Enhancing Equity to Higher Education via Educational Vouchers

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1 Abstract

Dissatisfaction with the existing system of financing education has led to a number of suggestions for change, and perhaps the most prevalent of these changes has been the provision of vouchers for financing education. A voucher system exists when Government makes payments to families that enable their children to join public or private institutions of their choice. The purpose is to increase parental choice, efficiency and allow low income families access to education. This paper is based on the premise that there cannot be equity in higher education unless there is equity in access to secondary education. The financing of education in Kenya has been characterised by partnership between the Government and the beneficiaries of education. Due to poverty levels, there has been high dropout rates and non enrolment in secondary and tertiary levels. The Government introduced fee guidelines and bursary funds to enhance accessibility of the poor to education. However, the bursary scheme has not been effective and efficient in meeting its objective as expected. Inadequate financing to provide for all eligible and deserving needy students; structural weaknesses in administration systems as evidenced by delays in disbursement, non-remittance of bursary funds to some schools; and delays in communicating the awards to beneficiaries, among other factors, are noted as key challenges that have not been addressed even in CDF. Tuition free secondary education has not made things better. The secondary sub-sector continues to face challenges, particularly the low participation rates, unsatisfactory level of transition from primary to secondary and from secondary to tertiary levels as well as serious gender and regional disparities. The quality of secondary education also remains low. Policy documents indicate a target transition rate of 70 percent from primary to secondary schools by 2008, and with doubling of enrolments by 2010 and tripling by 2015. Such an ambitious target can only be met by devising an appropriate mechanism for financing secondary education in Kenya. Hence the suggestion for the introduction of a voucher system of financing education in Kenya secondary and tertiary education as this system has enhanced equity, efficiency, parental choice and quality of education in the countries that are using a voucher system of financing education.

2 Background to the Study

2.1 The Importance of Education and Commitment to Provide Education

The provision of quality education, perhaps, is the single most important duty of all governments in the world not only because it is noble but because education contributes to improving peoples lives and reducing poverty in many ways including helping people to become more productive and earn more, improving health and nutrition, enriching lives directly and promoting social development through strengthening social cohesion and giving people more opportunities (Psacharopolous, 2002). The provision of education to as many people has possible as attracted enormous effort and concern throughout the world.

The past decade has witnessed a renewal of commitment and effort to achieve accessibility to education. This commitment has been pursued against the background of international and regional human rights documents emphasising the right to education. The international community renewed that commitment at the historic world conference on education for all held in Jomtein Thailand in

1991 (Ministry of Education, 2001). The conference energised the impetus towards the development and pursuit of education for all.

In view of this, the Government of Kenya, after independence, heavily subsidised education to enable many people access education (The Kenya Education Commission, 1964). However, the poor economic performance of the 1970s and 1980s which saw the decline in GDP from 6.6 percent to 5.2 percent and then to 4.1 percent in 1979 coupled with increasing demand from direct productive sectors such as agriculture, made the Government resources increasingly strained and forced it to cut back the share of the national budget that was being taken up by education (Olembo and Harnold, 1992).

Kenya ranked 152nd (out of 177) on the Human Development Index, with more than half of her population living below the poverty line. That is, living on less than one US dollar a day and unable to meet their basic requirements (HDR, 2006). It is one of the countries that manifest a lot of inequalities with around 20 percent of its population controlling almost 80 percent of its wealth. According to 2007 estimates, life expectancy rate is 55.24 and 55.37 for males and females respectively (WFC, 2007). Kenya has a large percentage of children of primary and secondary going age, the same source indicates that 58 percent of her population is under the age of 18, making it imperative for more investment in primary and secondary education. However, for the development, a country to be enhanced access to tertiary education should be addressed.

2.2 Search for Alternatives Ways of Financing Education

In an effort to reverse the worsening economic growth rate, the Government of Kenya together with her partners – IMF and World Bank, adopted Structural Adjustment Programmes (SAPs) through *Sessional Paper No. 1 of 1986 on Economic Management for Renewed Growth* (Ministry of Education Science and Technology 2001). The adoption of SAPs led to cost sharing policy in education. The adoption of cost-sharing policy in education has witnessed a return of a substantial proportion of the financial responsibilities for schooling to communities and parents. As a result of this policy paper, parents were required to shoulder the development expenditure. They were responsible for erecting and maintaining physical infrastructure like classrooms, libraries and workshops. Similarly, through the report of *The Presidential Working Party on Manpower Training for the Next Decade and Beyond (1988)*, the Government put more weight on parents by adding textbooks and supplementary readers, stationary, consumable materials, boarding and feeding costs. They were also to provide for tuition fee, activity fee and examination fee.

