

**AN ASSESSMENT OF HIGHER EDUCATION LOANS BOARD IN
FINANCING UNIVERSITY EDUCATION IN KENYA; A CASE OF MOI
UNIVERSITY**

BY

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ANALYSIS AND ADMINISTRATION**

MOI UNIVERSITY

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DECLARATION

Declaration by the Candidate

This thesis is my original work and has not been presented for a degree in any other University. No part of this proposal may be reproduced without permission of the author/Moi University.

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DEDICATION

This thesis is dedicated to my parents; Althouse and Clothilda Hellen Sakwa who have been encouraging and praying for my completion. Also my husband Joseph Carlos Boy and our children: Julians, Jude, Junita Jean Joan and Janeann, not to forget, my niece Natasha, my brothers Peter and Paul, my Sisters Getrude, Irima, and Bridget. I salute you all for having been my strength and inspiration.

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ACRONYMS AND ABBREVIATIONS

CDF	-	Constituency Development Fund
DOS	-	Dean of Students
GDP	-	Gross Domestic Product
GSSP	-	Government Sponsored Students Programme
HELB	-	Higher Education Loans Board
HELF	-	Higher Education Loans Fund
HOD	-	Head of Department
JAB	-	Joint Admission Board
KCSE	-	Kenya Certificate of Secondary Education
KUCPS	-	Kenya University and Colleges Placement Service
NAFAS	-	National Student Financial Aid Scheme
NCST	-	National Council for Science and Technology
PAYE	-	Pay As You Eat
PSSP	-	Privately sponsored Students Programme
SAP'S	-	Structural Adjustment Policies
SPSS	-	Statistical Package for Social Science
USAB	-	University Students Accommodation Board

ABSTRACT

The demand for University Education in Kenya has been on the rise but government funding has not been proportional to this rise; hence the huge number of students deferring their studies. This study was therefore conceived and undertaken to assess the capacity of Higher Education Loans Board (HELB) in financing Higher Education in Kenya. Understanding the extent to which HELB has performed in financing Higher Education in Kenya was important so as to recommend on how service delivery can be enhanced in the corporation. To achieve that, the study had the following objectives: to assess the operations of HELB as regards financing University Education; to assess the sufficiency of the loans awarded in relation to academic needs of students, and finally; to examine the students perception on loan application and disbursement. The study applied Human Capital Theory which explores such aspects as completion of academic programmes as an investment in Human Capital that increases the productivity of a nation. The study employed qualitative and quantitative approaches in data collection and both descriptive and inferential statistics were used to analyze data. The study targeted 2010-2014 student cohorts. The sample size was arrived at through statistical table and purposive sampling technique. The methods of data collection were: interview, questionnaire, reviewing literature around financing Higher Education, and focused group discussion. The main primary sources of data were: HELB offices in Nairobi, Dean of Students Office, Student Finance Moi University, Admissions Office Moi University and sampled students from six schools in Moi University. Secondary data was drawn from available literature on HELB and its activities. Quantitative data was analyzed using SPSS computer software whereas qualitative data was analyzed using the content analysis approach. Findings on operations of HELB show that HELB has placed many hurdles in the application process, there are many requirements in the application process and getting clearances from various government agencies. Findings on sufficiency were that the loan awarded by HELB to a larger extend is insufficient; HELB is not the only source of funding for students but there are other supplementary sources like NGOs, CDF, County & Ward Bursaries, and charity organizations. Findings on perception revealed that the percentage of those with negative perception about HELB was higher implying that there was a lot of disquiet among the beneficiaries of HELB. Data was presented using: pie charts, tables, bar graphs, and descriptions of various phenomena. The conclusions of the study were: HELB can easily be crippled in case the government decides to slash off part of its budgetary allocations or if there are policy changes as was the case with cost-sharing and double intake. This hinders HELB from planning early because of the unpredictable behavior of the National Treasury. There are loopholes in verifying deserving cases for loan allocation by HELB and this can be exploited by fraudsters for personal gain. There's also a systemic increase in deferments as students' progress to third and fourth years of their study. The study recommends the need for a policy framework on how the various stakeholders in the education sector can interface to smoothen the process.

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CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Student loans are important, both to the financial viability of Higher Educational institutions, to the accessibility of these institutions to students without regard to the income or other background characteristics of their families (Johnstone 2004). And needless to mention, Higher Education is the ultimate aim of every parent who has a child at school in Kenya today. Besides the benefits Higher Education confers to the society in terms of creating a pool of skilled labor force critical for innovation and economic growth, it carries arrange of benefits for individuals. For instance, it confers social status, enhances quality of life, self-respect, individual dignity and individual freedom to control one's own life (World Bank 1993). Individuals who gain access to Higher Education are better placed to secure well-paying jobs and have access to capital assets like land.

Over time, students' loans have markedly helped access Higher Education. This in turn has helped Kenya to produce professionals who now steer the various sectors of the economy in the country and even beyond. Enrolment and completion rates in Universities have markedly gone up especially in the recent past; serving as a catalyst for economic growth (Barr 2004). But this has not been without its fair share of challenges. The funding agency for Higher Education has been riddled with a myriad of challenges that have necessitated various policy formulations. All these policies are geared towards enhancing access to Higher Education owing to the advantages of a robust Human Capital that it generates besides acting as catalyst to national economic growth.

A number of studies world over seem to emphasize the instrumental role played by students' loans in promoting literacy levels. For instance, David Greenaway and Michelle Haynes (2003) decry the funding challenges of University Education in Britain over the last forty years. They state that the aggregate student numbers have doubled for the last 20 years and yet funding per student has halved in real terms. This finding raises questions of sufficiency of funds allocated to University students and therefore calls for innovation to diversify the funding sources. By decrying the Higher Education funding challenges, they are actually emphasizing the significant role of students' loans.

Bradley *et al* (2004) equally emphasizes the significant role played by students' loans in Australia while reviewing the Australian Higher Education. In effect, he recommends major policy reforms to the financing and regulatory frameworks for Higher Education. Chief among the recommendations is to determine University funding according to student demand using a voucher system.

Johnstone (2004) in looking at cost-sharing and equity in Higher Education notes that loan schemes are ways to enhance access to Higher Education by a majority of students across the country and thus reinforcing the importance of student loans. He further notes that in such an arrangement, students without parental or other sources of support invest in their own Higher Education.

Wachiye & Nasongo (2009) in looking at equity and access to University Education through loans in Bungoma district in Kenya also underscore the essence of students loans implying that the financial constraints on Educational investment combined with continued strong private demand for Education have led a number of governments to consider the possibility of increasing the share of financial support

provided by the students' families by various cost recovery measures including, provision of student loans and the payment of tuition fees.

Woodhall (1992) explores the feasibility, experience and prospects for reform and underscores the significance of funding Higher Education. Boit & Kipkoech (n.d) discuss the role of Higher Education loans board in equalizing Educational opportunities in Higher Education in Kenya decrying the disparities in the distribution of the loans citing inequitable access and participation of the various social-economic groups as the cause of such disparities.

The financing of Higher Education in Kenya through Higher Education Loans Board (HELB) has been a big challenge to the government. There is a growing student population, rising cost of Education and an increased dependency by students on financial assistance due to the slow growth of the economy and the impact of poverty levels in the country. This is to be seen against the background of dwindling budgetary allocation by the government that has been seen as the main financier of Higher Education.

It is against this background, therefore, that though a number of studies have been conducted around funding University Education, none of them specifically focuses on the impact levels of loans awarded to University students in terms of enabling them acquire the necessary skills in their fields of training and complete their programmes in good time without compromising quality. This study is problematized in terms of the need to seek an answer to this fundamental problem.

1.2 Statement of the Problem

This study was motivated by the inadequate data on the extent of the impact of HELB in financing University Education in Kenya yet this is critical in establishing gaps and forming a basis of mobilizing resources to streamline the Education sector. The situation currently is that all students in public Universities benefit from subsidized tuition and accommodation fees. Those who encounter challenges can apply for more funding from HELB. Despite these interventions, there are still higher number of deferments and withdrawals by students from Moi University. The hypothesis of this study, therefore, is that deferments are related to financing of Education. Records from Moi University Dean of Students Office indicate a high proportion of students who apply for deferrals every year. The study, therefore, sought to understand the impact of HELB in financing Higher Education by interrogating such aspects as: the sufficiency of the loans awarded, strategies of HELB in determining deserving cases, and perceptions of the loan applicants.

1.3 Objectives to the Study

The study had one broad objective and three specific objectives.

1.3.1 Broad objective

The broad objective of this study was to assess the impact of HELB in financing University Education in Kenya.

1.3.2 Specific objectives

- i. To assess the operations of HELB and Loan awarding process
- ii. To determine the sufficiency of the loans awarded in relation to academic needs
- iii. To examine the students' perception on loan application and disbursement.

1.4 Research Questions

- i. How are the operations of HELB and the loan awarding processes?
- ii. What is the sufficiency of the loans awarded?
- iii. What is the student's perception on loan application and disbursement?

1.5 Significance of Study

Assessment of any institution that is funded from the public coffers to ascertain its potential is critical to a young economy like Kenya that seeks to realize greater heights of social-economic and political growth. This study seeks to bring to the fore a concrete assessment of the level impact of HELB in financing Higher Education in Kenya. By doing so, the study will make various recommendations on what available opportunities have been underutilized within the mandate of HELB and be able to point at them as green areas that need further exploitation. This will go a long way in making the findings of the study serve as a basis for policy framework to streamline the Education sector in Kenya.

1.6 Scope and Limitations of the Study

The study was conducted among Moi University students and not all University students in Kenya. The study restricted itself to the students who are in progress with their undergraduate studies and did not follow what happens to those who have graduated. The period covered by the study was the 2010 – 2015 cohorts; interrogating the HELB loan effects on their academic behavior from first year to fourth year; and their perception of the loaning system. Precisely, the study dealt with aspects such as perception of the students on HELB's activities, the sufficiency of the loan awarded, and the strategies of HELB that enables it discharge its duties.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter reviews literature related to student financing - pointing out areas that concretizes it - by affirming its claims and establishing the gaps within that literature that therefore justifies the relevance of this study. The nature of materials reviewed touches on broad subjects such as the history of student loans in Kenya and how student's loan schemes have been implemented elsewhere. The chapter also states the theoretical and conceptual framework of the study pointing out key aspects that are of essence to the research objectives.

2.2 Financing Higher Education: A Historical Perspective

Before the existence of the modern university in 11th century in Europe, high-level instruction took the form of students hiring teachers upon which they would be remunerated depending on academic and moral reputation. Most ancient Universities in Greece, China, India and Egypt trained only elite administrators and religious figures, mainly in law and philosophy. This was to be followed later by a significant innovation by the Romans who borrowed heavily from the Greeks, through the provision of financial aid to higher education (Albrecht and Ziderman, 1995).

Loan programmes for learners today is to be found in almost all developed and developing nations. Examples of student loan programmes which are financed from public funds or backed by government guarantees were found in Japan, Scandinavia and the U.S.A.; where the idea of students borrowing from government funds to finance higher education dates from the 1940s and 1950s (Woodhall 2007). Other

developed countries set up loan programmes in the 1960s, including Canada and several European countries.

It is believed that the first developing country to establish loan programme for students was Colombia in 1953 after establishing the *Instituto Colombiano de Credito Educativo y Estudios Technicas en el Exterior (ICETEX)*. This was followed by many other student loan programmes in Latin America in the 1950s and 1960s (World Bank 2008a). By early 1980s student loan programmes were established in Europe, North America, Latin America, the Caribbean, and few isolated examples in Africa and Asia. A review of international experience of student loan programmes found official loan programmes that are run by government agencies or backed by government guarantees in more than thirty countries, (World Bank 2008b). Loans have recently been introduced in several other countries, including the U.K, and New Zealand among developed countries, and Tanzania, South Africa, Kenya, Uganda among the developing countries.

Otieno (2004) narrates the various changes that have characterized financing University Education in Kenya before and after independence. He notes that the genesis of student loans in Kenya dates back to 1952, when the colonial government set up the Higher Education Loans Fund (HELF) to assist those pursuing university education outside East Africa—mainly in Great Britain, the USA, India, the USSR, and South Africa. But after independence, the changes that were made included among others; suspending the scheme [Higher Education Loans Fund (HELF)] and opting to directly meet the costs of the University students. This policy, he says was in line with the recommendations of the Kenya Education Commission to train highly skilled African personnel to take over the running of the government from the

departing Europeans (Republic of Kenya, 1964). Other policy documents followed.

For instance he says,

...Sessional Paper No. 10 of 1965 on “African Socialism and Its Application to Planning in Kenya” (Republic of Kenya, 1965a), the first Development Plan, 1965–1970 (Republic of Kenya, 1965b) as well as the report on “High Level Manpower Requirements and Resources in Kenya, 1964–1970 (Otieno 2004:76).

All these documents stressed that high and middle-level human resources are a critical resource in achieving rapid economic growth and that the production of high-level human resources is one of the goals of University Education. The government used these arguments as the basis for expanding and subsidizing Higher Education and University Education thus became virtually free.

But in this period, the economy was weakening due to oil shocks in the early 1970s and the government was forced to re-examine this funding scheme because it was no longer sustainable. It then introduced the University Student Loan Scheme (USLS) in 1973/1974 academic year that was housed in the ministry of Education in a unit called Loans Disbursement and Recovery Unit. This was not any different from the initiative of 1952 by the colonial government. Perhaps it pointed out the governments' lack of foresightedness in planning. But still on the same, the government did not articulate policies to guide it. And because of the hurried implementation, the scheme had no legal basis. It became difficult to enforce recoveries from past students. Otieno (2004:77) says that “other legal obstacles also stood in the way of recovery, such as the Limitations of Actions Act which renders unrecoverable any debt not claimed within six years from the time it is due.” Following these, the government undertook a raft of piecemeal reforms including requiring students to apply for and get the loans from their home districts and having the loan application forms endorsed by the

chiefs/local administrators; introducing meal cards; something that later came to be known as PAYE (Pay-As-You-Eat) and the doing away with the “boom.” “Boom” was a colloquial term used to mean the stipend or a payment of (Ksh) 5,000 (US\$64) per semester channeled to the student as pocket money. These reforms however, did little to address the problems of the scheme and therefore together with the demands from the International Monetary Fund (IMF) and the World Bank, the government undertook an overhaul on the loan program within the broader framework of the Structural Adjustment Programs that had been advocated for since the late 1980s. All these led to the formation of; Higher Education Loans Board (HELB) through an Act of Parliament in 1995 which was charged with five responsibilities namely:

1. To facilitate the disbursement of loans, scholarships and bursaries to needy Kenyan students.
2. To recover all outstanding loans given to former university students since 1952 through the Higher Education Loans Fund (HELF).
3. To establish a revolving fund from which funds could be drawn and lent to needy Kenyans pursuing higher education. The government anticipated that this revolving fund would ease national education expenditures, which had been close to 40% of the national budget.
4. To invest surplus funds in any investments authorized by law.
5. To seek additional funding from other organizations (the private sector, philanthropic organizations, foundations etc)

However, despite the creation of HELB with highly publicized reforms in the mid 1990s, there have been periodic and repeated concerns that HELB loans are still not equitably and fairly disbursed (Koigi, 2006). There are those who have complained that students from richer families get higher loan allocations. There have been also

concerns that cheaper programmes get higher allocations than the traditionally known expensive programmes (Koigi, 2006 & Odebero *et al.* 2006).

In a nutshell therefore, Higher Education financing since independence in Kenya has passed through various funding regimes ranging from full support to cost-sharing and even private participation.

2.3 Higher Education Financing Agencies and Loan Awarding

Otieno (2004) provides a detailed analysis of Higher Education financing in Kenya showing how the system has evolved. He draws attention to the patterns of state funding at the public Universities and provides a useful critique of the ‘unit cost’ system currently in use in Kenya. Then he concludes by proposing a new funding framework to enhance efficiency, equity and effectiveness. Upon hinting on the accomplishments of HELB, Otieno (2004) notes that one of the greatest achievements of HELB is that it has been able to increase in the number of students funded in both public and private Universities, made possible by the board’s aggressive campaign to recover outstanding loans (Otieno 2004:80).

Otieno (2004) describes the reforms on lending to students of the 1995 which gave birth to HELB after it was criticized for its poor administration, high costs, and low recovery rates. Created in 1995 by an act of parliament, HELB ushered in reforms with the mandate of reaching a wider spectrum of students and other post-secondary institutions. The recommendations he makes here include: having more realistic interest rates, having more aggressive enforcement of loan recoveries, having more effective targeting i.e., means-testing, greater use of banks, and other private capital sources. This article was important to this study in the sense that it gives background information on the establishment of HELB and how it has evolved. It however fails to

give a detailed structure of HELB, the loan awarding, and disbursement process which is central to this research work hence the reason for this study.

He (Otieno) also notes the factors that led to the dismal performance of the University Students Loans Board (USLS) as: a) The ad hoc manner in which it was established without precautionary measures in place to guard against defaulters; b) lacked requisite skills in debt recovery; c) beneficiaries were not educated on both their obligations and the benefits resulting from repayment. Otieno's article was therefore significant to this study in the sense that it raises important questions that every venture should bear while discharging its mandate. This study would therefore want to understand if HELB has taken enough precautionary measures in case of any eventuality, and whether HELB has made sufficient awareness to the beneficiaries of the loan that they are to pay it back promptly to enable others benefit from the same.

