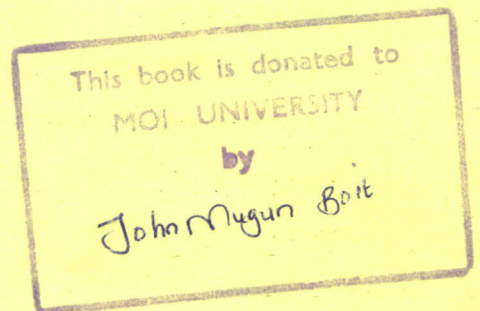


Financing of higher education in Kenya: The case for a selective student loan programme.

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ABSTRACT

The study, financing of higher education in Kenya: the case for a selective student loan programme, has been undertaken to critically examine the strategy of targeting financial support to poor and needy as an appropriate policy tool for overcoming the financial crisis currently confronting public higher education in Kenya but also for addressing equity, efficiency and equality of opportunity concerns. Higher education in the context of this study consists of public universities, private accredited universities and polytechnics. Higher education is facing serious financial, equity and efficiency problems as a result of government policy to democratise access in the last three decades. The crisis has been exacerbated by economic stringency of 1980s and a difficult macro-economic environment. Targeting support ensures that most deserving students are assisted, limits the extent of loan subsidisation, reduces the pressure on limited loan funds and resources when freed could be used hopefully to enhance access and improve the overall quality of education at all levels. The strategy satisfies both equity and efficiency criteria and can be combined with other resource mobilising strategies.

The questions of 'who gains access to higher education' and 'who benefits from higher education subsidies in public universities' underlie the justification for the strategy of targeting loan support. Quantitative methods were employed to examine the socio-economic composition of students enrolled in higher education in Kenya. This was done through the use of multivariate tabular techniques. Examination of documentary evidence and extensive exploration of research literature were also used to obtain pertinent data for this study.

The findings were found to be consistent with the stated hypotheses and the reviewed research literature and confirm that in Kenya: 1. students from all socio-economic backgrounds are enrolled in higher education; 2. there are more students from lower status households in public universities than they are in polytechnic or private universities and three, that students from middle and upper socio-economic backgrounds are disproportionately represented in higher education and appear more likely to benefit from higher education subsidies than students from poorer households. In this regard, the case for a selective student loan programme, the main thesis of this study, becomes an imperative policy for consideration in the search for new ways of financing higher education in Kenya.