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# Equity and Social Inclusion in Higher Education: The Funding Dilemma in Public Universities in Kenya

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## Abstract

*Equity and social inclusion in education are core to the Sustainable Development Goal (SDG) 4. This goal recognizes that education is a human right that should be accessible to all, irrespective of socioeconomic status. Universities are uniquely placed to contribute to the 2030 Sustainable Development Agenda by guaranteeing inclusive and equitable education. As citadels of research, knowledge production, and innovation, these institutions are rationally obligated to steer the 2030 Agenda. Indeed, the growth of university education has contributed enormously to Kenya's economic development. Yet, to continue contributing to inclusive and equitable education, universities require finances to reorient, repurpose and refocus. Unfortunately, public universities in Kenya are presently experiencing challenges that threaten their contribution to sustainable development through SDG 4. Therefore, this paper sought to enquire whether funding is a dilemma to universities achievement of equity and social inclusion goals. Besides, the paper considered strategies to address access, quality, and management barriers to inclusive and equitable education in higher education. The paper used the argumentative approach to conclude that inclusive and equitable education in higher education is at the most risk due to the diminishing funding of public universities and the unilateral push by the International Monetary Fund (IMF) to overhaul some of these public universities. However, these institutions have the capacity to conduct research towards viable programs. Since funding does not appear as a dilemma to achieving equity and social inclusion in these institutions, this study recommends that the government should rethink the funding strategy in public universities by looking at other strategies like financial exposure awareness, development of principles, and change preparedness in order to enhance these institutions' potential to achieve SDG 4.*

**Keywords:** ***Equity, Social, inclusion, funding dilemma, change preparedness***

## Introduction

Higher education is an important phase of schooling that every individual desires to achieve for their economic placement. Higher education is associated with the potential to open up gates of opportunities while according multiple other benefits, including better settlement and quality of life (Tobolowsky, et al., 2019). Yet, the rise in higher education costs has warranted universities to seek funding in new and innovative ways (Guerzoni, et al., 2017). Ensuring access to quality higher education has become a significant twenty-first century challenge to developing nations (Maharey, 2011). Research shows that financing higher education is constrained by the trebling demand for higher education in Africa and a stagnant continent economy in terms of production of raw materials and tax revenues (Fredua–Kwarteng, 2022).

Considering that inclusion as an ethical obligation features consistently in global and international educational agendas, including UNESCO's Salamanca statement (UNESCO, 1994) and the UN's Sustainable Development Goals (UN, 2015), higher education funding and grants do not only increase opportunities for low-income students to attend college but also improves social inclusion (De Boer et al., 2015; Miroiu & Vlasceanu, 2012). Research underscores the importance of investment in education. For instance, research has demonstrated that funding or financial aid is critical to the survival, excellence and sustenance of research institutions (Singh, et al., 2023). Research in medical education has further shown that whereas investing in scholarship and educational innovation remains essential for excellence, funds for educational development and innovations are put at risk since they hardly generate offsetting revenue (Poncelet, et al., 2023).

The focus is turning to sustainable development, making social inclusion a critical theme in higher education. Higher education institutions are poised to contribute to Sustainable Development Goals (SDGs) by providing access to quality education as required by SDG4 and reducing inequalities as advocated in SDS10 (Khutkyy, 2019). Social inclusion is a concept that is enshrined in the United Nations 2030 Agenda seeking to ensure that every person reaps the benefits of prosperity and enjoys minimum standards of well-being (Kauzya, 2020). It aims at an inclusive society that values people, respects individual differences and meets individual's basic needs to enable them live with dignity (Hall et al., 2019). In contrast, equity seeks fairness for individuals to achieve basic standards of education and inclusion (Amaral, 2022). Higher education institutions have since taken cognizance of consequences of disparities in primary and secondary education and have recognized the indispensable role of equity and social inclusion (Collins et al., 2019). In retrospect, governments have put in place policies to promote social inclusion and equity in higher education institutions (Salmi & D' Addio, 2021).

As a member of the UN, the Kenya government through the National Gender and Equality Commission (NGEC) focused on equity and inclusion in developing all spheres of life of Special Interest Groups (SIGs) (NGEC, 2016). Therefore, Kenya commits to both international and domestic legal and institutional frameworks, including the treaty of Economic, Social and Cultural Rights that seeks to ensure equal rights for men and women in economic, social and cultural rights; Convention on the Rights of Persons with Disabilities that seeks to protect the rights and fundamental freedoms for PWDs, Convention on Civil and Political Rights that grants both men and women the right to take part in public affairs, Convention of the Rights of the Child that guarantees the rights to education and welfare, Convention and Elimination of All Forms of Discrimination against Women that promotes equality and non-discrimination against women in economic, political, social and cultural spheres; and the International Labour Organization (ILO) (NGEC, 2016).