In another article, Otieno (2004:78) describes how government agencies that take public funds can be established without proper structures and therefore fail to serve the purposes they were initially meant to. He identifies the seven goals that the government gave to the University Students Loans Scheme (USLS) to achieve but failed to assess whether it had the qualified personnel to discharge the duties among other failures. The seven goals were:

1. To ensure that the beneficiaries of Higher Education and training meet part of their Education
2. To promote equality of opportunity to qualified students irrespective of their background circumstances
3. To provide a continuous source of finance, through a fund that becomes self-perpetuating

4. To reduce dropout rates by giving students an added incentive through economic commitments to complete their studies
5. To encourage students to make right choices for their career based on labor market opportunities
6. To complement the government's financial commitment to University Education and thereby increase the number of students
7. To contribute to national development by encouraging investment in Education to meet human resource requirements (Otieno 2004:76)

Goal number one introduces an aspect that would later be referred to as cost-sharing. Goal two insinuates equity in the awarding of loans; goal three implies self-sustainability of the fund, and goal number seven implies the increased creation of Human Capital. Otieno (2004:77) notes that nothing was done to ensure that these noble objectives are achieved. Money was dished out to students with no clear mechanism of recovering them. This article is critical to this study in the sense that it gives insight that organizations such as HELB should not implement their programs in an ad hoc manner like dishing out funds without a clear recovery mechanism in place as it was the case with University Students Loans Scheme (USLS).

Otieno (2004:80) again using the tabulated data indicates that only 1/3 of all Kenya's University students accessed HELB loans for the 2002/2003 academic year. The excluded students included students on parallel programmes who according to HELB criteria currently are ineligible. As if that's not enough, less than 1% of postgraduate students access loans. The limitation of loans to regular program students is quite alarming since self-sponsored students accounted for about 22% of undergraduate enrollment according to the data he presents. These findings picture the extent to

which HELB has helped fund Higher Education as well as citing its failures. This however could be a picture of 2003 and one would assume that since 2003, many changes or adjustments have taken place and such figures may not therefore be currently reflective of the present impact of HELB in financing University; hence the justification for this study.

Another scholar who discusses the structure of financing agencies is Jongbloed (2008) on *Funding Higher Education: a view from Europe*. In this study, he points out the circumstantial position of such a financing agency as HELB which he describes as a funding unit that is expected to achieve particular outcomes by the budget holder (Government). He says it is like a government's tool kit that contains tools for fulfilling its mandate. Such tools he mentions as:

1. Regulation (rules, laws);
2. Funding (subsidies, grants, taxes);
3. Public production (provision of goods by government-owned providers);
4. Communication (information, persuasion).

This information is critical to this study especially in understanding the operational circumstances of HELB and be able to fairly judge its performance.

Rugambuka (2008) is another scholar that's both critical and appreciative of the structure of Loan scheme in Tanzania. The objective to his work on loan Application and Recovery is indicative of the structure of HELB and loan application process in Kenya. Rugambuka notes that in Tanzania, learners lack information thus raising questions about the scheme in Tanzania competently fulfilling its mandate with such hurdles to access of information. Rugambuka's work was critical to this study in a number of ways .a) if that is the case in Tanzania, could that also be the case in

Kenya? b) One of the hypothesized hurdles is real; that students lack timely and thorough information about loan application and the implications of borrowing. Of course this points to the managerial dynamics of a board such as HELB and therefore the need of checking on such things as professionalism and advocating for result oriented leadership.

2.4 The Question of Sufficiency of Loans Awarded

As regards the sufficiency of loans awarded to University students, this study reviewed a number of works and one of them is Nyahende (2003). He (Nyahende) carries out a study on the success of students' loans in financing Higher Education in Tanzania by examining the factors indicating the success of students' loans. He observes that the students' loan in Tanzania is successful citing an increase in the number of students' who enroll in Universities. Two of his research questions are: 1) do the students' loans increase the number of students' enrolment in higher learning institutions in Tanzania? And 2) are the eligibility criteria and guidelines for granting loans satisfactory to the needy Tanzanian students? The first research question pegs the success of students' loans on the increased enrolment of students and the second research question seeks to respond to questions of equity and fairness which therefore speaks into the perceptions that students have towards HELB. Nyahende's work therefore is important to this study in the sense that this study would want to look into the questions of equity and fairness while awarding loans to students undertaking different degree programmes – Science-related and Arts-related. Important to this study which he addresses is that perception of students and other stakeholders about HELB are shaped by the level of transparency of the awarding process that has greater implications on equity and fairness.

Boit & Kipkoech (2012) raises the concerns of disparities in the Education sector despite the efforts that the Kenya government has made in the provision of equal opportunities in Higher Education. Addressing equity, they (Boit & Kipkoech 2012:81) define equity as equal treatment of equals and unequal treatment to unequal's and ensuring that inequalities are not transferred from one generation to the next in perpetuity. This definition is particularly important when looking at issues of equity in awarding of loans to students factoring in the different degree programmes and the different socio-economic backgrounds of the applicants. On the nature of the degree programmes, the big question was: what are the curriculum costs? This is due to the fact that science related academic programmes incur more expenditure than art related programmes.

Ngolovoi (2008) in looking at cost-sharing in Higher Education in Kenya cites increase in demand for Higher Education as the reason for the introduction of cost-sharing policy in the early 1990s. And while looking at the sufficiency of loans awarded to the students, this study shall be interested in knowing the financial burden borne by the government and also the student. Deferral cases on financial grounds shall be investigated and be noted as the inability of the student to meet his share of the burden and be factored in the conclusions of this study.

Worth noting at this point is that the cost-sharing arrangement effected by the act of parliament in 1995 has been the basis upon which insufficient loans are awarded to learners with the hope that the student/parent shall top up the remaining amount. But in looking at the sufficiency of these loans, one has to consider the ability of the students to meet the deficit. Therefore what mechanisms are there to determine the student cases that cannot carry this burden and come to their refuge?

Johnstone (2004:10) highlights the advantages of cost-sharing as supplementing the tax payers' revenue with students' revenue and therefore directing this revenue to other areas of development. This is also important given the fact that with students taking care of part of their educational needs, it attracts money from philanthropists and rich parents and therefore in effect, reducing income inequality. But this is a delicate ground for HELB given the challenge of determining the economic status of students and the temptation of being corrupt. This is true given that in the past, it has benefited wealthier citizens because they are connected with HELB officials rather than the poor whom the fund was initially meant to target (Johnstone 2004:8)

Johnstone (2004:4) while exploring the reasons behind cost-sharing argues that cost-sharing reduces tax revenue that would have been allocated to a Higher Education funding agency. He further notes that this is especially important when there is political pressure for tax relief. This in effect therefore undermines the activities of a funding agency like HELB which largely relies on government allocations from the National Treasury. Relying on government allocations which like in Sub Saharan Africa rarely have a surplus budget means that budgets of such a funding agency like HELB have to go through scrutiny before they are approved. This in effect may lead to reducing the loan that is to given learners and therefore directly raising questions of sufficiency of that loan awarded.

Talking about sufficiency, Johnstone (2004:6) foresees the insufficiency of loans even when the marginalized or linguistic minorities were to participate in Higher Education. This was equally important to this study given the already witnessed cases of loan insufficiency to undertakers of Higher Education.

Johnstone (2004:5) also argues that by suggesting cost-sharing, one only privileges the rich and disadvantages the poor whose income is too low and therefore may not afford the burden ratio allocated to them. The situation is even further aggravated in developing countries where the poor are many and the level of poverty is alarming. In Kenya for instance, it is said that nearly half the population survives on less than a dollar per day. It therefore means that however small the educational burden borne by cost-sharing, it is very likely that these poor populations may not afford. This study therefore was keen at looking at the financial burden left to the student and the ability of the student to carry it and at the end be able to tell the effect on cost-sharing.

Johnstone (2004:10) in discussing equity in Higher Education notes that:

...the degree to which a student loan program serves the goal of Higher Educational equity - i.e. reducing the link between Higher Educational participation and the aforementioned *unacceptable correlates* of socio-economic class, gender, ethnicity, and the like—depends on the degree to which the loan program makes possible participation that would be unlikely in the absence of this student borrowing (Johnstone 2004:10)

This citation indirectly attempts to address the question of sufficiency of loans awarded to students by imagining how many students would have missed accessing Higher Education in the absence of student loans. Therefore this study shall particularly seek to establish within the selected period of time how many students would have failed to complete their studies if the loans were not available and therefore be able to tell the degree of sufficiency of the loans awarded.

Siphambe in Pillay (Eds) et al (2010) too while discussing access of Higher Education in Botswana records how government expenditure on Education has been increasing over time. In fact he notes that the budget is based on per unit costs, which were based on the generated enrolment figures in the 'manpower plans'. For the other years,

general estimates were used. For the fiscal periods between 1980 and 1990, the government was allocating between 17% and 19% of total Annual National Budget to Education; a figure he further says is high in both international and regional terms. This percentage speaks volume to this study especially as far as sufficiency of the loans is concerned. Preliminary findings to this study reveal that the reason for many students missing loans after applying is because of limited allocations from the National Treasury. And therefore this shall be noted and be taken into recommendations of this study.

Recent studies on the status of HELB reveal some of the causes as to why the loans awarded by HELB are not sufficient. (Munene & Otieno 2007:462) cites the decline in the country's Gross Domestic Product (GDP), rapid population growth, and increased inter-sectorial and intra-sectorial competition for diminishing national resources as the key impetus that informed the current policy reform that brought to the fore among other things cost-sharing. In therefore looking at the challenges that HELB faces in being effective in awarding loans to students such factors informed the framing of interview and questionnaires. They also helped buttress the arguments and substantiate the conclusions made in this study.

2.5 Perception of Students on Loan Application and Disbursement

This study reviewed a number of works as regards the perceptions of the students to the loan application procedure and disbursement. For instance, Munene & Otieno (2007) claim that the policy of providing financial aid to all students may not necessarily lead to equity if the poor encounter other barriers to access such as poor performance in high schools due to poor quality schools or lack of finances for high school. Studies have documented that on the whole, this prevented them from

accessing Higher Education in Kenya and therefore largely becoming a privilege of the rich (Hughes, 1994; Hughes & Mwiria, 1990; Migot & Adholla, 1985). This therefore earned HELB a negative perception in many quarters of the society

Munene & Otieno (2007) in their study analyzes the equity and risk effects of the new policy for the main stakeholders such as students, academics and institutions themselves. They explore the reasons for the change in policy of funding Higher Education in Kenya from fully sponsored to private-public partnership. This in effect meant students meeting part of the costs of their Educational financial requirements while in the University. This has implications to the economic background of the student because it determines whether the student will defer or complete the studies since the topping up is dependent on the financial ability of the student. This too creates perceptions of students and other stakeholders about HELB which were articulated in the research findings.

Woodhall (2011) argues that loans for students can be better if the loaning program were efficient, equitable, and well-designed. Though many student loan programs in Africa may have been well-designed, they generally lack in equity and efficiency – triggering varying perceptions among different stakeholders.

Johnstone's (2004) paper looked at what *cost-sharing* means, or the shift of Higher Educational costs from exclusive or near-exclusive financial reliance on government, or the taxpayer, to being shared with parents and/or students. It considered especially, the implications of cost-sharing to various other different notions of Higher Education like equity. The paper focused on the theme of Higher Education and market forces in the policy context of the important and virtually universal goal of Higher Education and the aspect of equity. Johnstone (2004:21) observes that the concept of *cost-*

sharing begins with a presumption that the underlying costs of Higher Education are borne by some combination of four parties: government; parents; students and philanthropists. It therefore follows that cost-sharing as a government policy refers to a transfer of part of costs from the taxpayers to the aforementioned individuals like: parents, philanthropists, and students.

In an attempt to rationalize limited funding to students, Johnstone (2004:4) while discussing Cost-sharing and Equity in Higher Education: Implications of Income Contingent Loans, argues that insufficient funding can be positive so as to have the student feel the pinch and therefore work even harder. It changes the attitude of students towards Education and therefore more meaningful engagements since purely free things are on many occasions not valued

Johnstone (2004:6) further argues that children born in poverty or into ethnic or linguistic minority group are less likely to exhibit interest in pursuing Higher Education despite the fact that there may be the student loan and need-based grants. This was an eye opener to this study and helped guard against mistaken assumptions that those in marginalized regions or the poor do not access the loans purely because of their technicalities of procedure or corruption.

Jongbloed (2008:5) when discussing about *Funding Higher Education: a view from Europe...* notes of incentives that inspires certain academic behavior which in return forms a certain perception. This study will be interested in identifying and analyzing such aspects that improve the perception of HELB and as well as achieving certain goals. He further notes that funding Higher Education is not an end in itself but a means to a certain end. This end is building competent Human Capital that is critical for national development

Rugambuka's work of (2008) looks at the *Performance of Higher Education Students' Loan in Tanzania: The Stakeholders' Views*. In pursuit of understanding this subject, he sets the objectives as: a) Examining the performance of the Higher Education Students' Loan scheme with respect to procedures for loan application and loan disbursement; b) Assessing the structures of loan recovery (Rugambuka 2008:5). Critically, and in part, the first objective sought to identify the hurdles placed on the way of the loan applicant and be able to advise stake holders on how they can overcome them. The second objective sought to look at the loan recovery mechanisms for self-sustenance and continuity of the loan scheme. Among the key findings of these objectives were; the absence of details to loan applicants (students) who borrow without knowing the conditionality's and therefore inconveniencing them through delays to get their loans while others do not even attempt to seek the loan because they are not even aware of the application process. Another hurdle is the application forms being centralized in Dar es Salaam and therefore becoming very expensive to access them among others (Rugambuka 2008:51). To this study, these findings have two trajectories. 1) That there is poor organization at HESLB in Dar es Salaam - Tanzania; and 2) That these hurdles creates a negative perception about HESLB to students and other stakeholders. This study focuses on such aspects and therefore these finding are an eye opener.

It is evident from the review of related literature above that they do not answer to the three critical questions of this study. These are: how the operations of HELB and the loan awarding processes are; what the sufficiency of the loan awarded is; and what the students' perception and the loan application and disbursement procedures are. Some works only mentions them in passing. This study was therefore justified by this gap and it sought to be as candid as possible in its findings.

2.6 Theoretical Frame Work

2.6.1 Human Capital Theory

This study draws its theoretical framework from the ideas of Becker (1975) and Gardner (1989) on Human Capital Theory. In Becker's view, Human Capital increases the productivity of the worker. In essence; human beings are regarded as a stock of capital which provides a flow of services and creation of physical capital that can be used in employment to earn an income and other work-related rewards. These can also be used in leisure to enhance human enjoyment and quality of life. Gardner's view beefs up the above argument by warning against the simplistic understanding of Human Capital as one-dimensional, since there are a number of dimensions of skills. He observes that skills may be mental (intellectual) or physical which he says are dissimilar and therefore to understand what Human Capital is, one ought to be careful not to generalize.

Education is an engine of growth and key to development in every society, based on its quality and quantity. In order to make a significant contribution to economic growth and development, high quality education is required. The twenty-first century paradigm is shifting towards the enhancement of knowledge as a priority. This has likely been a product of the resonation of the Kenyan government connecting University education more closely to their various economic development strategies. Education in Kenya is an economic good because it is not easily obtainable and thus needs to be apportioned. Economists regard education as both a consumer and capital good, because it offers utility (satisfaction) to a consumer and also serves as an input to develop the human resources necessary for economic and social transformation.

However, this may be limited in the sense that skilled labor is not exclusively a product of education but also such aspects as the innate ability of an individual where biological studies have revealed that some components of the IQ are genetically acquired. This has some bearing in labor economics in the sense that there is a likelihood of variations in the competence levels of Human Capital even when individuals have been trained in the same way and gone through the same experiences. Determining the quality of Human Capital is not within the mainstream discussion of this study but will be keen to point at indicators that suggest that the quality of training was compromised and recommend further research into the same. However, it is the assumption of this study that largely, Human Capital is acquired through schooling and training.

The focus on university education in Kenya as a capital good related to the concept of human capital, which emphasizes that the development of skills is an important factor in production activities. It is widely accepted that university education creates improved citizens and helps to upgrade the general standard of living in a society. The increased faith in university education as an agent of change in many developing countries, has led to heavy investments in it. The pressure for university education in Kenya has undoubtedly been helped by public perception of financial reward from pursuing such university education. There is belief that expanding educational opportunities and access promotes economic growth.

Investment in human capital through university students is based on the arguments that the new generation must be given the appropriate parts of the knowledge which has already been accumulated by previous generations. The University students should be taught how existing knowledge should be used to develop new products, to

introduce new processes and production methods and social services. The University students must be encouraged to develop entirely new ideas, products, processes, and methods through creative approaches.

Based on the significance of university education, the concept of human capital has been brought to the forefront of many discourses in the field of economic growth and development. Therefore, improvements in university education accelerate productivity and contribute to the development of technology, thus improving human capital. There are several ways of modeling how the huge expansion of university education accelerated economic growth and development. The first is to view university education as an investment in human capital. A different view of the role of university education in the economic success is that education has positive externalities; educate part of the community and the whole of it benefits.

In order to enhance human development in the general society, it is necessary to apply the theory of human capital to university educational systems. By such means, productivity is enhanced and sustained based on an increased and diversified labor force. The contribution of university education to economic growth and development occurs through its ability to increase the productivity of an existing labor force in various ways.

University education plays a great and significant role in the economy of a nation; thus, university educational expenditures are found to constitute a form of investment. This augments university student's human capital and leads to greater output for society and enhanced earnings for the individual worker. It increases their chances of

employment in the labor market, and allows them to reap pecuniary and non-pecuniary returns and gives them opportunities for job mobility. University education is a source of economic growth and development only if it is anti-traditional to the extent that it liberates, stimulates, and informs the students and teaches them how and why to make demands.

Funds from HELB and other sources towards degree programmes of university students shall collectively be regarded as investment and the percentage of those who finish their programmes shall be attributed to all these. It is also true that in the process of investing, challenges arise. The study explored these challenges that partly form the basis of varying perceptions about HELB and other stake holders. The study established the extent to which these challenges are a deterrent to enhancing Human Capital.

This study therefore in applying the above schools of thought (Becker and Gardener) on Human Capital was concerned with looking at such aspects as the rate of completion of the academic programmes the students enrolled for and regard it as a stock of Human Capital acquired. This is critical because only when the learner has completed the degree programme can we say that the learner has at least acquired the necessary skills and therefore increment in Human Capital for the nation. This is so because largely in Kenya, and world over, employment opportunities are awarded based on academic certificates one can only get at the end of the training.

