Throughout the post-independence period, every African country has struggled with the problematic role of higher education in development. Until the mid-1990s the role of higher education in development programmes and policies in Africa was to some extent an anomaly, with the majority of education development projects focusing on the primary school level. International donors and partners regarded universities, for the most part, as institutional enclaves without deep penetration into the development needs of African communities. As such, higher education was seen as a non-focal sector or even as a 'luxury ancillary'. The latter view was for many years propagated, for example, by the World Bank (Brock-Utne, 2002; Hayward, 2004; Mamdami, 2008; Maassen et al., 2007; Psacharopoulos, 1986; Sawyerr, 2004). Dramatic declines in expenditure on higher education were associated with these policies: spending per student fell from US$ 6 800 in 1980, to US$ 1 200 in 2002, and more recently to below US$ 1 000 in 33 low-income sub-Saharan African countries. Lack of investment in higher education delinked universities from development, led to development policies that had negative consequences for African nations, and caused the decline, and in some cases closure of institutions and areas of higher education that are critical to development (Hayward 2004).

During the 1990s and early 2000s some influential voices, including the World Bank (1999, 2007, 2009), started calling for the revitalisation of African universities and for linking higher education more directly to development. At a Kuala Lumpur World Bank seminar Manuel Castells argued that in an information or knowledge economy, the core knowledge institution (university) can be expected to function as ‘the engine of development’ (Castells, 1991). Research during the last decade has suggested a strong association between higher education participation rates and levels of development, and considerable theoretical and empirical evidence has emerged about the importance of the university in producing high-level generic, or what Castells calls “programmable”, skills, and research and innovation (Castells, 2002; Carnoy, 1993).

Many rapidly developing countries, such as South Korea, China, and India have put higher education central in their knowledge and innovation policies, and at the core of their development strategies. This is based on the assumption that the
ability to absorb, use and modify technology developed mainly in high-income
countries will drive a more rapid transition to higher levels of development and
standards of living (Pillay, 2010).

For Africa the change in direction was clearly signalled when the then secretary
general of the United Nations, Kofi Annan, strongly promoted the importance of
universities for development in Africa, stating that: “The university must become a
primary tool for Africa’s development in the new century” (quoted in Bloom et al.,
2006:2). This was endorsed when ahead of the UNESCO World Conference on
Higher Education in 2009, a group of African education ministers called for
improved financing of universities and a support fund to strengthen training and
research in key areas (MacGregor, 2009).

An important empirical question concerns the extent to which African
universities in practice are going through a change process aimed at strengthening
their contributions to the development of their country. In this chapter this question
will be discussed on the basis of a research project on “Universities and economic
development in Africa” undertaken by a newly established network (HERANA). In
the next section HERANA and its research activities will be presented, followed by
a presentation of the main outcomes of the research project on “Universities and
economic development in Africa”.

**HERANA**

The Higher Education Research and Advocacy Network in Africa (HERANA)
was established in 2008 with funding support from the US Foundation Partnership
(Ford, Carnegie, Rockefeller and Kresge) and the Norwegian Agency for
Research and Development (NORAD). The network is managed by the Centre for
Higher Education Transformation (CHET) in South Africa and currently includes
more than 50 participating academics from Africa, Europe and the USA. Its
activities consist of three components, i.e. an education, research and advocacy
component. With respect to research the three main projects undertaken since
2008 are:

- Higher education and democratic development.
- Knowledge use in higher education policy-making.
- Higher education and economic development.

This chapter is based on the last project. The broad aim of the project was to
investigate the complex relationships between higher education and economic
development in selected African countries with a focus on the context in which
universities operate, the internal structure and dynamics of the universities, and the
interaction between the national and institutional contexts. It also aimed to identify
factors and conditions that facilitate or inhibit universities’ ability to make a
sustainable contribution to economic development.

The project began with a review of the international literature on the relationship
between higher education and economic development. This was followed by case