2.3 The Impact of Cost Sharing Policy

Orodho, (2002), notes that enrolment in absolute numbers has been increasing over the last 39 years (since 1960). However, from 1988/99 fiscal year, when cost sharing policy in education was introduced, there was a considerable drop in enrolment. The greatest drop occurred between 1990 and 1993 when the growth rate dropped from 4.15 in 1990 to 0.69 in 1991. A further drop occurred between 1992 and 1993 when the growth rate dropped from 2.4 percent to 1.15 percent. These declines occurred during the time when cost sharing strategy in education was introduced during the 1988/89 fiscal year and further adjustments introduced in education in 1991/92 fiscal year through the Education Sector Adjustment Credit (EDSAC).

KESSP (2005-10) highlights the following as the impact of cost sharing policy:

1. Decline in access and enrolment to basic education
2. Increased dropout and repetition
3. Inadequate and lack of teaching-learning resources
4. Poor quality of education offered
5. Limited investment in education

For instance, *The 1997 Human Development Report* indicates that the gross primary enrolment figure had reduced by 2 percent between 1995 and 1997. According to 1997-2001 Development

Plan, only 27 percent of secondary school going age actually goes to school (ROK, 1998). MOEST (2001) shows that only 27 percent of secondary school age group proceeds to secondary school from primary school. This represents a primary transition rate of only 46 percent.

The Education for All Global Monitoring Report (2009) shows that 36 million children of primary school age are out of school and that 1.5 million of these are in Kenya, an indication that Kenya may not achieve the objective of achieving universal basic education by the year 2015. The report further states that by 2015, 900,000 children will be out of school due to poverty, unless effective financing strategies are put in place.

UNESCO (2009) notes that in Kenya children from poor households are less than half as likely to proceed to form one as those from the richest 20 percent. The report further states that in Nairobi, slum residents have a 20 percent attendance points lower than other city children. These inequalities are replicated in tertiary education. Tertiary institutions form a network of institutions that support the production of the higher-order capacity necessary for development.

Knowledge and advanced skills are critical determinants of a country's economic growth and standards of living outcomes are transformed into goods and services, greater institutional capacity, a more effective public sector, a stronger civil society and a better investment climate (*The Standard*, Oct. 21st, 2009). The same source states that both developing and developed countries benefit from the dynamic of the knowledge economy.

The capacity for countries to adopt, disseminate and maximise rapid technological advancement is dependent on adequate systems of tertiary education. Improved and accessible tertiary education and effective national innovations systems can help a developing country like Kenya progress toward sustainable achievements in the Millennium Development Goals (MGDs), particularly those goals related to all levels of education, health and gender equity.

By giving everybody a chance to access tertiary education, the Government would provide a level playing field for everyone. Many would argue that the loan scheme achieves this, but research has shown that it does not. People from poorer backgrounds are less likely to burden themselves with debt as, relative to what they have lived their lives of, it is higher. They are frightened from taking on too much debt comparative to their parents' income. They thus do not get a tertiary education. On the basis of this argument, the inescapable conclusion would be that the student loan works to keep poorer people out of university, not to get them into it.

In view of the importance of education to the individual and the society, the Government of Kenya introduced measures to at least enable as many students get education. These measures are discussed below:

2.4 Government Safety Nets

Many parents cannot take and sustain their children in schools due to prohibitive costs. It is due to this that the Government introduced safety nets, among them provision of fee guidelines. However, a team from the MOE carried a field study in 1997 to evaluate its effectiveness (success) and established that these guidelines are ignored by large numbers of teachers and their Board of Governors and Parents Teachers Association (PTA) who go ahead and charge what they feel is realistic (MOE, 1999). Orodho (2002) found out that the head teachers of secondary schools have imposed educational levies on a broad array of items including school development funds, watchman's fees, teachers' motivation fees and holiday tuition fees. All these have hiked the secondary school costs making it difficult for parents to afford secondary education for their children. The net effect of this is high dropout and non-enrolment of some children in secondary education. Orodho (2002) further realised that some schools were charging fees ranging between Kshs 21,170 and Kshs 34,923 per annum. Such costs are prohibitive not only to poor families but also to medium income ones.