2.7 Summary

This chapter presented literature review that isolated each of the objectives of this study and focused on it. The study established that most of the works reviewed are mainly on students financing but none of them have studied about the sufficiency to the completion rate of the programme. In so doing, it identified the gaps that had not been adequately addressed in those works and therefore serving as a justification for this study. This chapter also discussed the theoretical framework on Human Capital Theory which guided the study.

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3.1 Introduction

This chapter looks at the research design employed in this study, the target population and sample size, methods of data collection, sources of data, type of data collected, ethical considerations, validity and reliability of research instruments, data analysis techniques and presentation.

3.2 Research Design

There are two types of research designs according to Bhattacharjee (2012:35). These are qualitative and quantitative research designs. A qualitative research deals majorly with descriptive data whereas a quantitative research deals mostly with statistical data. Research work normally takes on either one of the research designs or both of them Bhattacharjee, (2012). This study employed both qualitative and quantitative methods because the study collected both descriptive and statistical types of data. In order to answer the questions relating to objective i and ii a qualitative design was employed. This facilitated the collection of information from individuals using the interview schedule especially from HELB officials, Dean of students' office, admissions office Moi University, and students from the selected schools in Moi University. Through descriptions, insights of the people's attitude towards for example; the loan application procedure and disbursement was obtained. This is to imply that descriptive data may be subjective in away. Descriptions of variations of the loans awarded to different students were also obtained.

In responding to objective iii a quantitative design was employed. The statements in the questionnaire in this case were based on Likert scaling of 1- 5. Where: 1 = Strongly Disagree, 2 = Disagree, 3 = Undecided, 4 = Agree, 5 = Strongly Agree was used to gather information. Respondents were requested to indicate their views on each of the statements by ticking the choice that best represents his/her opinion. The data was quantified by scoring it in a scale of 5 and an average score of each statement was calculated. The quantitative data included such aspects as the number of loan disbursements per year, the amount awarded within a certain period of time, the number of students who received the loan, the number of students who have been able to finish, the number of students who have not been able to finish, among others.

3.3 Study Area

The study was carried out in Moi University Main Campus. It is located at a latitude of $0^{\circ} 16' 55.6''$ (0.2821°) north, a longitude of $35^{\circ} 17' 40.4''$ (35.2946°) east and an elevation of 2,210 meters (7,251 feet). Moi University is one of the public Universities in Kenya situated in Eldoret, 310 kilometers North West of Nairobi. It was established in 1984 as a 2nd public University in Kenya by an act of parliament and the Moi University Act (Cap 210A of the Laws of Kenya). At inception, it had only 83 students in the faculty of Forestry and Wildlife Management. Since then, it has witnessed phenomenal growth in terms of student numbers, staff, academic programs and physical infrastructure. Currently, there are about 25,000 students who apply for HELB loans. Its growth and development has been guided by government institutional policies and plans of the leadership of the University. The University has two constituent colleges namely: Rongo and Garissa University colleges. It also operates satellite campuses that include: Kitale, Nairobi, Karatina, Bomet and Eldoret

West Campus. The University is situated in a rapidly growing industrial and agricultural area which provides an atmosphere that enhances interaction between researchers and the rural community.

3.4 Target Population

The target population was not a homogeneous one but comprised of various groups which are here listed. They were: students of Moi University of the 2010-2015 cohorts, Students Finance of the University, Dean of Students' Office and officers from Admissions. To have a picture of the size of the students' population, the following information sourced from the students' admission in Moi University, reveals the size.

Table 3.1: Students admitted through JAB 2010–2014

Year	No. of students Enrolled
2010	2236
2011	2622
2012	3142
2013	2696
2014	3040
Total	13,736

Source: Moi University Admission Office March, 2016

3.5 Sample Size and Sampling Techniques

The study purposively sampled 6 schools in Moi University. Purposive sampling is where the researcher objectively picks out types of samples within a study population that in his judgment, will give the researcher certain results the study will be looking for Pandey & Pandey, (2015). By doing so, the researcher had the lee way of picking on schools that offered both science and art related courses within the target population.

A group chosen from a larger population with the aim of yielding information about this population as a whole is termed as sample. It is a miniature picture of the entire group or aggregate from which it has been taken. It is a smaller representation of a larger whole. A good sample not only needs to be representative, it needs also to be adequate or of sufficient size to allow confidence in the stability of its characteristics, Salaria (2012). In the current study, the sample size was found using the cohort of 2010-2014 specifically 2014 academic year with student population of 3040 as indicated from the table below.

Table 3.2: Recommended Sample Size from a Given Population

N	S	N	S	N	S	N	S	N	S
10	10	100	80	280	162	800	260	2800	338
15	14	110	86	290	165	850	265	3000	341
20	19	120	92	300	169	900	269	3500	246
25	24	130	97	320	175	950	274	4000	351
30	28	140	103	340	181	1000	278	4500	351
35	32	150	108	360	186	1100	285	5000	357
40	36	160	113	380	181	1200	291	6000	361
45	40	180	118	400	196	1300	297	7000	364
50	44	190	123	420	201	1400	302	8000	367
55	48	200	127	440	205	1500	306	9000	368
60	52	210	132	460	210	1600	310	10000	373
65	56	220	136	480	214	1700	313	15000	375
70	59	230	140	500	217	1800	317	20000	377
75	63	240	144	550	225	1900	320	30000	379
80	66	250	148	600	234	2000	322	40000	380
85	70	260	152	650	242	2200	327	50000	381
90	73	270	155	700	248	2400	331	75000	382
95	76	270	159	750	256	2600	335	100000	384

Key: “N” is population size “S” is sample size.

Source; Krejcie & Morgan (1970)

On the part of students, the researcher randomly sampled 50 students proportionately from each school and therefore, a total of 300 students were sampled. The following officers were also purposively sampled; two officials from HELB offices that directly deal with the issuance of loans and therefore have the experience and the challenges at

hand; two, officers from the Dean of Students office who handle loan cases frequently; two, Students finance office of Moi University; and two, the admission office Moi University.

3.6 Sources and Methods of Data Collection

This study had a number of sources of data which are both primary and secondary. The primary sources were: officials of HELB in Nairobi, officers from the Dean of students' office, students from the sampled schools, and officers in the admission office. Secondary sources of data included available literature on financing Higher Education, policy booklets from HELB offices, and brochures/pamphlets. The secondary source of literature also served as literature review, affirmed certain findings of the study and buttressed certain arguments that the research was making.

Data was collected using various methods. Such methods included: Questionnaire, interview, participants observation, and literature review. The questionnaire was administered to students in their lecture halls, filled and returned to the researcher. Every student filled only one questionnaire. A guiding interview schedule was used while conducting those in offices like: HELB officials, Dean of Students Office, and Admissions Moi University. The responses in most cases were noted down in a book in notes form and also taped for future reference and clarification. Approximately, each interview took between 15 to 20 minutes. The researcher also used participants' observation when collecting data. This is where the researcher physically engages the population under study. She/he gets to learn their environment and the experiences they go through to be in a better position to assess their situation and give informed opinion (Pandey & Pandey, 2015). The researcher looked at the quality of life of students on campus by looking at the kind of meals they use, the ease with which they

can afford learning materials like text books, among others. At this point, she reverted back to interview for additional information. The researcher was able to look at the documentations in various offices, the HELB's writer-ups like brochures and policy booklets that state its goals, visions, objectives, and mission as other sources of secondary data. An evaluation of academic books as secondary sources of data involved finding out the critical conclusions they make about financing Higher Education especially in east Africa.

3.7 Type of Data Collected

The type of data collected in this study was various and it included literature on the history of HELB and the strides it has made with time. This was largely descriptive. Information on the frequency at which HELB disburses loans, the attitude of students and other stakeholders have towards HELB loan was part of the data that was collected. The researcher also wanted to know the students' completion rates of the degree programmes they enrolled for, cases of deferments and dropouts which are as a result of lack of finances.

3.8 Data Analysis and Presentation

This study analyzed data and presented it in the manner described below. Data drawn from the research findings was analyzed and presented both descriptively and inferentially. A description of how different variables (HELB loan and completion rates) affect each other was made. Another descriptive analysis and presentation of data was descriptions from the researcher's observation. The researcher gave a detailed account of her experiences and observations giving deductions as she prepared to give elaborate conclusions. Another mode of description was the

comparison between what was observed and the theories which this study was referencing to. It was particularly concerned with concretizing various thoughts with the view of increasing the validity of this study. At the end of it all, the researcher came up with conclusions putting the manner in which loans were awarded and the completion rates of the degree programmes they enrolled for. Descriptions as to how certain levels of funding promoted high completion rates or led to low completion rates were made.

In responding to objective iii of the study, the statements in the questionnaire were based on Likert scaling of 1- 5. Where: 1 = Strongly Disagree (SD), 2 = Disagree (D), 3 = Undecided (U), 4 = Agree (A), 5 = Strongly Agree (SA), was used to analyze the information. Respondents' views from the data was quantified by scoring it in a scale of 5 in which SD was assign a score of 1, D a score of 2, U a score of 3, A a score of 4, SA a score of 5. However, the information on students' perception on loan application and disbursement, the impact of HELB in enhancing and effecting University education was recorded. The scores of each responds in every statement were computed and the mean scores calculated to facilitate comparison.

Statistical presentations entailed aspects such as how many students were able to finish school courtesy of HELB, what was the sufficiency levels of the loan awarded, how many times the loan was disbursed on time and not on time and their consequent implications. Also, the average cost of living for a student per semester and the cost of tuition per semester were some of the aspects that entailed statistical data in this study. This study also has recommendations pointing out policy areas to help streamline the Education sector in Kenya.

3.9 Ethical Considerations

According to Mugenda and Mugenda (1999), researchers are people genuinely concerned with other people's quality of life. They must be people of integrity who will not undertake research for personal gain or research that will have a negative effect on others.

Prior to conducting the research, an approval from Moi University, School of Arts and Social Sciences was obtained. In the preliminary preparation, research authorization permit from the National Council of Science, Technology and Innovation (NACOSTI) was acquired. It was also mandatory to seek approval from the Dean of Students of Moi University to conduct research in the University. Informed consent of the Deans of the participating schools was obtained using relevant documentation from the Dean of students. These documents included informed invitation letters to the Deans to conduct the research in their schools, and informed invitation letters to students for their participation in the study. Self-introduction to the participants prior to the interviews was done to make them feel comfortable during the interviews by knowing that they could communicate freely with the researcher. Participation was voluntary and participants had the right to withdraw from the study at any time. During data collection, none of the participants, or schools was identified (pseudonyms was used) and participants were not judged or evaluated on their participation or non-participation.

The research, therefore, took into consideration ethical issues of life; explaining to the respondents the purpose of this research to enable them participate with understanding. Also, confidentiality of the information obtained from respondents was guaranteed. The researcher also sought written permission from the University

authorities which was presented to the relevant offices that were perceivably potential sources of data to further assure the respondents that the researcher was not after any mischief but has the approval of the University authorities and is a genuine researcher looking for the information that is exclusively for academic purposes.

3.10 Summary

This chapter focused generally on methodology - outlining the research design adopted, sources of data, methods of data collection, type of data collected, sample size and sampling techniques, target population, data analysis and presentations, and ethical considerations. These were primarily safeguards arrived at through critical examination of the topic of research to ensure that the research was researchable, credible and valid.

CHAPTER FOUR

OPERATIONS OF HELB AND LOAN AWARDING PROCESS

4.1 Introduction

This chapter discusses the mandate of HELB and the loan awarding processes. In pursuit of understanding this, it interrogates a number of aspects such as: the objective of the Higher Education Loans Board in Kenya; the basis for the establishment of Higher Education Loans Board (HELB); a historical overview of HELB in Kenya; the scope of the mandate of Higher Education Loans Board (HELB); the eligibility for the award of loans and the application processes; the process by which the board disburses funds; HELB's handling of the Government Sponsored Students Programme (GSSP) vis-à-vis Private Sponsored Student Programmes (PSSP); other stake holders within the Education sector that determine the effective operations of HELB; the challenges that HELB faces in pursuit of fulfilling its mandate; and the important conclusions about the operations of HELB in financing Higher Education in Kenya.

4.2 A Historical Overview of HELB in Kenya

The Higher Education Loans Board (HELB) was established in July 1995 by the Kenya Government through an act of Parliament to manage the Student Loans Scheme. The Board was mandated to recover all outstanding loans given to former University students since 1952 and also establish a revolving fund from which funds could be drawn to lend to needy Kenyan students in Universities. The Board derives its functions from the Act and has the following main objectives: Disburse loans, scholarships and bursaries to needy Kenyan students in institutions of higher learning

both locally and abroad; establish a viable revolving fund by 2005 for future sustenance of student loans, bursaries and scholarships; formulate policies for regulating the management of the Education fund; set criteria and conditions governing the granting of loans including the rate of interest and recovery of loans; process loan applications and determine the maximum number of eligible applicants to be awarded the loan; and recover matured loans and investment of surplus funds (Kipsang', 2002).

4.3 The Scope of the Mandate of HELB

The Higher Education Loans Board is a State Corporation established by an Act of Parliament (Cap 213A) in 1995 under the then Ministry of Higher Education and is currently the leading financier of Higher Education in Kenya. It was mandated to disburse loans, bursaries and scholarship to students pursuing Higher Education in recognized institutions. Key among the responsibilities of the Board is sourcing funds, establishing, managing and awarding loans, bursaries, and scholarships to Kenyans pursuing Higher Education in recognized institutions.

One of the primary objectives of the Board was to give financial support to needy Kenyan students (Undergraduate and Post-graduate students) in institutions of higher learning both locally and abroad. This includes self-sponsored students and government sponsored students who are admitted to public Universities through the Kenya Universities and Colleges Placement Service (KUCPS). It is also to perform any other functions relating to the granting of students' loans in accordance with the provisions of the Act.

In this arrangement, the student is entitled to take the loan for a maximum of 6 years in their Education life-cycle; and a 2-year grace period after completion and a repayment period of between 2 and 10 years depending on the number of years one enjoys the loan. Important to note here is that Student Loans are different from the Ordinary Loans secured from commercial banks because they have easy repayment methods with usually low interest rates.

4.4 Eligibility for Award of Loan and the Application Process

The HELB authorities established rules and regulations regarding the eligibility of the applicant and the procedure for the purposes of delivering quality services to its clients. In order to qualify for an academic loan from HELB, the requirements are as follows:

First time applicants to public Universities obtain loan application forms on the HELB website and they should be Kenyan citizens with national identity card. The applicant must be pursuing a degree programme or diploma in a public or private chartered University. Continuing students have to obtain the subsequent forms from the website. They should fill it and take it to the Dean of Students to sign and send the forms to HELB offices (Senior Loans Officer).

The applicant must have been admitted into a Public University or Private University. First time applicants in these Universities must have obtained a minimum grade of C+ (plus) aggregate in the Kenya Certificate of Secondary Education (KCSE) and be able to prove. This means that he/she should have with him/her a copy of the KCSE result slip.

In cases of extremely needy students, information provided on the HELB loan application form should be able to indicate so with a backup of a letter from the office of the Dean of Students (DOS) affirming that. For instance, in cases where a student claims to be an orphan, he/she must provide the death certificate as a backup document. The student is also required to get a letter from his/her chief which has been stamped to ascertain that such a student comes from that area and is a Kenyan citizen. Such cases after vetting through a process known as Means-Testing may qualify for a bursary in addition to loan. Other requirements that the student is expected to have are: National Identity Card (ID), KRA Pin, Parents Identity Card, Guarantors Identity Card, Parents Pay Slips, Chief's signature and stamp, advocates signature and stamp, death certificate in case of parents death, and KCSE result slip.

4.5 Loan Awarding and Disbursement

HELB awards and disburses loans to qualified applicants on an annual basis. The table below indicates how the awarded amount is subdivided and dispatched for the benefit of the applicant.

Table 4.1: Disbursements to GSSP Students

Loan awarded by HELB (Ksh.)	Administration Fee (Ksh.)	Amount disbursed to the University by HELB as tuition (Ksh.)		Amount disbursed to the student's personal account (Ksh.)		Grand total (Ksh.)
		1 st Sem.	2 nd Sem.	1 st Sem.	2 nd Sem.	
		35,000/=	500/=	4,000/=	4,000/=	
37,000/=	500/=	4,000/=	4,000/=	14,250/=	13,750/=	36,500/=
40,000/=	500/=	4,000/=	4,000/=	16,250/=	15,750/=	39,500/=
45,000/=	500/=	4,000/=	4,000/=	18,750/=	17,750/=	44,500/=
50,000/=	500/=	4,000/=	4,000/=	21,250/=	20,250/=	49,500/=

Source: Field data 2016

Table 4.1 above shows the range of the minimum and maximum amount of HELB awarded to applicants as between Ksh.35,000 and Ksh.50,000 for Government Sponsored Student's Programme (GSSP). The disparity is as a result of the level of need of the applicants which is determined by a process known as *Means-Testing* by HELB authorities. Means-Testing is where, using the available information, HELB is able to assess the needy cases in varying degrees and increase or decrease money allocated to them. After all that, HELB deducts Ksh.500 as administration fee remaining with Ksh.34,500. Out of this amount, Ksh.4,000 is directly channeled to the University as tuition fee for the two semesters bringing it to a total of Ksh.8,000. Half of the remaining amount is directly channeled to the students account for personal up keep for the first semester and the other half for the second semester.

