public universities into entrepreneurial universities, the study established that the funding model does not cater for research fund as well as the transformation budget. The study advised policy makers in government to have a research fund for public universities. The study further recommended that government should include a transformation budget in the funds allocated to public universities to aid the transition process. One recommendation that stood out was for government to review the current funding model with the view to develop a new funding model which will give public universities the autonomy to run their own operations to diversify their funding base. The study will contribute to the review of the current model and guide the development of new ones by informing government policy makers of the impacts of the existing model.

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