Another safety net that was initiated by the Government was the provision of bursary funds to bright and deserving students. KESI (1997), in identifying the objectives of the bursary funds, asserts that the bursary project from the MOEST was and still aims at reaching the poor disadvantaged group especially girls and socially and economically less endowed groups of the society.

According to IPAR (2003), introduction of bursaries as part of the safety nets, in cushioning the poor and other vulnerable categories against poor access to education, was a noble policy goal. However, the bursary scheme has not been effective and efficient in meeting its objective as expected. Inadequate financing to provide for all eligible and deserving needy students; structural weaknesses in administration systems as evidenced by delays in disbursement, non-remittance of bursary funds to some schools, and delays in communicating the awards to beneficiaries, among other factors, are noted as key challenges that have not been addressed even in CDF. This made the Government, in 2003, to introduce free education in primary schools which was followed by free secondary education especially in day secondary schools. The question that arises is where next after form four? Given that these people were not in school due to poverty and there are no strategies to enable them proceed to tertiary education.

The safety nets have led to an increased enrolment in schools, which is likely to strain the resources available. This is likely to affect the quality of education offered unless appropriate policies are put in place to address this. This poses the challenge on how affordable education should be provided (Jones, 1980).

KESSP (2005) notes that one of the factors constraining secondary school enrolment is that the growth in the number secondary schools has not matched that of primary schools. In 2003, there were 3,661 public secondary schools and about 400 registered private secondary schools, compared to 18,081 public primary schools. The decline in secondary school enrolment was caused by the following factors:

a. High cost of secondary education, which has led to 30 percent dropout rate,
b. High levels of poverty among many households,
c. Extra levies for private tuition,
d. Unfriendly school environment especially for children from poor households,
e. Negative effects of HIV/AIDS pandemic,
f. Rising repetition rates,
g. Low expansion of public secondary schools in urban areas especially in Nairobi, and
h. Secondary education has also been characterised by poor performance.

In response, the Government of Kenya has put the following measures in place to improve access to, and quality of, secondary education:

a. Rationalisation and revision of the curriculum with a view to reducing both the load on students and teachers and the consequent costs to the Government and parents,
b. The Government continues to provide teachers to all public secondary schools,
c. The MOEST, through KESI, is strengthening the capacities of educational managers at this level,
d. The Government has also reviewed staffing norms in order to ensure efficient utilisation and equitable distribution of teachers,
e. The Government is rehabilitating schools in poor communities in order to improve teaching and learning,
f. Through SMASSE, a MOEST/JICA INSET programme and other initiatives, the Government is in-serving teachers in various subjects as a measure to enhance subject mastery levels, and
g. The Government has increased funding through bursaries to the secondary schools.

Despite the above initiatives (KESSP, 2005) notes that the secondary level sub-sector continues to face challenges, particularly the low participation rates, unsatisfactory level of transition from primary to secondary and from secondary to tertiary levels as well as serious gender and regional disparities. The quality of secondary education also remains low. Policy documents, including the *Sessional Paper No.1 of 2005*, indicate a target transition rate of 70 percent from primary to secondary schools by 2008, and with doubling of enrolments by 2010 and tripling by 2015. Such an ambitious

target can only be met by devising an appropriate mechanism for financing secondary education in Kenya. Hence the researcher's suggestion for the adoption of a voucher system of financing education in Kenya.

3 Statement of the Problem

The financing of secondary education in Kenya has undergone significant shifts in policy paradigms since independence changing from one where the Government bore virtually all the cost to the one where the beneficiaries and parents are being called upon to shoulder greater cost responsibility (Otieno 2005) and then to the one where the Government is fully financing the cost of education especially in day schools. This system has enabled many students to enroll in schools. However it fails to address quality and equity issues in education. Poverty levels in Kenya are very pervasive and therefore many households may not afford education. Transition rates has been low as shown in Table 1.

Table 1: Transition Rate.

Year	1999	2000	2001	2002	2003	2004	2005	2006
Rates (%)	46.1	43.3	46.5	43.6	46.5	50.5	51.2	55.4

Source: Education Statistics Section, Ministry of Education (2006).