Table 4.2: Loans Disbursement to PSSP students

Loan awarded by HELB	HELB Administration fee	Amount paid to the university by HELB
(Ksh.)	(Ksh.)	(Ksh.)
35,000/=	500/=	34,500/=
37,000/=	500/=	36,500/=
40,000/=	500/=	39,500/=
45,000/=	500/=	44,500/=
50,000/=	500/=	49,500/=

Source: Field Data 2016

The case is however different with the Privately Sponsored Students Programme (PSSP). Apart from the Ksh.500 deductions as the administration fee, the rest of the amount is channeled to the University as tuition fee leaving the student with no money for up keep. However, in an interview with the Senior Loans Officer in

September 2015 as to what happens to the extremely needy student, he said, “Extremely needy applicants may receive a bursary in addition to loan.” In trying to find out how HELB disburses the loans to the students in interview, the Senior Loans Officer said that they disburse the money to personal bank accounts for KUCPS less Kshs 8000 tuition or to University account for PSSP students less kshs.500 as administration fee.

The study sought to understand through a one on one interview with Senior Loans Officer how many students on average HELB gives loans per academic year. His response was that the figure is estimated at 200,000 students though they sometimes vary and are not static depending majorly on the allocation they get from the National Treasury. As to the lowest and the highest amount awarded by HELB, the Documentation officer responded that they give a range of Ksh.35000 and Ksh.50000 depending on the need of students. He further said, once loans are allocated they are disbursed to students’ personal accounts or to University accounts if it is the PSSP student with the list of beneficiaries being accessed through HELBs’ portal by University Finance Officers. This was in response to the particular mechanisms of disbursing loans to applicants to ensure that the money is channeled to the right persons and therefore it is extremely hard for the money to be diverted for other reasons. Students whose applications are rejected and they feel they have not been treated fairly have room of appealing cases which are reviewed on merit depending on availability of funds.

The study sought to also find out what could be the loopholes within the operations of HELB in the opinion of other stakeholders within Moi University. One of them was the Dean of Students, Moi University. The Dean of Students is the custodian of the

students' welfare and therefore advises the University management on what policy framework can be appropriate in handling challenges that students go through on campus, organizes and prepares students elections, deal with indiscipline cases among others as contemplated in the **Moi University Charter**. The Dean of Students had this to say,

HELB officers should not only be sending the list of those who have received the loan to Students Finance but also those who have been unsuccessful so that they are given priority in case of any other source of funding. These two lists are also important to us because we are then able to monitor the genuineness of the cases and even spy on them to see if they are really genuine so that we can advise HELB accordingly. And even if they defer, we can track them and give them priority in the next allocation or connect them to alternative funding agency in case they come up to ensure that they finish school (Interview with Dean of Students Office–Moi University on 9th July 2016).

This therefore implies that there's a lot that HELB can achieve if it enhances its collaboration with the Dean of Students Office which has better tools and mechanisms of determining students with deserving cases for assistance since they are the custodians of students while on campus. Critically, I can say that still a lot needs to be done as far as the co-ordination between the office of the Dean of Students and HELB authorities is concerned. This relationship if properly harnessed therefore can alleviate suffering to thousands of students in this country.

The study sought the opinion of the Dean of Students on what he sees as something undermining the attempts of HELB in fulfilling its mandate. He noted cases of students who have finished school applying for subsequent loans and unknowingly, HELB awards them yet there are needy and deserving cases that fail to get the loan because of shortage of funds. This is because of the simplistic manner in which HELB loans can be acquired.

The Dean of Students also noted cases of students deferring not because HELB has not awarded them the loan but for other reasons best known to the student themselves. May be a series of deaths have occurred in their families or they are flying abroad for studies. Unfortunately, they defer as they continue to apply for HELB loan and they get. To curb this therefore, HELB should on a semester basis demand that all cases of deferments be submitted to them for scrutiny so that the scarce available resources can only go to the needy deserving cases.

The study also wanted to find from the opinion of Student Finance in Moi University what they feel HELB can do to improve its service delivery. Student Finance, and as far as HELB is concerned accesses the list of students who have been awarded loans through HELB's portal and takes the list to Schools Accountants who credits the Students' Accounts. It is after crediting the Student's Account that the student can tell how much fee he/she has paid. The University Students' Finance is also expected to make returns to HELB of all the monies that for whichever reason(s) have not been credited to Students Accounts. In an interview with the Senior Accountant she said:

We are aware HELB is also constrained by the limited allocation it gets from the National Treasury but timely communication to students who have been successful and those who have not been successful is of essence here. This will enable students to better plan for the semester or even defer early than spent the semester studying only to be denied exams in the end because you have not paid fee which you were expecting HELB to send. This is painful and devastating to a students' life (Interview with Senior Accountant Moi University on 20th July 2016)

This observation points at a rather serious weakness on the part of HELB as far as its Public Relations is concerned. It is unfortunate that it cannot communicate to its clients in good time.

Asked if there's anything else they can advise HELB to improve on its service delivery; the Senior Accountant said that Students Finance should be mandated by

HELB to allocate all the unutilized monies to students who were unsuccessful in their loan application and they are needy instead of having the money go back to Nairobi when it could help save a deferment.”

The students too had their voices heard in this study as to what HELB should do to fulfill its mandate. They were accessed through an interview with the sampled team and their responses noted down with a pen. One of the respondent said HELB does not disburse their money in good time and therefore this brings suffering to many students. Another respondent said that HELB should find a better way of communicating to them. She bitterly complained that HELB assumes that all of us can easily access internet and therefore it has put everything on the internet. “Some of these gadgets like laptops and smart phones are costly for us to have. Our parents are poor and we do not have jobs,” said another. A good number said they are still using old phones like Nokia 110 and that they cannot afford smart phones. Another group of students noted that even when they access internet, it is poorly connected and they take a lot of time to do a simple application. Again due to computer illiteracy, they have to seek the support of those who are literate and they often require some payments. But there were a considerable number of respondents who said that University funding should be a full responsibility of the National Government so that this thing of applying and subjecting some of them to unnecessary suffering is taken care of.

The researcher sought to understand in the opinion of HELB authorities the extent of their impact in financing University Education. His response was in the affirmative. Rating HELB, he said that they had performed well to a higher extent. He noted that students from impoverished families are now able to access University Education and

that over 60% of the students who enroll in Universities are now capable of successfully completing University academic programmes courtesy of HELB.

4.6 Challenges that HELB Faces in Fulfilling its Mandate

This study also sought to understand the challenges that HELB faces in pursuit of fulfilling its mandate. The researcher did so by interviewing various officers working with HELB and also with the help of secondary data. In an interview with the Senior Loans Officer in September 2015, he recounted a number of challenges that they face as a government corporation that seeks to achieve its primary objective of financing Higher Education in the country. He observed that many are the cases where there's incomplete data from students. Students do not complete filling the application form making it difficult for them to ascertain whether the loan applicant is a bona fide student. This makes it difficult to ascertain the eligibility of students and therefore award loans accordingly. He observed that sometimes, it gives them hard time to get a simple document from the Universities like the total number of students they have admitted at the University so that they can plan for them in advance or just even estimate the number of students that are most likely to apply to make them ready by sourcing funds.

The other challenge to them he observed was lack of financial literacy on the part of the applicants. Many students did not understand what it means by administration fee or would indicate a wrong account number and therefore would raise complains unnecessarily. He further observed that many applicants did not understand that processing funds in such an institution takes a while with a lot of keenness to alleviate graft. They do not know that HELB obtains its funds from the government and due procedure of the law has to be followed. In effect, this requires time. "They would

instead want instant answers and definite responses and would lament if they don't get the responses they need," he decried. He further was concerned that many applicants do not know how to budget for the money given and would squander it as soon as they get it thinking there's more to be given to them only to be dismayed shortly that that was all. Such people he says are the ones who would speak loudest against HELB.

The idea that HELB takes 60 days after the national budgets approval suggests that HELB as a state corporation depends on the government for its financial obligations. It therefore means that HELB can easily be crippled in case the government for one reason or the other decides to slash off part of its budgetary allocations, or if the policy changes like it was the case with cost-sharing and double intake. This in away hinders the corporation from planning early because of the unpredictable behavior of the National Treasury when allocating funds.

The researcher also wanted to know if they receive complaints from students in regard to their loans disbursement and therefore how they handle that. Documentation Officer was categorical saying that the reasons for that are many and they vary, ranging from students irresponsibility to Universities failing to supply them with adequate information to ascertain the legitimacy of the student. For instance, he cited cases such as students indicating wrong account numbers with some belonging to their parents, brothers, or sisters or worse still, writing wrong name of the University on the application form and not remembering to change after inter-University transfers; Students changing faculties/schools, among others. Other challenges he noted were that sometimes the University delays to confirm the list of qualified students on GSSP programme and confirm if in session to allow payment in January

every year. This he noted as being extremely problematic and that sometimes, HELB authorities are blamed for the mistakes that do not emanate from them. Another issue raised was that sometimes, students in constituent colleges indicate the Parent University as their University when applying for loan leading to a wrong routing of funds. They would for instance say, Moi University instead of Kabianga University College. Documentation Officer never forgot to lament about the delays in dispatching funds from National Treasury, saying that budgetary allocation has been fluctuating over the years and therefore greatly affecting its long term plans.

The double intake policy for instance had far reaching implications on the loan disbursement process in HELB. Documentation Officer said that this meant a number of things to them. One; they were forced to negotiate for more funding from Treasury to bridge the gap and Two; it led to reduction of minimum amount of loan awarded from Ksh.40,000 to Ksh.35,000 and from a maximum amount of Ksh.60,000 to Ksh.50,000. This he noted was partly the main reason for the complaints about HELB not disbursing sufficient funds to the needy students.

Lack of adequate information on the extremely needy students is another challenge to taking care of this special category of people. According to Documentation officer, students with serious financial difficulties are attended to with documentation support from Dean of Students Office. "This should be a self-initiated process on the students with such issues," he said. This implies that part of their challenge is that they have difficulties getting accurate information on the extremely needy students from the University hence being extremely hard on their part determining such cases that needs extreme attention.

4.7 Future Prospects of Higher Education Loans Board (HELB)

The study sought to understand the future prospects of HELB through an interview with Documentation officer in September 2015. He noted that following the recommendations of a taskforce constituted by President Uhuru Kenyatta a year ago to review the operations of state corporations, with a view to making them more efficient in delivering public services, the future prospects of the Board are brighter. Under those recommendations, the board's mandate was expanded to include private and public colleges, Universities (both private and public), and students studying abroad. It is in seeking to finance the additional categories of students as well and those enrolled in local private institutions that the board needed to change laws, regulations and statutes.

The state corporation's taskforce, therefore, found that the board could not execute its envisioned mandate competently in its current form and recommended its transformation to a robust, financially supported body, provided those colleges and Universities are properly registered and accredited by the relevant authorities. It was hoped that a draft bill would be ready for tabling in parliament by November 2015 so that the board could have its roles enhanced by March 2016. As you may be aware, he went on,

There was a notice posted on the HELB website on 11 July 2015 where the Chief Executive, Charles Ringera said it was seeking firms to submit expressions of interest in helping the board to improve and enhance the provision of services to Kenyans through a streamlined legal framework, institutional restructuring and policy documentation. We are now in the business of making consultations on how to review the laws governing our operations as a board with the objective of crafting a wider policy framework that will present the board as a vibrant financier of human capital in the country.

Among other objectives the board added, the consultancy will conduct a legislative audit and research on existing laws relating to Higher Education and draft legislation to realign the HELB Act 213A of 1995 to conform to the taskforce's report and its expanded roles.

4.8 Summary

HELB by its mission plays a critical role in our national economy; building the country's labor force technically referred to as human capital. But there seems to be little strategy in tracking alternative sources of funding apart from the National Treasury to reach a wider spectrum of students. It is, therefore, imperative that such strategies be invented given the fact that more students keep on enrolling for the programme.

HELB draws its mandate from an Act of parliament and therefore enjoys the protection of the Kenya government. It is also clear that its major source of funds is the Kenya government. There are advantages to this and disadvantages to the same. For instance, its effectiveness or even its survival depends on the political good will of the day. This means that sometimes, it has to compromise in some cases so that it can be in tandem with the political mood of the day. Political manipulations are therefore bound to occur and this may in away compromise its service delivery.

The idea of HELB communicating with its clients through email and SMS acknowledging the receipt of the application and the progress of the application is healthy because it establishes good rapport between the clients and the Board. It also reduces anxiety and boosts the perception of HELB in the mind of the public.

CHAPTER FIVE

LOAN SUFFICIENCY AND ITS CORRESPONDING EFFECTS

5.1 Introduction

This chapter in part interrogates the sufficiency levels of the loans awarded to the students in terms of taking care of their academic needs and the resultant implication of such sufficiency levels. The chapter, therefore, looks at the amount of loan awarded by HELB to both GSSP and PSSP students and how it is channeled to either the University or the students' bank account. The aspects handled in this chapter among others include: the cost of staying on campus per semester vis-à-vis the amount of loan awarded by HELB; the causes of deferment cases and technicalities of procedure; and the deferment trend of students as they progress from first year to fourth year.

I begin by looking at the average cost of a student vis-à-vis the amount of loan disbursed by HELB. Table 5.1 below stipulates the various amounts of money awarded by HELB to loan applicants and how it is dispatched.

Table 5.1: Disbursements to (GSSP) Students

Loan awarded by HELB (Ksh)	Administration Fee (Ksh)	Amount disbursed to the University by HELB as tuition (Ksh)		Amount disbursed to the student's personal account (Ksh)		Grand total (Ksh)
		1 st Sem.	2 nd Sem.	1 st Sem.	2 nd Sem.	
35,000/=	500/=	4,000/=	4,000/=	13,750/=	12,750/=	34,500/=
40,000/=	500/=	4,000/=	4,000/=	16,250/=	15,750/=	39,500/=
45,000/=	500/=	4,000/=	4,000/=	18,750/=	17,750/=	44,500/=
50,000/=	500/=	4,000/=	4,000/=	21,250/=	20,250/=	49,500/=

As noted earlier, loan applicants do not receive the same amount of money upon ascertaining their eligibility. The amounts they receive slightly vary depending on the level of need of the applicant. That is why the table above indicates the loan awarded by HELB as 35,000/=, 40,000/=, 45,000/=, and 50,000/=. This amount is to take care of the two semesters. Out of the amount that's awarded to the applicant, HELB deducts the administrative fee of 500/= as indicated. Four thousand(4,000/=) is channeled to the University account directly as tuition fee both in the first and the second semester totaling up to 8,000/=. This is to imply that HELB dispatches half the amount disbursed in the first semester then the remaining half in the second semester. Normally, the applicant receives 500/= more in the first semester and then 500/= less in the second semester. But for purposes of convenience of calculation in this study, we shall use the mean figure which is the average of the two, and which is actually half the amount disbursed to the students account. For instance, if the amount disbursed is 40,000/=, HELB deducts 500/= administrative fee and then out of the remaining 39,500/-, it dispatches 19,750/= in the first semester and then another 19,750/= in the second semester. But the 19,750/= is not wholesomely released to the applicants personal account. 4,000/= is channeled to the University account as tuition fee for the two semesters. The amount at the disposal of the applicant, therefore, each semester is 15,750/=. It is this amount that this study wants to ascertain its sufficiency and be able to argue out the impact of HELB on financing University Education in Kenya. Working out all other disbursements using the same procedure gives you the tabulated data below.

Table 5.2: Disbursements Accessible to a Student per Semester

Disbursed amount	Admin. Fee	Deductions as tuition fee	Total disbursement to student	Disbursement to student per semester
(Ksh.)	(Ksh.)	(Ksh.)	(Ksh.)	(Ksh.)
35000/=	500/=	8000/=	26500/=	13250/=
40000/=	500/=	8000/=	31500 /=	15750/=
45000/=	500/=	8000/=	36500/=	18250/=
50000/=	500/=	8000/=	41500/=	20750/=

Table 5.3: Disbursements to PSSP Students

Loan awarded by HELB	HELB Administration fee	Amount paid to the university by HELB	TOTAL
(Ksh.)	(Ksh.)	(Ksh.)	(Ksh.)
35,000/=	500/=	34,500/=	34,500/=
40,000/=	500/=	39,500/=	39,500/=
45,000/=	500/=	44,500/=	44,500/=
50,000/=	500/=	49,500/=	49,500/=

Source: Field Data 2016

As can be seen from tables 5.2 and 5.3 above, the case of Privately Sponsored Students Programme (PSSP) is totally different. Upon being awarded a loan, HELB deducts the administrative fee of 500/= and the rest of the amount is wholesomely channeled to the University account as tuition. This means that the PSSP student has no money from HELB for self-sustenance during their stay on campus. He/she entirely depends on income, probably from parents or relatives or friends or well-wishers.

5.2 The Average Cost of Living per Student per Semester

This study was aware that human needs are many and vary from individual to individual. Whereas there are those who love ostentatious lifestyles and are spendthrifts, there are those who are mean even to themselves that they won't enjoy life through some reasonable spending even when the income is good and stable. Aware of such huge disparities in individual's spending habits, this study therefore only sought the average expenditure of a student that can sustain him/her in school for the period of one semester which is usually four months translating to roughly 120 days. On the basis of data collected from the field, the average food expenditure for the student is as tabulated below.

Table 5.4: Daily Expenditure of a Student per Day

	Expenditure per Day (Ksh.)	Expenditure per Month(30 days) (Ksh.)	Expenditure per Semester (4months) (Ksh.)
Breakfast	60/=	1800/=	7200/=
Lunch	100/=	3000/=	12000/=
Supper	100/=	3000/=	12000/=
Total	260/=	7800/=	31200/=

Source: Field Data 2016

From the above tabulated food expenditure estimates, it follows that the student spends Ksh.60/= on breakfast per day which translates to Ksh.1,800/= per month and Ksh.7,200/= per semester. He/she spends Ksh.100/= on lunch and still Ksh.100 on supper per day. This means that per semester, lunch and supper amounts to

Ksh.12,000/= each. Cumulatively, the total expenditure on food per day therefore is Ksh.260/= which translates to Ksh.31,200/= per semester.

5.3 Other Expenses per Semester

Again from the data collected from the field, the average expenditure on photocopying, writing pens and miscellaneous expenditure is as tabulated below.