From the table presented above, it is clear that the transition rate from primary to secondary is low given that in the period between 1999 and 2006, the transition rate was only 50 percent on average. This scenario however changed in 2008/2009 due to introduction and implementation of tuition free secondary education. The free tuition fee saw the increase of enrolment rates to 70 percent nationally, but some areas like in North Eastern Province the transition rate is only 19.4 percent. The question that arises is, what happens to 30 percent of students who do not proceed to secondary school? In addition to this, Martin (2008) asserts that access to public secondary schools and universities by the poor has remained elusive despite Government's efforts to ensure equity in provision of education. He argues that despite tuition fee waiver in secondary schools, children from poor backgrounds have continued to be marginalised as some national schools charges are in excess of Kshs 60,000 annually. According to Miruka, Akinyi and Mangoa (2009) five students who were admitted to national school from Nyanza province could not report because of lack of school fees.

MOEST (2005) states that on average the completion rate in Kenya is 87 percent an indication that 13 percent of the 70 percent who enroll in secondary school do not complete secondary school education. KESSP (2005) states that the dropout in secondary school level stands at 30 percent.

The implication of this is that the long-term objective of the Government to provide every Kenyan with basic quality education and training by the year 2015 will not be met. Similarly the universal access to basic education and training that ensures equitable access to education and training for all children, including disadvantaged and vulnerable groups, will not be realised and finally basic education is the basic human right and with 30 percent failing to enroll and 30 percent of those who enroll dropping out of the secondary schools in Kenya, the Government is infringing on its citizens' right of access to education. These inequalities in basic education are translated in tertiary education.

To address the above challenge, a system of financing education that ensures equity in accessibility to education should be put in place. It is in this view that this paper suggests the possibility of introducing educational vouchers as a method of financing education in Kenya.

4 Theoretical Framework

This paper is based on **Classical Liberal Theory**. The Classical Liberal Theory states that social mobility will be promoted by equal opportunity to education. The roots of this theory can be traced to writers such as Rousseau (1712-1778) who claimed that in the "natural state, men were born equal and personal qualities should not jeopardise social equality so long as society rewards people according to their merits." Thus the writers of the American Declaration of Independence claimed that all men are created equal in the sense that they are born with the same moral and political rights. It follows from this belief that social institutions such as education should in some sense attempt to treat people equally. American educator Horace Mann (1796-1889) states that education is the greatest equaliser. Evidence in favour of this belief is mainly in the form of case studies. There are innumerable examples of people from poor families who have taken advantage of education opportunities and proceeded to obtain better jobs and higher incomes than they would otherwise have done. If the state did not provide education without charge, these individuals would have been denied the opportunity for advancement. There is a widespread belief that by removing economic barriers and making more places available in upper secondary and higher education and by increasing the length of attendance in the common school, ideal conditions could be created to implement the vision of equal opportunity, where everybody has access to the kind and amount of education that suited his inherited capacity. In the past, a great deal of weight has been attached to education and it has been assumed that increased public spending in education contributes to this end and reduce dropout, repetition and absenteeism of the poor hence enhancing equity (OECD, 1975).

In developing countries where inequalities of educational provision are severe it may be desirable on equity and efficiency grounds to pursue the goal of equal distribution of educational opportunities. Inequality of participation means that the benefits of education are disproportionately enjoyed by the upper income families whose children are far more likely to complete secondary schooling or enroll in higher education (Psacharopolous and Woodhall, 1985).

Gituro, (2008) states that when evaluating inequalities of opportunities, education plays a significant role. It is an important determinant of individuals' income, health (and that of their children) as well as the capacity to interact and communicate with others. Thus, inequalities in education account for inequalities in other important aspects of an individual. Despite this view that education is key for the well-being of an individual, there is considerable evidence of inequalities of opportunity in education in most developing countries. As far as Classical Liberal Theory is concerned, a person's life achievements should be determined primarily by his or her talents and efforts rather than by pre-determined circumstances such as race, gender, social or family background. Equity is of intrinsic importance as a development goal in its own right. Moreover, a broad sharing of economic and political opportunities enhances economic growth and development because greater equity implies more efficient utilisation of a nation's resources.

In Kenya, the Government has been subsidising education at least to enable more people participate in education. However, given that about 60 percent of the Kenyan population is living below the poverty line, many parents have not been able to enroll and retain their children to schools due to the rising costs. Therefore for equity consideration, it practically becomes impossible to ignore the fact that unequal participation in education will in the long run worsen the status of the poor or the vulnerable groups (Ambajo, 1997).

This theory was found relevant because in Kenya the poor who are the majority are being discriminated against especially in regard to access to education because of their inability to afford the costs of education. This has created inequality and hence a better method of financing education should be put in place to address inequity in access to education.