Table 5.5: Other Expenses per Semester

Stationery	Total Expenditure per Semester (Ksh.)
Photocopying	500/=
Writing pens	50/=
Miscellaneous	1,500/=
Total	2,050/=

Source: Field Data 2016

Using data from the above two tables (Table 5.4 and Table 5.5), it follows that the aggregate expenditure of a student per semester is obtained by adding the total expenditure on food and the total expenditure on other expenses. This is Ksh.31,200/= (food expenses per semester) plus Ksh.2,050/= (other expenses per semester) equals to Ksh.33,250/= (Aggregate Expenditure per Semester)

The miscellaneous expenditure is put at a higher side to cater for the additional purchases, and special needs for girl. Such impulse buying may include but not limited to: buying of clothes, entertaining a friend with soda or biscuit, buying drugs in case one is sick, emergence travels to home, among others. From the above

statistics, it follows that on average, a student spends Ksh.33,250/= per semester on meals and other expenses like photocopying, writing pens and miscellaneous expenditure. Ksh.15,750/= is the amount at the disposal of a Government Sponsored Student (GSSP). The deficit per semester for the student who gets 40,000/= to finish his/her semester study is Ksh.33,250/= minus Ksh.15,750/= equals to Ksh.17,500/=. This therefore means that for a whole academic year, a Government Sponsored student (GSSP) who gets Ksh.40,000/= has a deficit of Ksh.17,500/=. The table below shows the deficits of various disbursements as regards meals and other expenses like photocopying, writing pens and miscellaneous expenditure.

Table 5.6: Deficits of Disbursements on Meals & Other Expenses

Awarded amount (Ksh.)	Average amount for student use after deductions (Ksh.)	Estimated amount required by the student (Ksh.)	The difference (Deficit) (Ksh.)
35,000/=	13,250/=	33,250/=	20,000/=
40,000/=	15,750/=	33,250/=	17,500/=
45,000/=	18,250/=	33,250/=	15,000/=
50,000/=	20,750/=	33,250/=	12,500/=

Source: Field Data 2016

But the stipulated amount [The difference (Deficit) in the above Table 5.6 is not exclusively the only amount that the student is required to pay. The Ksh.8,000/= that is channeled to the University account by HELB as tuition fee is not sufficient according to the fee structure of Moi University. The student is further expected to pay some amount in addition to the Ksh.8,000/= as tuition fee which further increases the deficit gap that the student is required to meet. For instance, a student taking a

bachelor's degree in medicine or engineering was required to pay a minimum tuition fee of Ksh.34,900/= annually and a maximum of Ksh.45,000/= annually for the studied years of 2010 and 2015. A student taking a typically art subject like History and Religion in the school of Education is required to pay a minimum of Ksh.29,200/= annually and a maximum amount of Ksh.33,000/= annually for the same reasons. This means that the semester tuition fee for engineering student comes down to Ksh.17,450/= and tuition fee for a history student comes down to Ksh.14,600/=. Table 5.5 below gives a vivid picture of the aggregate deficit that an engineering or medical student has to meet upon all other deductions.

Table 5.7: Aggregate Deficit an Engineering Student has to Meet

Awarded amount	(Deficit) After deducting meals & other expenses	Tuition fee for engineering student	Fee balance after deducting Ksh.8000 from HELB	Aggregate Deficit
(Ksh.)	(Ksh.)	(Ksh.)	(Ksh.)	(Ksh.)
35,000/=	20,000/=	17,450/=	9,450/=	29,450/=
40,000/=	17,500/=	17,450/=	9,450/=	26,950/=
45,000/=	15,000/=	17,450/=	9,450/=	24,450/=
50,000/=	12,500/=	17,450/=	9,450/=	21,950/=

Source: Field Data 2016

The fee balance after deducting the Ksh.8,000/= from HELB for an engineering student in a semester is obtained by subtracting Ksh.8,000/= from the required fee for the semester (Ksh.17,450). This gives us Ksh.9,450/= the aggregate deficit is obtained by adding the fee balance (Ksh.9,450) to the deficit after deducting meals and other expenses. This gives us Ksh.29,450/= for a recipient of Ksh.35,000/=. Let us assume he/she received the maximum loan of Ksh.50000 and therefore his/her deficit is

Ksh.12,500.He/she will have a total amount to meet of: Ksh. 9,450 + Ksh. 12,500 = Ksh.21,950/=

The same calculations with the tuition fee of Education student gives us the table below showing the aggregate deficit that the student has to meet upon all other deductions.

Table 5.8: Aggregated Deficit that the Student of Education has to meet

Awarded Amount of loan by HELB (Ksh.)	Deficit After deducting Meals &Other Expenses (Ksh.)	Tuition fee for Education student (Ksh.)	Tuition Balance after deducting Ksh.8000 from HELB (Ksh.)	Aggregate Deficit (Ksh.)
35,000/=	20,000/=	14,600/=	6,600/=	26,600/=
40,000/=	17,500/=	14,600/=	6,600/=	24,100/=
45,000/=	15,000/=	14600/=	6,600/=	21,600/=
50,000/=	12,500/=	14600/=	6,600/=	19,100/=

The above table shows the aggregate deficit that the student pursuing a typically art course has to meet if he/she received the loan from HELB. As compared with the engineering, he/she pays a little less. Let us look at the aggregate deficit per semester of the student whose application for HELB loan was unsuccessful.

Table 5.9 Engineering Student whose HELB Application was Unsuccessful

	Amount
Tuition Fee in a Semester	Ksh.17,450/=
Meals & Other Expenses	Ksh.33,250/=
Total (Aggregate Deficit)	Ksh.50,700/=

Source: Field Data 2016

Important to mention here is that Engineering and Medical students' needs are obviously higher than this because they are often times required to buy other scholastic materials like scientific calculator, designing and measuring instruments among others.

Table 5.10: Education Student whose Loan Application was Unsuccessful

	Amount
Tuition Fee in a Semester	Ksh.14,600/=
Meals & Other Expenses	Ksh.33,250/=
Total (Aggregate Deficit)	Ksh.47,850/=

Source: Field Data 2016

5.4 Deferment Cases

The study identifies cases of students who deferred primarily because of shortage of funds to take care of tuition and living expenses while on campus and coincidentally, this was the major reason for over 85% of the deferrals. Important to note is that not all of those cases when interviewed about the sufficiency of HELB loan responded 'Not Sufficient'. There was a different cadre of students who were comfortable with the amount given though they do not come from well to do families. When this phenomenon was investigated however, they were the type of students who ate one meal a day or at most two meals a day. And again such meals are cheap ones such as a slice of bread and a glass of water or a fruit.

Students have deferred for other reasons and not just necessarily because of insufficient funds. But the insufficiency of funds is the leading cause of deferments according to the available records in the Admissions office –Moi University which

accounts for over 85% of the cases. This study only focused on deferrals of students motivated by insufficient funding. The table below sourced from Moi University – Admissions Office gives us the number of students admitted for various degree programmes from 2010/2012 to 2015/2016 academic years.

Table 5.11: Programme Admission – Academic Years 2010/2011- 2015/2016

ACADEMIC YEAR	MALE	FEMALE	TOTAL
2010/2011 (KCSE 2009)	2123	1604	3727
2011/2012 (KCSE 2010)	2236	1836	4072
2012/2013 (KCSE 2011)	2622	1883	4505
2013/2014 (KCSE 2012)	3142	2650	5792
2014/2015 (KCSE 2013)	2696	2334	5030
2015/2016 (KCSE 2014)	3040	2786	5826

Source: Moi University Admissions Department October, 2016

Student Admission in Moi University keeps the records of students who are admitted per year and follows through until they complete. In these offices, the researcher was able to obtain the lists of students admitted each year and the progressive decline as they moved to second year, third year and fourth year.

5.5 Demographic Behavior of Students in Moi University 2010-2014 Cohort

Data was analyzed on how limited funding affecting the demographic behavior of students in Moi University in the successive years. In 2010/2011 academic year (1st year), the first year intake was 3727 students. In 2011/2012 academic year (2nd year) they reduced by 490 students to 3237 students which is 13.1% of the total enrolment

of the students' population in first year. In 2012/2013 academic year (3rd years), the remaining student's population dropped by 330 to 2907 which translated to 10.2% of the 3678 that had remained. In 2013/2014 academic year (4th year), the remaining students' population dropped further by 200 to 2707 students which is 6.9% of the 3645 students that had remained. Cumulatively, therefore, a total of 1020 students were lost along the way for reasons related to insufficient funding. This translates to 27.4% of the student population who enrolled in first year but did not complete their academic programme in fourth year.

Table 5.12: Students' Population Decrease Due to Insufficient Funding (2010/2011)

	2010/2011 Academic year (1 st yr)	2011/2012 Academic year (2 nd yr)	2012/2013 Academic year (3 rd yr)	2013/2014 Academic year (4 th yr)	Cumulative Decrease
Student Population	3727	3237	2907	2707	
Difference		490(13.1%)	330 (10.2%)	200 (6.9%)	1020(27.4%)

Source: Field Data 2016

Again in the 2011/2012 academic year, the first year intake was 4072 students. In 2012/2013 academic year (2nd year) the students' population reduced by 490 to 4021 students which translates to 12.5% of the students admitted in 2011/2012 as first years. In 2013/2014 academic year (3rd year), the student's population again came down by 330 to 3980 students which translates to 8.1% of the population that remained in second year. In 2014/2015 academic year (4th year), the student numbers further went down by 200 to 3960 students which translates to a further 6.1% students population decrease. Cumulatively therefore, a total of 1000 students was lost along the way for reasons related to insufficient funds. This translates to 24.6% of the

student population who enrolled in first year but did not complete their academic programme in fourth year.

Calculations with other years give you the table below which shows how students were negatively affected by lack of sufficient funds.

Table 5.13: Students' Population Decrease due to Insufficient Funding (2011/2012)

	2011/2012 Academic year (1 st yr)	2012/2013 Academic year (2 nd yr)	2013/2014 Academic year (3 rd yr)	2014/2015 Academic year (4 th yr)	Cumulative Decrease
Student population Difference	4072	3562	3272	3072	
		510 (12.5%)	290 (8.1%)	200 (6.1%)	1000(24.6%)

Source: Field Data 2016

Table 5.14: Students' Population Decrease due to Insufficient Funding (2012/2013)

	2012/2013 Academic year (1 st yr)	2013/2014 Academic year (2 nd yr)	2014/2015 Academic year (3 rd yr)	2015/2016 Academic year (4 th yr)	Cumulative Decrease
Student population Difference	4505	3955	3655	3465	
		550 (12.2%)	300 (7.6%)	190 (5.2%)	1040(24.6%)

Source: Field Data 2016

But this means that the deferrals are even more because they are not exclusively because of insufficient funding. Other reasons like sicknesses transfer to other Universities, late receiving of admission letter, expulsion from the University of In disciplined Students, failure to cope up with the course admitted for, and getting new jobs were also among the reasons for deferment (Records Moi University – Dean of

Students). But this study restricted itself to deferments that are as a result of insufficient funding.

However, there are cases where the student may defer for a semester, one year or two years then come back to continue with studies and still finish successfully. Such cases were few and they meant that the students' financial position had improved or that he/she has secured loan from HELB or may be the student has found a donor. But again the students' chance of finishing his/her academic programme is subject to probability; depending on the sustainability levels of such a source funding.

When the researcher asked the Records Officer in the Dean of Students' office as to whether they keep records of students who fail to get loans from HELB or not; the records officer said that they don't keep because HELB does send them either those who have been awarded loans or those who have not been awarded. It is therefore hard for us to ascertain that. As an office, we only receive complaints from students especially those whose loan application has been unsuccessful or they received text messages from HELB that their loans had matured but their accounts have not been credited.

Asked how as an office (Dean of Students') they attempt to help needy students, Dean of Students said that they have work study programmes where extremely needy students who have failed to get HELB loans are given and paid per month at a maximum of Ksh.3000. This translates to Ksh.12,000/= per semester. This he noted that it is not sufficient but it helps ease the situation. Surprisingly many students turn out for the work study programme to the extent that we have to send away some; meaning that the problem of financial difficult is dire. We wish to involve many more but we are constrained with the budget.

Asked if there are alternative sources of funding for students who fail to get HELB loan and are needy, the Dean of Students said that there are a number. He cited Vandorn Foundation from Netherlands, Constituency Development Funds (CDF), Rattansi and MUSO Bursaries. He said that they connect students to such sources to alleviate suffering and a good number have benefitted. Some students, due to lack of alternative sources of income have resorted to doing laundry for their colleagues on campus. Others opt to do business like selling vegetables to their colleagues to earn an extra coin. A typical case of this nature was caption aired on citizen Television on 4th June, 2017.

Asked about what could be the hurdles within the University that brings a financial burden to students and leads to increased cases of deferments and suffering, the Dean of Students' said that in Moi University, there are "Green Forms" awarded to students by school accountants upon completion of entire fee. A "Green Form" is a form that is kind of a clearance for a student to be offered room for accommodation in the university hostels and is only given after he/she has completed tuition and accommodation fee. Students who do not have this are not permitted in hostels and they automatically become non-residents (with accommodation outside campus). The implications of this is that, only students who can afford to pay (presumably the rich) immediately the University opens are given cheap accommodation on campus and those who can't afford are locked out. They are locked out to become non-residents who are expected to pay more than those who are residents. A survey on the cost of the lowest room outside main campus Moi University reveals that it goes at Ksh.3,500/= per month in the year 2016. Ironically, a room of the same size on campus costs Ksh.500/= per month. This aggravates the already bad situation of the

poor student and it is actually one of the major causes of deferments in Moi University.

The study interrogated to know the reasons for the University coming up with such a policy and the explanation was that previously, students who had not paid fees came and occupied rooms whereas those who had paid fee lacked rooms and became non-residents. And so, the University sought ways of cushioning them because they were her most “faithful client” and hence the designing of the “Green Form”. It is a delicate balance to the University because in as much as we would want to be empathetic to these poor students, we also need money to run the programmes of the University.

But in what appeared to be the weaknesses of the “Green Form” the Dean of Students said the form does not really serve the intended University idea of having only students who have cleared tuition fee and accommodation in the hostel. They instead host their friends who have been unable to pay tuition and accommodation (a practice popularly known on campus as “pirating”) or they have paid accommodation fee and not tuition fee and so they cannot be cleared by the “Green Form”.

5.6 The Loan and Student’s Educational Needs

On a general note, the study sought to establish the students’ feelings on the loan amount received from HELB as to whether it is sufficient to meet their Educational needs. From the findings in figure 4.8, majority (70%) of the students noted that the loan amounts received from HELB is not sufficient to meet their Educational needs. It is only 30% of the students that affirmed that the loan amount received from HELB was sufficient to meet their Educational needs. It can therefore be deduced that the amount of HELB money disbursed to students is not sufficient to meet the Education

needs of majority of the students. The inadequate loan amount stems from the fact that HELB does not have adequate finances to cover all the loan applications. The tabulated information below presented in a pie chart illustrates this better.

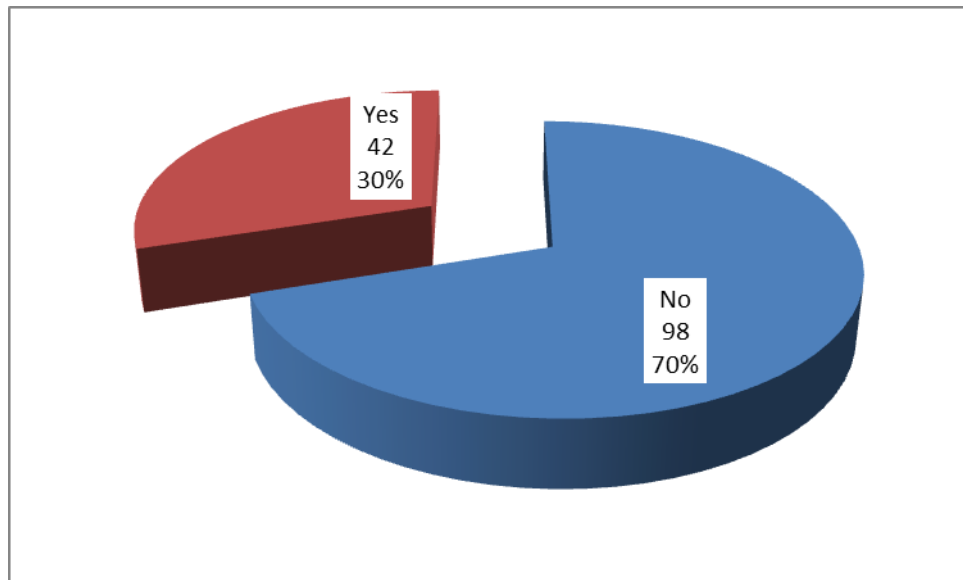


Figure 5.1 Chart of % Response of Students on Loan Sufficiency

5.7 Summary

Completion rates were not exclusively as a result of funding from HELB. Many of those cases that did not get HELB loans completed their degree programmes successfully. A number of explanations were given for this scenario. One of them was that parents to such students were able and willing to support them through the academic programme they had enrolled for. This enabled such students to overcome the financial challenges of having to cope up with harsh economic times at school. Another explanation to such was that there was a cost-sharing between parents and HELB. This was because the parents could afford helping the student only to a certain extent and without the intervention of HELB, there was a likelihood that such a student would not complete his/her academic programme. And therefore funds from

both sources created a synergy necessary for the student to complete their academic programmes.

Another explanation for such a scenario was that the amount awarded by HELB was just enough to enable them complete their academic programmes. However, this was common with students who had been awarded the highest amount of between 60,000/- and 50,000/-. In trying to find out why they were able to finish their studies despite the fact that the average expenditure of student per semester indicated huge deficit disparities, the response was that they are the type of students who are not given to luxury and their expenditure on meals was again below the average. So this enabled them to save and remain with some substantial amount to take care of emergencies. Another explanation for the same scenario was that they had sponsors from charity organizations and Constituency Development Fund (CDF).

CHAPTER SIX

PERCEPTIONS ON LOAN APPLICATION AND DISBURSEMENT

6.1 Introduction

This chapter explored the HELB's public relations activities, perception of students on loan application procedure and its disbursement because this in itself speaks of the impact HELB has had on them and hence forming the basis of a positive or negative perception. It was interested in understanding the timely and untimely character of loan disbursement, perceptions based on gender, and perceptions based on the year of study of the loan applicant. Important to note is that human perception is a product of underlying and intertwined factors that form the experience of the loan applicant and therefore the basis of a positive or negative perception about the application procedure. It is therefore, difficult to examine the applicant's perception without looking at these underlying and intertwined factors.

6.2 The Loan Application Procedures

The applicants perceptions varied based on the loan application procedures. One of the applicant described the loan application process as unattainable to many due to the fact that a considerable number of students come from remote areas without internet infrastructure and therefore, limited, unreliable or complete lack of access to internet. This made the application process strenuous given that most loan application processes are done online. In effect, the digitalization of the loan application process disadvantages the students with limited, unreliable or lack of access to internet. This meant that they had to look for assistance from individuals who have the knowhow at a fee. This again becomes a challenge to a majority of poor students especially to

those from upcountry whose survival means is *from hand to mouth*. The perception of loan application process to such a student was therefore negative.

The fact that it is a requirement of HELB that loan applicants get certification from their local authorities like chiefs further complicates the loan application process. Many of the students interviewed complained of massive corruption with chiefs who blatantly demanded bribes for their forms to be certified. In some cases, chiefs who were cunning and could not be open about their wanting bribes because they wouldn't want to be noticed. Such chiefs kept procrastinating the certification by days or even weeks as time elapsed for submission of the certified forms. Other lame excuses like; *the stamp is lost*; and therefore, come later, were cited to be frequently occurring. In one extreme case, the student was asked to give money for the chief to buy the stamp if she were in a hurry or wait and come back next month.

The postponement of the services by the chiefs meant that the student had to travel back and forth which is time consuming in addition to costs in terms of transport and lunch. This implied that the student's loan application process could not move on. The student's progress is "held captive" until a 'ransom' of his time and his money is paid. These challenges contributed to a negative perception to the students regarding to the loan application procedure. In some cases, students who deferred their studies when asked the reasons for the deferment were categorical; we couldn't bear let alone meeting the demands of the corrupt chiefs. Such items as Death Certificates are also mandatory. This may be disadvantages on the part of the applicant in the sense that in cases where applicants cannot easily access the Death Certificates because of the bureaucracies in government offices or the expenditure that goes with the processing of the same being too high for the poor to afford. This implies that some deserving

and needy cases will be denied chance of benefiting from the loan for such issues of technicalities of procedure. This in effect builds a negative perception of the loan applicant about HELB as being too high a thing for them to achieve. It therefore follows that those who can afford that pain are the only one that will access; making it a preserve of the rich. This scenario is strongly highlighted by Siphambe in Pillay (Eds) et al (2010) while talking about Higher Education Financing in East and Southern Africa. He observes that:

In most SSA countries, enrolment at Universities is dominated by students from the highest income categories. Often, public funding mechanisms act to exacerbate such inequities by providing free Higher Education to the 'best' students who invariably come from the wealthiest households and the top secondary schools. Third, participation in Higher Education is often skewed in favor of urban students. Students from rural households face enormous barriers to gaining access to Higher Education in general, and the better quality Higher Education institutions in particular (Siphambe in Pillay (Eds) et al 2010:3)

The letter of admission to the University is a requirement for certification by the chief and is normally accessed online. Being online means a number of set back again to the loan applicant especially to those who cannot easily access internet. The first set back is just being aware that the letters of admission have been posted on the website so that one can check. This is what Rugambuka (2008:49) quoting Woodhall underscores when he recommends that there is need for timely and thorough information to the loan applicant for the applicant to understand and accept the underlying principles and consequent obligations for borrowing to avoid inconveniencing borrowers. Therefore, lack of adequate, timely and easily accessible information to the loan applicants has done a lot to taint the image of HELB and therefore creating a negative perception among many young Kenyans who want to access Higher Education.

This according to the interviews led to many students missing out on the loan application dead line and in effect deferring their studies because the letter has to be taken to the chief for him/her to certify your loan form, this was both time consuming and financially burdensome. Secondly, internet providers do not offer free services but at a cost that is exorbitant to these poor young people in remote villages without a sustainable source of income. And thirdly, internet services are found in big centers with electricity that according to many, are far from their places of residence hence transport and lunch is required. All these works against the dream of the student seeing himself successfully apply for the loan. These influentially informed the applicant's negative perception of the loan application procedures and processes.

Many students who fail to acquire loan for some reason end up living in pain and suffering - a lifestyle that does not foster learning at University. A case at hand was that of Kemboi a third year student who had not been able to get accommodation since first year in the University or get the Green Form and had to stay off campus as a non-resident. He says it is expensive since he has to pay rent of Ksh.3500/= while the University hostel is Ksh.2700/= per semester. This had made him have a bitter attitude towards HELB since he saw most of his colleagues afford a decent lifestyle courtesy of HELB. He wonders why he has not been able to access HELB for the last three years yet there are his colleagues who have never missed even once. He therefore reads a lot of mischief in the entire HELB loan application process. "There is more than what meets the eye", he says.

6.3 Disbursement

The element of disbursement was regarded as critical in determining the perception of students about HELB because it directly affects the students. The study wanted to describe the disbursement model of HELB from a student's perspective and analyze how it creates perception.

6.3.1 Timely and Untimely Character of Loan Disbursement

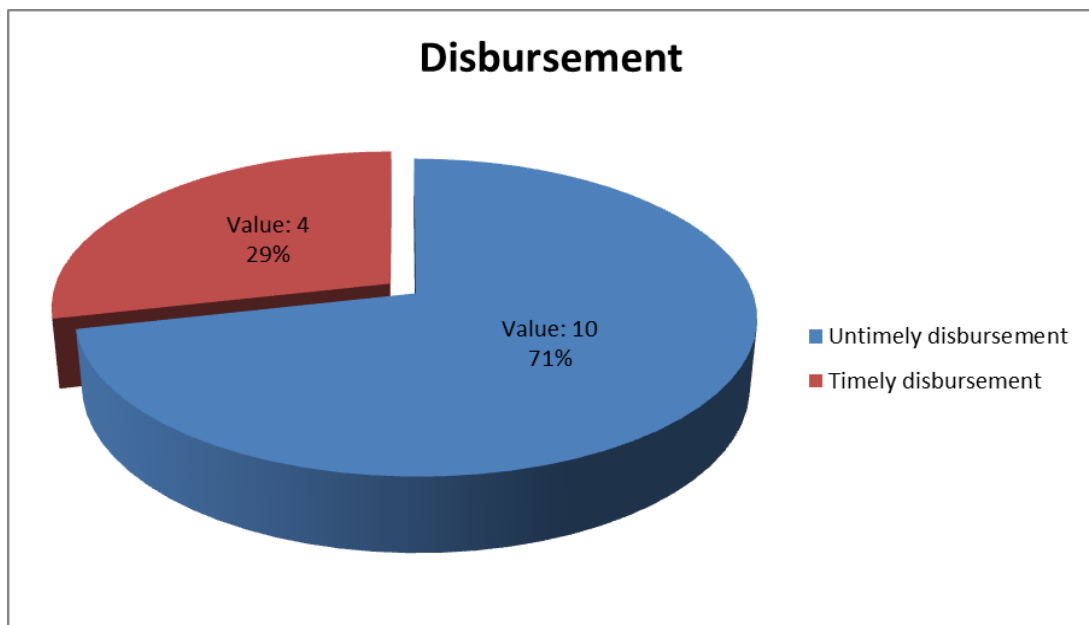
By policy, students in first semester of their study in first year do not receive HELB loan. They are only qualified to apply for HELB loan in their second semester of their first year of study. By policy again, HELB disburses its funds twice a semester. This makes seven semesters of receiving HELB loan to a student in his entire period of stay at campus if his/her academic programme takes four years; other factors remaining constant. But because HELB disburses the money twice a semester, under normal circumstances, the student should receive fourteen disbursements from HELB across the four year academic programme. It is these fourteen disbursements that the researcher was interested in describing their timely and untimely character to ascertain the satisfaction levels of the students and therefore form the basis of a negative or positive perception about HELB. The table below shows tabulated data as gathered from the field showing the timely and the untimely disbursement of loans by HELB authorities.

Table 6.1: Timeliness of Loan Disbursement

	Frequency	Percentage (%)
Untimely disbursement	10	71
Timely disbursement	4	29
TOTAL	14	100

Source: Field Data 2016

This presented in a pie chart form gives us the picture below

**Figure 6.1: Timeliness of Loan Disbursement**

Source: Field Data 2016

Timely disbursement of funds to students was regarded in this study as an image booster of the HELB authorities. As can be observed from figure 6.1 above, out of the fourteen times HELB disbursed funds to the student's cohort of 2011-2014, only four disbursements that translates to 29% were made on time. Ten disbursements that translate to 71% were not made on time. These points to something negative about the systemic operations of HELB that requires further investigation because it in a

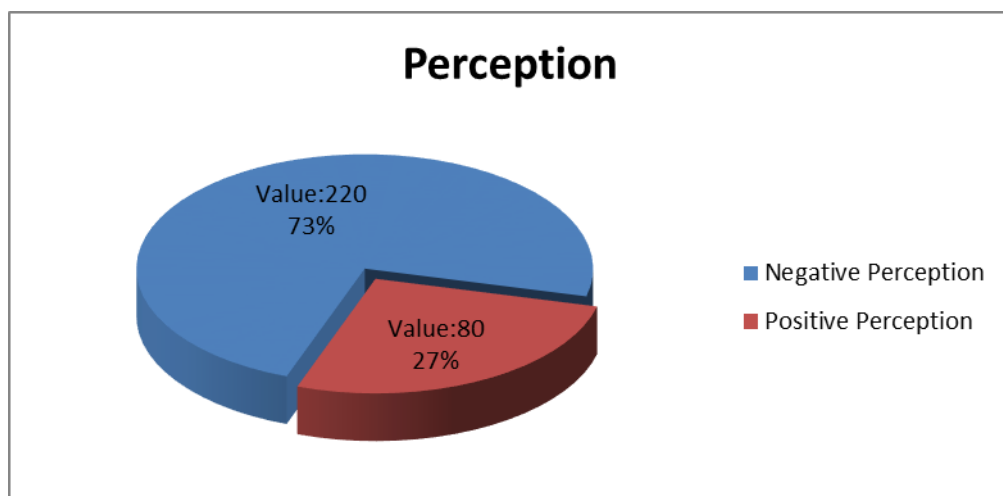
significant manner taints the image of HELB. Moreover, further inquiries into the same revealed two other scenarios that are only to the detriment of the image of HELB as an institution. One, no solid explanation was offered for the delay and two; that the delay was repeatedly consistent. It therefore follows that the HELB authorities in the process of discharging their duties do not learn their mistakes and put corrective measures in place on time to alleviate the suffering of the HELB beneficiaries. All these contributed negatively to the student's perception of the HELB loan application and disbursement procedure. Categorically, the aspect of disbursement in totality gave HELB authorities a negative image.

From the analysis, negative perceptions primarily came from to students of a poor economic infrastructural background. Students from well-to-do families especially those located in urban centers had a different perception. This is explained by the fact that to a majority, access to internet services was not a big deal. They could easily sneak into cyber cafes in towns and surf since internet services are rampant in towns and city streets; equally, they are cheap to a majority of them according to their living standards. Those from rich families afforded smart phones that could easily be connected to the internet or could easily afford cyber fee or their homes. Also, cities and towns are home to many economic opportunities which most of this young people can grab and enhance their chances. Their economic opportunities are multiple compared to those in remote areas. Therefore, in terms of accessing HELB and University information that are increasingly becoming a preserve of the internet service providers, they are at a vantage point and consequently having a positive perception about the digitization HELB loan application procedure. This was the outcome in terms of percentages as can be seen in **Table 6.2** below.

Table 6.2: Perceptions of Timeliness of Disbursement

	Frequency	Percentage (%)
Negative perception	220	73
Positive perception	80	27
Total	300	100

Source: Field Data 2016

**Figure 6.2: Perceptions of Timeliness of Loan Disbursement**

Out of a total sample of 300 respondents (students) that this study conducted, only 80 respondents who translate to 27% of the total sample indicated not having problems with the loan application procedure. Conversely, 220 respondents out of the total sample, who translate to 73% of the sampled population strongly noted having problems with the loan application procedure. A close investigation of this phenomenon through one on one interview revealed that a majority of the students who come from poor families, especially in villages and remote areas with parents who did not have stable source of income were the ones who held these negative views, and in effect, lowering the image of HELB authorities.

6.4 Perception Based on Different Genders

The study was also interested in finding out the perception from different genders. At this point, she wanted to focus on the weight of the attitudes which form perceptions amongst different genders and perhaps tell the gender that is most affected. The results were tabulated in the table below.

Table 6.3: Perception Based on Different Genders

	Frequency		
	Male	Female	Total
Negative perception	132(60%)	88(40%)	220
Positive perception	20(15%)	60(75%)	80
Total	152	148	300

Source: Field Data 2016

Analyzing data based on gender responses assists in establishing the degree of gender variations in perception hence the above tabulated statistics. A total of 220 students (both male and female students) had a negative perception about HELB's loan application processes and a total of 80 students both male and female students had a positive perception about HELB's loan application processes. Out of the 220 respondents who had a negative perception, 132 respondents who form 60% of those with negative perceptions were male; whereas 88 respondents who form 40% of the respondents were female. Again, out of a total of 80 respondents who had a positive perception about HELB's loan application processes, only 20 respondents who constitute 15% of the respondents were male whereas 60 respondents who constitute

75% of the respondents were female. The information in the above table translated in to bar graphs appears as below.

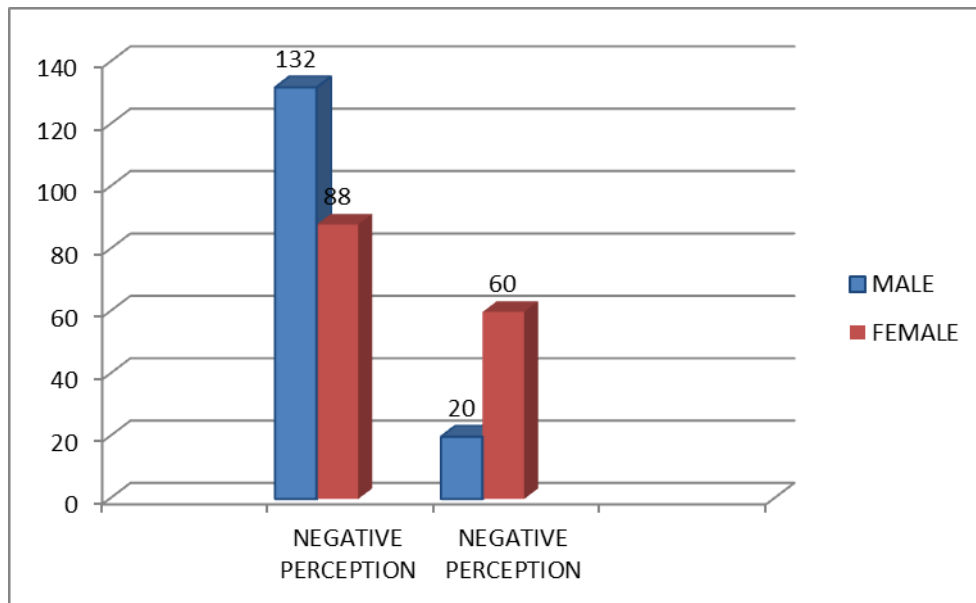


Figure 6.3: Perception Based on Different Genders

Source: Field Data 2016

Evidently, out of those with negative perceptions on the loan application processes, more male respondents had negative perception than female respondents whereas with those who had positive perceptions, more female respondents had positive perception than male respondents. The explanation given to this kind of scenario was that few female respondents with negative was because many female students get hooked up to “Sugar Daddies “who carter for the tedious process hence making the process a bit more bearable as opposed to male students whose income is never supplemented. In addition, some female students seek help from well-to-do male students and even non students who are male like Cyber Operators. This to them reduces the pain of having to pay and therefore their pockets are not so much strained. And as if that is not enough (though not proven), it is also widely believed that girls are given more money by parents than boys, hence the probability of them staying in school

unaffected longer than boys. This significantly affects their perception towards HELB's loan application and disbursement process hence a smaller percentage of female respondents having a negative perception.

6.5 Perception based on Years of Study

The study went further to investigate the perception of the loan applicants based on their year of study. Students were therefore sampled from year one to year four and the results were tabulated as indicated below.

Table 6.4 Students Perception about loan Application

	Year 1	Year 2	Year3	Year 4	Total
Negative perception	20 (45%)	30 (62%)	60 (77%)	110 (85%)	220(73%)
Positive perception	24 (55%)	18 (38%)	18 (23%)	20 (15%)	80 (27%)
Total	44 (100%)	48 (100%)	78 (100%)	130 (100%)	300 (100%)

Source: Field Data, 2016

As can be observed from the table above, those with negative perception about loan application procedure increased as they progressed in years. Only 20 students in first year had a negative perception out of a total of 220 students with negative perception from first year to fourth year and 110 of them in fourth year out of a total of 220 students with negative perception. However, those with positive perception did not demonstrate a consistent sharp increase or decrease in numbers as they moved from first year to second, then third and fourth. There was a slight decrease from first year to second year, remained constant in second and third year, then a slight increase in fourth year. The glaring observation was that there were more perceptions in fourth years and third years than first and second years. This was attributed to the accumulated difficulties of repeatedly having to go through the same tiresome process

of applying for loans year after year hence the increase in the numbers of those with negative perception.