4.1 The Concept and Origin of Education Voucher

Dissatisfaction with the existing system of financing education in many countries has led to a number of suggestions for change and perhaps the most prevalent of these has been the provision

of vouchers for education (West,1996). In a voucher system, the Government issues a voucher to parents; the parents then take this to the school of their choice, the school returns it to the Government and in return receives a cheque equal to the value of the voucher. However, there are different versions of the voucher system as there are writers of the same. For instance, Maynard (1975) discusses eight varieties. The modern development of the idea is attributed to Friedman who believes in a market system. He says that in a market system, consumer choice is supposed to decide what is produced, and he states that market system forces should be introduced into the education industry so that school can produce the kind of education that consumers want.

In Friedman's Model, the value of the voucher is the same for each child, and it can be spent in any school that has been approved to take part in the system. This would include both private and public-owned institutions. The school could then charge supplementary fees if they so desired. Friedman's ideas were however criticised for favouring private schools and socio-economic segregation where the poor will attend public schools.

Another model was proposed by Christopher Jencks in 1970. His version also makes use of market forces, but in his view, school would not accept additional payments. So schools accepting children from better off families would not have greater income than those with a preponderance of children from poor families. Indeed the opposite would be the case, for children from poor families would receive a second compensatory voucher which would be inversely related to income. In this way schools accepting poor children would receive additional finance.

Peacock and Wiseman (1964) emphasise the importance of access to education. They state that accessibility may become an issue if consumers, as a consequence of the right of schools to set their own tuition fees, have to pay higher fees than the value of their vouchers. Access to education then may become income linked. The principal element in this model is that the value of the voucher is higher for children from low-income families, by making the voucher value subject to taxation. However, although Peacock and Wiseman acknowledge the equality of opportunity as an important social objective, they explicitly opt for a liberal market approach.

4.2 The Objectives of Vouchers

According to West (1996), there are four principles that explain the objectives of vouchers. The first is that of **consumer choice.** In education, this is the principle of parental choice. Since they choose the schools for their children by virtue of their parental authority, parents are in a fundamental sense the real consumers of education. Under a voucher plan, a government patronises the consumers of education, parents, rather than the supplier of education, schools.

The second principle is that of **personal advancement.** People want to shape their own destinies. The opportunity to choose and to decide stimulates interest, participation, enthusiasm and dedication. The third principle is the **promotion of competition.** Public schools are usually monopolies. Vouchers present a challenge that can lead to competition which brings lower costs, increased average quality and dynamic innovation. The fourth principle is that of **wider access to private schools.** Selective education vouchers to enable low income families to gain access to private schools are advocated by West (1994) and Becker (1995). Becker's recommendation is based partly on fiscal considerations but mainly because the bottom quarter or so of the population are most in need of better education. In addition, Becker quotes studies demonstrating not only the superior performance of US private schools over public schools, but also the findings that students from disadvantaged background tend to gain the most from attending private schools or well equipped schools.

4.3 Vouchers and Poverty Reduction

Krashinsky (1986) implicitly states that the public school system benefits the poor in a way that is superior to any alternative. But low income families are stratified residentially and their children are typically allocated to the schools nearer to their homes. If they want to choose a better public school in a middle class area they are obliged to purchase a home there. Usually, however, the house prices are prohibitive as to prevent the move. Middle class families on the other hand, are

more able to move because they are less restricted financially. In this way, public school becomes heterogeneous in provision, with the poor, on average, receiving the worst quality. Vouchers would help reduce the barriers to mobility.

The Friedman (1980) insists that they too favour the reduction of poverty and the promotion of equal opportunity, but that in both respects the voucher system would unmistakenly improve things. They insist that liberty, equality of opportunity and the reduction of poverty are complementary and not competitive goals of their voucher system. The main argument is that lower-income families who are usually trapped in large city ghetto schools, would benefit the most from vouchers. Vouchers would improve the quality of the public schooling available to the rich hardly at all; to the middle class, moderately; to the low income class, enormously. It is however important to note that a voucher system of education has advantages and disadvantages as indicated in the selected countries that practice it.

5 Recommendation

West (1996) discusses a number of countries including Lesotho in Africa that are using a voucher system of financing education. His studies have shown that this system of financing education has enhanced equity, efficiency, parental choice and quality of education in the countries. It is on this basis that this paper recommends to the Government through the Ministry of Education to consider the idea of a voucher as a method of financing education in Kenya, and to come up with a voucher model that can work in Kenyan context.

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