While the majority was negative in their perception some respondents were positive. Various reasons were given for the positive perception and in summary they entailed; the financial status of the applicant and other sources of income on the part of the applicant. The positive view among some students was largely because of the family socio-economic status. Among the reasons given for such were that either both or one of the parents had a stable source of income, or they had sponsors or able guardians who were supportive in the loan application process and therefore not seeing the application process as problematic hence the positive view about HELBs loan application procedure as can be seen in **Table 6.4** below.

Table 6.5: Perceptions of various loan applicants with Monthly income

	Frequency	Percentage (%)
Parent on Meaningful Employment	60	84%
Not Employed	20	16%
TOTAL	80	100

Source: Field Data 2016

But important to note is that not all cases of positive perception reported to be having able parents or guardians. Out of 80 students who said that they were contented with HELBs application procedure, 20 students who constitute 16% of students with positive perception had reasons that were not related to the parent's or guardian's ability to support them. The pie chart below gives us a vivid picture of the above tabulated data.

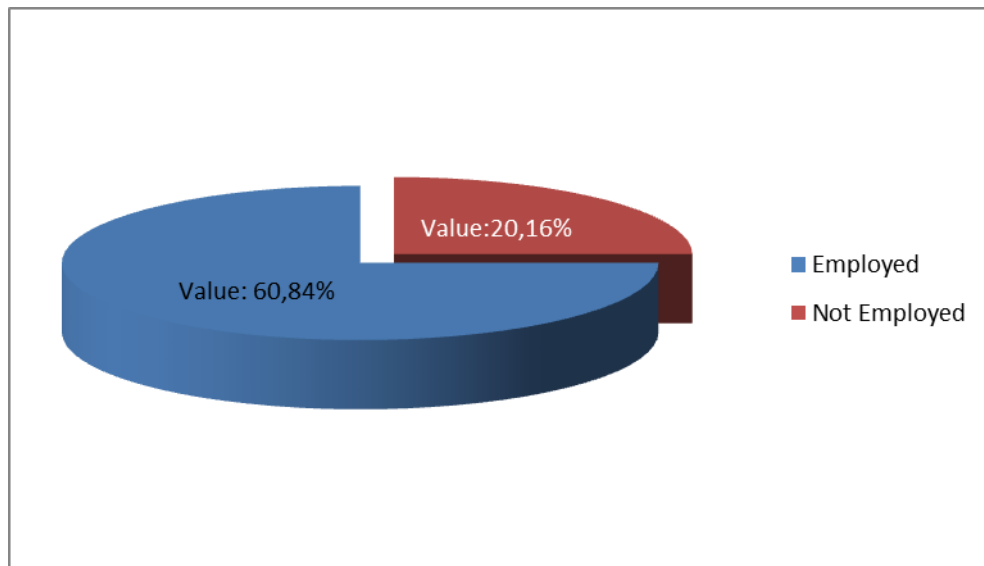


Figure 6.4: Perceptions of Loan Applicants on Employment

The able parents in this study meant that both or one of the parents had a stable source of income and therefore being in a better position to either take care of all the academic needs or a larger percentage of those needs including the loan application expenses. Poor / unstable income parents meant that parents did not have a stable source of income. In this case, the student had either sponsorship from charity organization or from friends and relatives.

6.6 HELB's Public Relations Activities

HELB has put in place mechanisms of creating a healthy rapport with its clients. In an interview with the senior loans officer on 29th September 2015 he stated that “all applications are captured in the system once received and auto-emails sent to the applicant to confirm receipt and the status of each application are communicated through emails and SMS.” These probably are some of the steps taken by HELB authorities to improve its image in eyes of the public.

Higher Education Loans Board has also worked hard to bring its services closer to the people by opening shops in the Huduma Centres in the seventeen (17) major towns in Kenya. These are: Nairobi, Mombasa, Kisumu, Kisii, Nakuru, Eldoret, Kakamega, Thika, Nyeri, Kitale, Bungoma, Kericho, Meru, Embu, Machakos, Garissa, and Kitui. This in effect has made the process of loan application much easier than it was initially. Members of the public (especially students who may want to apply HELB loan) can make inquiries or seek clarifications on how to apply for the loan, terms and conditions on the loan, and the implications to the same.

The researcher wanted to investigate the aspect of fairness during loan allocation process because this in a way tarnishes the image of HELB as an authority in case of unfairness. Aware that different degree programmes have different Educational cost like science courses compared to art courses, the researcher wanted to know whether the students' field of study/degree programme influences loan allocation. The response was negative! Senior Loans Officer observed that the allocation is based on the gross parental income and students' economic status (orphan/disadvantaged), but not the nature of the degree programme. The board determines the students' economic status and the gross parental income by the information provided by the student on the HELB application form. This has had many short comings because the likelihood of students giving false information on the form is high. For instance, there is evidence of cases in Moi University of students who are so rich but claim to be orphans and would not attach the pay slips of their parents on the application form as it is required. No wonder we have had cases of already rich students getting loans whereas the genuinely poor and needy students fail to get the loan and end up deferring or cutting short their studies. This in effects taints the image of HELB hence negative perception.

In trying to understand how long it takes for HELB to disburse loan after application, Senior Loans Officer said that; “it takes 60 days after National Budget Approvals, or 21 days before Opening Date.” But asked why there are many cases of delayed disbursement of HELB loan, Senior Loans Officer said that such are not actually delays but cases of inaccurate information in the application process. It therefore takes a while to check and verify some information before loans are disbursed. “One has always to be very careful when dealing with public money. There has been no shortage of attempts to scandalize us in HELB or even fraudsters seeking to reap where they have not sown.” It therefore follows that truly if HELB can strictly go with the 21 days period it can greatly boost its image and endear itself to the public.

Asked if the first time successful applicant will continue benefitting from the fund loan to finance his/her studies in the successive years he said, “so long as he/ she applies every academic year when in need.” This is positive in the sense that it guarantees someone of continued support till he/she finishes his/her academic programme.

6.6 Summary

The positive perception of students about the loan application procedure and disbursement was largely a result of the family financial status levels of the applicant and not necessarily a fair application procedure. This is because most of those who were positive of HELB had enough to spend at school. Actually, none of them said the application procedure was tedious.

It was observed that the more the hurdles placed on the application procedure, the more the negative perception created about HELB as an institution. This in the long

run could be a big hindrance to HELB in fulfilling its mandate of financing Higher Education.

It is true that illiteracy and limited access to internet services is a major contributor to the negative perception about HELB. Actually, it is the reason for a prolonged application process, time wastage, and increased costs of access to information that is online most of the times.

Students from well-to-do families had more inclination to having a positive perception about HELB than students from poor backgrounds. Probably this is because they even did not apply for the loan and they therefore do not have the experience of the tedious process or HELB loan was just an addition to the already enough amount they had.

It was also observed that delayed disbursement of the awarded loans contributed to students deferring their degree programmes and this equally contributed to the negative perception of the application and disbursement procedure of HELB loans.

CHAPTER SEVEN

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

7.0 Overview

This study was motivated by the lack of adequate information on the impact of HELB in financing University Education in Kenya. HELB is the leading financier of Higher Education in Kenya established by the act of parliament in the year 1995 with the mandate of mobilizing resources, recovering loans, and awarding of loans to new applicants. Though HELB has been in existence this long, information on its level of impact remains vague. To therefore determine the level of impact of HELB in financing Higher Education, the research had a number of objectives which states: 1) to assess the operations of HELB in Loan awarding process 2) to assess the sufficiency levels of the loans awarded in relation to academic needs, and 3) to examine the students' perception on loan application and disbursement. The various summary of findings, discussions, conclusions and recommendations are therefore linked to particular objectives of the study and they are as follows:

7.1 Summary of Findings

Given that that HELB depends on the recommendation letter from the Dean of Students office, which also relies on the information given to them by the student himself or herself, it is still unclear whether the information provided by applicant is genuine and can be depended upon. Establishing genuine cases is problematic due to possible manipulation by crafty students. In the end, the loan is likely to be awarded to some undeserving people. Out of a total of about 200,000 students who benefit from the loan every year, it will be naive on the part of HELB authorities to think that

all of them are genuine. This in a significant way limits the impact of HELB in financing Higher Education in Kenya. Explain, for example this may lock out students who genuinely deserve. Furthermore HELB cannot do background checks.

Because of increased cases of students who have finished school applying for loans and unknowingly HELB awarding them, HELB should therefore come up with water-tight mechanism to shield it against such fraudsters so that its monies are only channeled to needy cases. One of such steps that HELB may consider is that all loan applicants produce results of the previous year before they are considered for the loan. This will lock out those who have finished school from applying because they won't have results of their previous year. But of course, with technology, there are likely chances that such results can be forged. This can be solved by constant communication between Deans of Schools and HELB authorities to agree on common features of genuine result document so that those who forge documents can be caught and punished.

There is an unclear policy framework and coordination. This hinders HELB from fulfilling its mandate. There is therefore need for a clear policy framework on how the various stakeholders can interface to expedite the process and promote diligence. As things stand now, there seems to be a lot of confusion between various stakeholders like HELB authorities and the government, HELB and the Dean of Students office, HELB and its clients among others. It therefore means that there are many students who have missed on getting the loan for continuing with their studies for the reasons that are not of their own making but a poorly coordinated system. With such a poorly coordinated system, it is most likely that even complaints of applicants are not adequately attended to.

The means-testing currently used was designed in 1974 when all students who applied for the loan irrespective of the economic background were awarded loans. It is interesting that 40 years down the line nothing has changed about this means testing instrument yet so many developments have been realized on the academic scene. For instance, the governments' policy that allowed privately sponsored students to also access HELB loan. This arguments seems to agree with what Ngolovoi (n.d) observes when she quoting Kipsang'. She notes that "... the inadequacy of the means-testing instrument is that it fails to categorize the students in realistic clusters such as expenditure groups. Obviously, the information provided by the student even where full objectivity is assumed, is not representative enough to place students into realistic, nationally accepted nouns of income and expenditure." Seemingly, the board lacks the capacity to accurately determine the social-economic background of the student so as to determine how much loan should be awarded to such a student.

As compared to the students' population that has been rising each year, there's a danger of denying many young Kenyans an opportunity to access Higher Education. This is supported by the Auditor General's Report of 2014 which states "There has been a sharp decline in funding to needy students by the Students Loan Trust Fund, with disbursements decreasing by 9.6 percent from 2010 to 2011 and a further by 28 percent from 2011 to 2012," the Auditor General's Report for 2014. In 2010 loans were disbursed to 26,955 students, a number which decreased to 18,605 in 2011, and decreased further to 13,833 in 2012. This in effect meant that the government was increasingly spending less to Educational investment and underperforming against the reality that the students' population was steadily increasing due to increase in population and enrolment in schools. The net effect here is that more young people are denied access to Education and this can be a potential recipe for political

instability and insecurity for the country. According to the report, the purpose for the establishment of the Fund will be defeated if the loan disbursement continues to decline indefinitely. In an attempt to explain why that drastic decline of funding, CEO of the fund Mrs. Sheila Narh-Boamah when appearing before the Public Accounts Committee of parliament said, the decline in disbursement experienced in 2010 and 2011 was as a result of the Fund's implementing a partial online application process; from the initially paper work application process. This change she says was the reason for the decline in numbers of the applicants at that time because computer literacy had not reached many parts of the country as it is today.

Progressively, there was a reduction in the number of continuing students. For instance, the demographic behavior of students in Moi University in the successive years illustrates the above. In 2010/2011 academic year (1st year), the first year intake was 3727 students. In 2011/2012 academic year (2nd year) they reduced by 490 students to 3237 students which is 13.1% of the total enrolment of the students' population in first year. In 2012/2013 academic year (3rd years), the remaining students' population dropped by 330 to 2907 students which translates to 10.2% of the 3678 students that had remained. In 2013/2014 academic year (4th year), the remaining students' population dropped further by 200 to 2707 students which is 6.9% of the 3645 students that had remained. Cumulatively, therefore, a total of 1020 students was lost along the way for reasons related to insufficient funding. This translates to 27.4% of the student population who enrolled in first year but did not complete their academic programme in fourth year. This was because students who were affected by the insufficient funding opted for deferment of their studies.

The perception of students and other stakeholders in the university sector towards HELB are different. Whereas is the feeling by many that HELB is characterized by bureaucratic tendencies, its impact in financing higher education is above average. Delayed disbursement which affects students in various ways also creates a negative perception about HELB. Students have held demonstrations, walking to HELB offices to compel them to disburse the loans.

The positive perception of students about the loan application procedure and disbursement was largely as a result of the family financial status levels of the applicants and not necessarily a fair application procedure. This is because of those who were positive of HELB had enough to spend at school. Actually, none of said the application status was tedious. Students from well-to-do families had more inclination to having a positive perception about HELB compared to students from humble backgrounds.

7.2 Conclusions

From the study findings and discussions, the followings conclusions were deduced:

The application process is tedious and has a lot of requirements hence making some applicants to give up on the process. For instance the HELB form requires certification from a legal officer, a chief and a religious leader. Sometimes chiefs are not easily available in offices. In extreme cases, they ask for bribes before they can sign the forms. This discourages the applicants. HELB requires that one has a national ID and KRA Pin before applying for the loan. As a result, applicants who are under age and thus miss the two documents cannot finish the application. The digitalization of the loan application process disadvantages the students with limited and unreliable

or lack of access to internet. This means that they have to look for assistance from people who have the know-how at a fee.

The students do not receive sufficient amount for completion of their studies and thus there is a deficit as shown in table 5.6. As a consequence of the insufficient amounts, most students are forced to defer. For example, in the academic year 2010-2011, 3727 students were admitted in first year. By the time the students were finalizing their undergraduate students in 2013-2014 academic year, the number had dropped to 2707. This is captured in table 5.12. Due to insufficient funds, most of the students are not able to access accommodation since they have to complete their tuition fees and get a room booking form (green form) which enables them to access accommodation facilities thus leading to pirating which leads to congestion in the halls of residence. More so, pirating is an offence according to the universities rules and regulations.

From the findings it was evidenced that the main sources of funding include HELB, parents, other stake holders (CDF, charitable organisations, friends, relatives and other well-wishes). If a student gets funded from more than one of the above mentioned sources, can be enough for the student to finish his/her degree programme and can successfully complete the programme enabling him/her to get employment. In the event that a student fail to get HELB loan other sources of funding will be stressed in trying to support the student. This leads to a number of options like deferment or drop out.

7.3 Recommendations

This study had three recommendations that primarily advise on what HELB in conjunction with the ministry of Education should do and the Universities should do. They are all geared towards improving service delivery and reaching more people so that its impact can be felt more and in effect therefore enhance human capital development in the country.

7.3.1 Policy

- i. There should be a clear policy on the requirements for students who have not acquired National Identity Cards to access HELB loans. Under age students (below 18 years) should not be subjected to unfair treatment of expecting them to have National Identity Cards in order to qualify for applying HELB loan. Other documents like birth certificates should be used to determine the legitimacy of such students.
- ii. HELB should devise multiple ways of determining needy and deserving students so as to avoid unfair treatment on the basis of technicalities of procedure. Depending on the information given on the HELB application form alone is on many occasions misleading and has led to suffering of many whose predicament would have been salvaged only if HELB had multiple ways of determining their legitimacy.
- iii. To improve debt recovery, HELB can liaise with KRA that already has well established networks and be able to track down defaulters.

- iv. HELB should find alternative sources of funds to fund its activities rather than depending on traditional funding which is the National Treasury to widen the spectrum of students who benefit from the loan scheme.
- v. Higher Education should be fully funded by the state. The government should embrace this policy as this brings a plain-level field for all young people regardless of their socio-economic background to participate in Higher Education. The net effect of a homogeneously educated society is communal and this gives rise to a robust Human Capital necessary for fast tracking economic development.
- vi. The so called Means-Testing by HELB should be revealed to the public for further introspection. There should be nothing to hide if it is for the benefit of the public. This is so because what has only managed to say is that they depend on the information given by the applicant on the application form.
- vii. HELB bargains for an increment of its allocation from the National Budget. This is so because there have been reports that the national budgetary allocations for HELB have been declining over the years which in effect has put HELB in an awkward position as far as fulfilling its mandate is concerned.
- viii. Moi University through its senate comes up with an alternative academic policy of making students pay fees on time because the current policy of expecting them to pay full amount before they are given a room for accommodation is counter-productive.

7.3.2 Practice

- i. The nature of the degree programme being undertaken should in a big way be a factor in determining the amount of loan to be awarded. It is the view of this

study that science related courses are more costly and therefore it is unfair on the part of the government to be uniform in awarding the loans. Moreover, science related courses attract the best brains in the country because normally, students who pursue such courses scored the highest marks in high schools. It is sad that such a potential is wasted at University with such unfair policy of suffocating them with limited funding. Such ill-advised decision is so detrimental to lives that would have otherwise turned out to give high quality human capital for the country, leading to high levels of innovation and creativity.

- ii. There's also an urgent need for University authorities to create an environment that enables the flourishing of Clubs and Association's activities for they in a big way helps foster relationships that can help abate some cases of incompleteness due to lack of funds or even supplement what HELB awards them. This is because of the testimony of some students that would have otherwise deferred because of financial difficulties being able to be helped by fellow students' complete school. This if harnessed can in a big way reduce incompleteness rates that are majorly as a result of insufficient funds.
- iii. The management of Universities should work with HELB such that the students deferring because of financial problems to inform HELB so that they are not unfairly penalized. And when HELB gets funds they are given priority. This can be easy if a list of deferment cases can be given to HELB by the student so that it is stamped and be with it so that when they complain for unfair penalties, HELB can be able to confirm that indeed these are genuine cases. The blind penalization of everybody as defaulters who have deliberately refused to pay may be uncouth and goes against human rights and values.

7.4 Further Research

This research study looked at Higher Loans Education Board in financing higher education, a case study of Moi University. It is recommended that:

- i. The same research can be replicated in other universities
- ii. A comparative study between private and public universities can be conducted.

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APPENDICES

Appendix 1: Questionnaire for Students

Please be assured that information given is purely for academic purposes and will be held in utmost confidence and your identity treated as anonymous. Kindly respond to all questions

SECTION 1: BACKGROUND INFORMATION

1. Please indicate your age in years.
 - a) Less than 20 { } b) 20-30 { } c) 30-40 { } d) Over 40 { }
2. *What is your gender?*
 - a) Male { } b) Female { }
3. *What is your marital status?*
 - a) Single/unmarried { } b) Married c) Separated { } b) Divorced { }
 - d) Widowed { }
4. *In which campus are you?*
 - a) Main Campus { } b) Annex { } c) Kitale Campus { }
 - d) Nairobi Campus { } e) Adero Akango { }
 - Others Specify
5. *In which school are you?*
 - a) Engineering { } b) Education c) Information Science { }
 - d) School of Business & Economics { } e) School of Arts & Social Sciences { }
 - f) School of Medicine { }
 - Others Specify.....
6. *What is your current level of study?*
 - a) 1st year { } b) 2nd year { } c) 3rd year { }
 - d) 4th year { } e) 5th year { }
 - Others Specify.....
7. *Are you a privately sponsored or a government sponsored student?*
 - a) Privately sponsored { } b) Government sponsored { }

SECTION II: STUDENTS' VIEW/PERCEPTION ON LOAN APPLICATION AND DISBURSEMENT

8. Have you ever applied for a loan

Yes { } No { }

a). If No provide explanation

.....

b). If yes, did you qualify for a loan how much did get.....

9. If HELB finances your Education, how much were you awarded in the current

academic year? a) Less than 35,000-45,000 { } b) 45,000-50,000 { }

c) 50,000-60,000 { }

10. Was the money disbursed to you in time? a) Yes { } b) No { }

11. Did the loan amount you receive from HELB meet your Educational needs in a semester?

a) Yes { } b) No { }

12. How satisfied are you with the amount you receive from HELB?

a) Very satisfied { } b) Satisfied { } c) Not satisfied { }

d) Indifferent { } e) Very dissatisfied { } f) Not Applicable { }

Explain

.....

.....

13. To what extent do you agree on the following statements on the loan application and disbursement procedure?

Key 5 – Strongly Agree, 4- Agree, 3 – Undecided, 2 – Disagree, 1- Strongly Disagree

	5	4	3	2	1
Loan application is a tedious and cumbersome process					
I went through many challenges when applying for the loan					
Loan application is very bureaucratic					
HELB take a long before their disbursement					
Sometimes I end up paying my fee due to delay in loan disbursement					
Loan application process is easy					

14. Any suggestions on loan disbursement and application

.....

SECTION II: THE UTILIZATION OF HELB LOAN BY THE STUDENTS

15. How much on average do you spend per semester on food, accommodation, scholastic materials, stationary field trip, and others (You may take some time to answer this)

Food

 Accommodation.....
 Scholastic Materials.....
 Stationary.....

Please list the major areas where you spend most of your money

1.
2.
3.

SECTION III: IMPACT OF HELB IN ENHANCING UNIVERSITY EDUCATION

- a) Do you think HELB loan impacted your education positively? Yes { }
 b) No { }

If yes please explain how

.....

Kindly To what extent do you agree on the following statements on the impact of HELB in enhancing University Education.

Key 5 – Strongly Agree, 4- Agree, 3 – Undecided, 2 – Disagree, 1- Strongly Disagree

	5	4	3	2	1
HELB loan has assisted to pay fees for Higher Education					
If not for help loan I will be in home					
HELB loan has assisted to start a business which I use to pay school fee					
HELB loan has assisted me to help by siblings to further their Education					
If not for help loan I will be borrowing food in the campus					

SECTION IV: EFFECT OF HELB LOAN ON DIFFERENT DEGREE PROGRAMMES

16. Have ever change degree programme

Yes { } b) No { }

17. If yes, did the HELB loan influenced to choose another course

a) Yes { } b) No { }

18. Kindly to what extent do you agree on the following statements on the effect of HELB loan on different degree programmes.

Key 5 – Strongly Agree, 4- Agree, 3 – Undecided, 2 – Disagree, 1- Strongly Disagree

	5	4	3	2	1
HELB loan helped to choose degree programme of my choice					
Due to help loan I was able to do programme transfer from one department to the other					

SECTION V: CHALLENGES AND BENEFITS DERIVED FROM HELB

19. If you are a beneficiary of HELB what are some of the benefits you derived by being awarded the loan?

.....

20. If you are a beneficiary of the loan, what are some of the problems you face when you applied for the students loan?

.....

In your opinion, what do you think can be done by HELB to mitigate some of the problems you mentioned above?

.....

21. What suggestions can you give for improving the service delivery of HELB?

.....

In your opinion, what do you think HELB needs to do to ensure better access of HELB loans to needy students?

.....

Appendix 2: Interview Schedule for HELB Officials

SECTION I:

1. What are the purposes or objectives for the student's loan?
2. What is your major source of funding as a board?
3. Briefly explain how you determine the eligibility of a student to be awarded HELB loans?
4. On the average, how many students do you give loans per academic year?
5. What is the lowest and highest amount you give out to students as loans?
6. How do you disburse loans to loan applicants? Please explain.

SECTION II:

7. How long does it take to disburse funds after a successful application?
8. Do you receive complaints from students in regard to their loans disbursement?
9. What challenges do you face as a board in trying to fulfill your mandate?
10. How do you make sure that all applications from various Universities are attended to?
11. What are the options available to students in cases of rejection?
12. Does the student field of study influence the amount of loan allocation?
13. Complaints have been raised that HELB institution is not disbursing sufficient funds to the genuinely needy students. Any comment?
14. When an applicant is successful in applying for the first time will she/he continue benefitting from the fund loan to finance his/her studies throughout?

Appendix 3: Interview for Dean of Students

1. Does your office keep record of students who fail to get HELB loans?
2. Do you know of any other sources of funding that can support needy students?
3. As an office, how do you attempt helping needy students?
4. Do students who fail to get HELB loan report back to you?
5. On average, how many students apply for deferrals on financial grounds?
6. In what ways do you think HELB can improve its service delivery?
7. On average, how many students apply for deferrals on financial grounds?
8. What do you think are some of the hurdles within university that brings a financial burden to students?

Appendix 4: Fees Structure School of Arts and Social Sciences



MOI UNIVERSITY

**FEE STRUCTURE
SCHOOL OF ARTS AND SOCIAL SCIENCES**




1ST YEAR UNDERGRADUATE STUDENTS' FEE STRUCTURE ALL STUDENTS

DESCRIPTION	PRIVATELY SPONSORED STUDENTS			GOVERNMENT STUDENTS		
	1 ST SEMESTER	2 ND SEMESTER	TOTAL	1 ST SEMESTER	2 ND SEMESTER	TOTAL
1. Tuition Fees	60,000.00	60,000.00	120,000.00	4,000.00	4,000.00	8,000.00
2. Direct Charges	-	-	-	4,000.00	4,000.00	8,000.00
3. Registration	1500.00	-	1500.00	1500.00	-	1500.00
4. Students Organization Fee	500.00	-	500.00	500.00	-	500.00
5. MUSO Annual Subscriptions Fee	500.00	-	500.00	500.00	-	200.00
6. Students' Identify Card	250.00	-	250.00	250.00	-	250.00
7. Caution Money (Refundable)	1,000.00	-	1,000.00	1,000.00	-	1,000.00
8. Medical Fee	1,500.00	-	1,500.00	1,500.00	-	1,500.00
9. Examination Fee	1,200.00	-	1,200.00	1,200.00	-	1,200.00
10. Activity Fee	1,500.00	-	1,000.00	1,500.00	-	1,000.00
11. Amenity Fee	1,000.00	-	1,000.00	1,000.00	-	1,000.00
12. Games and sports	1,000.00	-	1,000.00	1,000.00	-	1,000.00
12. Field Attachment/Trips*	4,000.00	4,000.00	8,000.00	4,000.00	4,000.00	8,000.00
TOTAL	72,950.00	64,000.00	135,450.00	22,950.00	12,000.00	34,450.00

- i) Apart from paying fees, students are advised to have with them at least Ksh.18,000.00 per year for Catering Services and Ksh.9,000.00 per year for books, Ksh.3,500.00 – 5,000.00 for accommodation if in University Residence. However students in privately sponsored programme will be expected to make their own arrangements for accommodation.
- ii) Indemnity required on field trips and attachment will be borne by students as and when required.
- iii)* This charge will only apply to student in programmes with field trip, attachment, teaching practice.
- NB. This fees structure is subject to revision at the sole discretion of the University

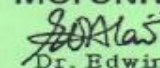
Appendix 5: Green Form

18-05-2017 1/1 MUHD/2274105195/2017



ROOM BOOKING FORM SERIAL NO: MUHD/2274105195/2017
MOI UNIVERSITY
HOSTELS AND CATERING DEPARTMENT
HOSTEL:M

Caution:-
 1. Any student who provides any untruthful information in the course of the booking process shall be guilty of an offence and will be liable to a disciplinary case by the SENATE.
 2. Proviudence of untruthful information WILL also lead to a cancellation of the whole transaction, which in effect means the aforementioned student will not get a room.

NAME: KOROS HILLARY K	<div style="border: 2px solid black; padding: 10px; margin: 0 auto; width: 80%;"> <p>MOI UNIVERSITY</p>  <p>Dr. Edwin Ataro <i>DIRECTORATE OF ICT</i></p> </div> <p>STAMPED ON 2017-05-18 12:11:05</p>
REG_NO: BAE/188/14	
YEAR: 3 PHONE:0727898798	
ROOM NO: M145	

CURRENT ROOM PAYMENT DETAILS
 R.NO: **294892** AMOUNT: **KES.2750** BANK DATE: **21/DEC/2016 11:52:06**
(Previous semester payment: R.No:831414 Kes.2500)

FEES CLEARANCE CERTIFICATE
 FOR YEAR:3 SEMESTER:2 **RECEIPT NO: CLR953592016**

AMOUNT PAID: **KES.14000**

FEE PAYMENT APPROVED BY:**PAMELA L**

DISCLAIMER: Booking is per semester: Students who will not have printed requisite(green) booking forms and checked in within the stated 20% rule of the semester will be subjected to a penalty. NO COOKING IS ALLOWED IN THE HOSTELS IF FOUND YOU WILL BE EXPELLED FROM HALLS OF RESIDENCE AND FACE DISCIPLINARY ACTION. If you accept to be a residential student and follow the set rules and regulations; Sign here.....

CLEARED PREVIOUS ROOM: C23-ROOM G ___ H/K - C HOUSES SIGN _____

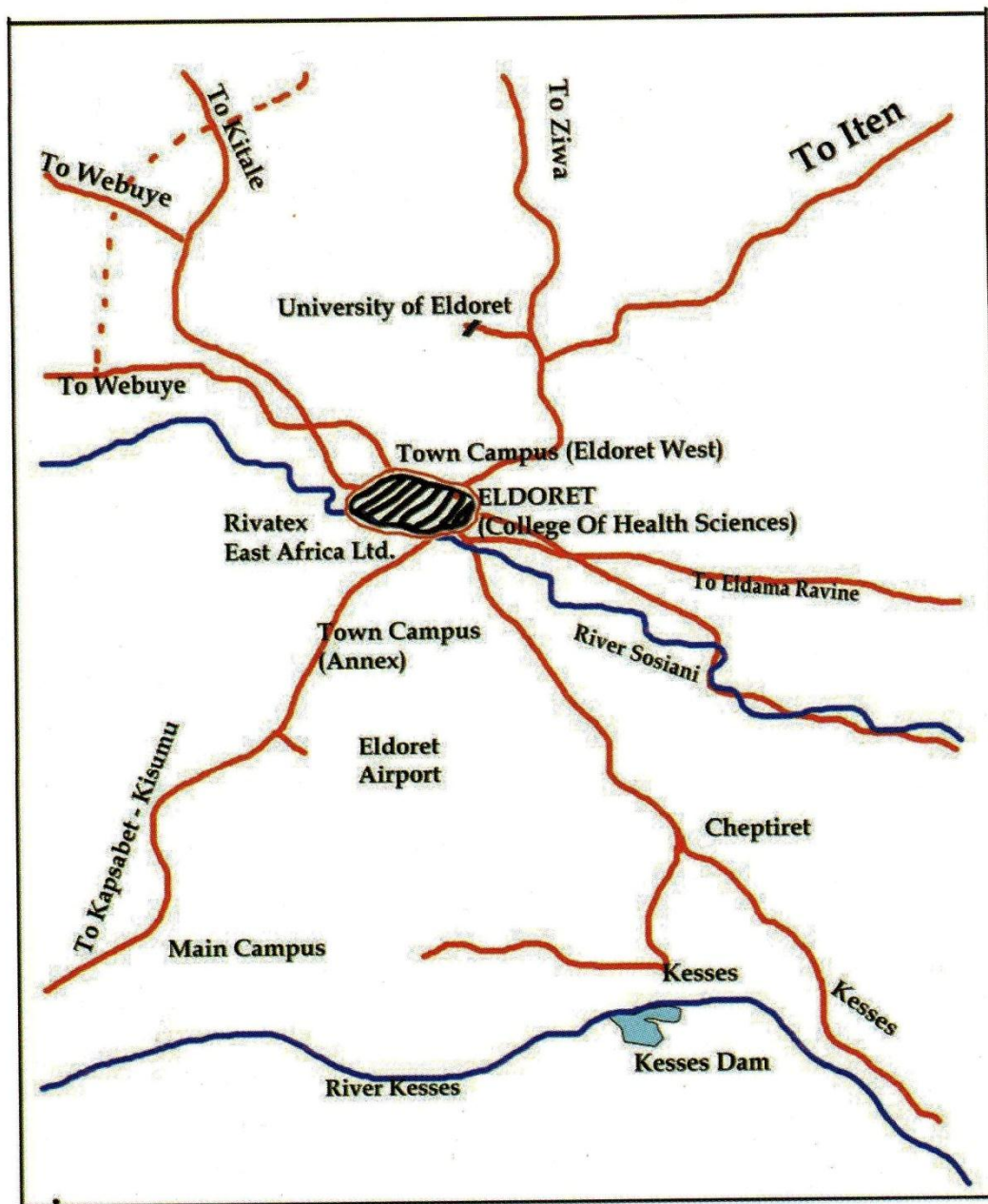
BOOKING APPROVED BY HOUSEKEEPER, HOSTEL:M SIGN: _____

Appendix 6: Students Doing Special Exams



Appendix 7: Moi University Map

Location of Moi University



Distances

- Eldoret to Annex Campus 5Km
- Eldoret to Cheptiret 22Km
- Cheptiret to Main Campus 14Km
- University Of Eldoret Campus 9Km
- Eldoret to Airport 17Km

Key

- Tarmac Road
- - - Railway
- River
- ▨ Eldoret Town
- ★ Campuses
- ▲ Constituent Colleges

Appendix 8: Research Authorization



NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY AND INNOVATION

Telephone: +254-20-2213471,
2241349, 310571, 2219420
Fax: +254-20-318245, 318249
Email: secretary@nacosti.go.ke
Website: www.nacosti.go.ke
When replying please quote

9th Floor, Utalii House
Uhuru Highway
P.O. Box 30623-00100
NAIROBI-KENYA

Ref: No.

Date:
23rd March, 2015

NACOSTI/P/15/1060/5052

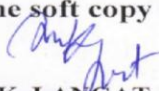
Josephine Ayuma Sakwa
Moi University
P.O. Box 3900-30100
ELDORET.

RE: RESEARCH AUTHORIZATION

Following your application for authority to carry out research on "*Efficacy of the Higher Education Loans Board in the distribution of loans to students in public universities,*" I am pleased to inform you that you have been authorized to undertake research in **selected Counties** for a period ending **31st August, 2015.**

You are advised to report to **the Chief Executive Officer, Higher Education Loans Board, the Chief Executive Officer, Commission of University Education, Vice Chancellors of selected Universities, the County Commissioners and the County Directors of Education of the selected Counties** before embarking on the research project.

On completion of the research, you are required to submit **two hard copies and one soft copy in pdf** of the research report/thesis to our office.


DR. S. K. LANGAT, OGW
FOR: DIRECTOR GENERAL/CEO

Copy to:

Chief Executive Officer
Higher Education Loans Board.


Chief Executive Officer
Commission of University Education.




Appendix 9: Research Permit

CONDITIONS

1. You must report to the County Commissioner and the County Education Officer of the area before embarking on your research. Failure to do that may lead to the cancellation of your permit
2. Government Officers will not be interviewed without prior appointment.
3. No questionnaire will be used unless it has been approved.
4. Excavation, filming and collection of biological specimens are subject to further permission from the relevant Government Ministries.
5. You are required to submit at least two(2) hard copies and one(1) soft copy of your final report.
6. The Government of Kenya reserves the right to modify the conditions of this permit including its cancellation without notice.



REPUBLIC OF KENYA



National Commission for Science, Technology and Innovation

RESEARCH CLEARANCE PERMIT

Serial No. **4580**

CONDITIONS: see back page


THIS IS TO CERTIFY THAT:

MS. JOSEPHINE AYUMA SAKWA
of MOI UNIVERSITY, 3900-30100
ELDORET, has been permitted to conduct
research in Nairobi, Siaya, Transzoia
Uasin-Gishu Counties

on the topic: EFFICACY OF THE HIGHER
EDUCATION LOANS BOARD IN THE
DISTRIBUTION OF LOANS TO STUDENTS
IN PUBLIC UNIVERSITIES:

for the period ending:
31st August, 2015

Applicant's Signature: *[Signature]*


[Signature]
Director General
National Commission for Science, Technology & Innovation

Permit No. : NACOSTI/P/15/1060/5052
Date Of Issue : 23rd March, 2015
Fee Received : Ksh 1,000