The Kenya government has since put in place relevant policies, laws, administrative actions and legislation targeting equity and inclusion, including the Constitution (2010) which provides for commitment to principles of equality and inclusion; Acts of Parliament, including the Employment Act (2007), the National Youth Employment Authority Act 2015, Persons with Disability Act 2003, Children Act 2001, HIV and AIDS Prevention and Control Act 2006, and the Basic Act (2013). Policies such as Kenya's Vision 2030; the Sessional Paper No. 3 on National Policy and Action Plan on Human Rights 2014 that aligns education and training with prerogatives of the Constitution, particularly the Bill of Rights and the devolved government, as well as the skills and competency needs of Kenya Vision 2030 (NGEC, 2016) among others have also been crafted to target equity and inclusion.

The Kenya government has also subscribed to the Abidjan overarching Principle 5 that pegs funding on equity and social inclusion (Aubry, et al, 2021), to sustainably fund education. As part of its government budget, Kenya established the Higher Education Loans Board (HELB) to benefit University students, especially those considered needy and could not finance their education (Manswab, 2020). Essentially, HELB was a tool to ensure equity and social inclusion in higher education. Indeed, it is reported that since its inception, HELB has facilitated the financing of over 1,126,308 students at a cumulative nominal cost of Ksh117.8 billion to pursue higher education both in public and private universities (Ochieng & Ogejo, 2022).

Despite the desire to achieve equity and social inclusion in higher education in Kenya, concerns are emerging regarding a large proportion of low-income students not being able to access university education. According to the World Bank's Kenya Economic update dubbed 'Rising above the waters', the proportion of University Students from the bottom socio-economic quintile is 49 times lower than their counterparts in the upper socio-economic quintile (Kenya Economic Update, 2021). These statistics clearly underscore the serious equity and social inclusion challenges universities in Kenya face. Sadly, these challenges are set to be exacerbated by the cutting of the funding by the National Treasury of KShs 9.4 billion (Wafula, 2021) and the push by the World Bank for the Kenya government to close and merge cash-strapped public universities to cut spending (Otiato, 2021).

At the backdrop of this background highlighting the importance of funding higher education and the role universities play in sustainable development, this argumentative paper questions whether funding in public universities in Kenya constitutes an equity and social inclusion dilemma and identifies strategies that universities can employ to navigate the equity and social inclusion goal. This paper not only expands knowledge on funding dilemmas and achievement of equity and social inclusion in higher education but also paves a way for the needy to identify more viable options to adequately address the provisions of SDG 4 and SDG 10 in higher education institutions. This paper gives arguments premised on the following claims:

**Claim:** *Funding does not constitute a dilemma to equity and social inclusion in higher education*

**Arguments**

The reliance of higher learning institutions in Africa on governments for their finances raises concerns with the university funding becoming so acute (Odhiambo, 2018). With universities seeking to achieve equity in education the concern then is whether university funding complicates achievement of equity. We hypothesize that 'funding of university education does not constitute a dilemma to equity and inclusion in higher education.

This claim is premised on the assertion that equity and social inclusion needs a strategy and enough financial resources. According to Janul Salmi, previously a World Bank tertiary education coordinator, African universities can only achieve equity and social inclusion through a vision and a robust well-resourced strategic plan that targets solutions for students from under-represented groups such as women, the poor, disabled and refugee students (Salmi & D' Addio, 2022). This issue of vision and strategic planning annuls the thinking of funding constituting a dilemma to equity and social inclusion from a Kenyan university perspective. Lack of financial exposure has made local universities to continually depend on tuition as the primary source of money despite being in a position to conduct research on viable programmes.

Local universities also lack strategic planning. Revenue from tuition was at one time enough to fund university programmes in Kenya. However, the shrinking in tuition revenue can be traced to the uncoordinated system-wide growth of universities in Kenya without proper strategic planning. According to Odhiambo (2018), universities are their own enemies in not meeting equity and social inclusion. Their inability to fund core mandates brings their value proposition and capability to contribute to sustainability into question. Such a lack of proper planning has raised questions on universities value proposition. We surmise that achieving of equity and social inclusion in our universities today does not construe a funding dilemma.

Granted, several funding models are delineated with each state government opting for a model consistent with desired characteristics and outcomes, including adequacy, equity, flexibility and stability based on uniqueness of policy issues and constraints (Layzell, 2007). Yet it is argued that priority should be towards sustainability in the funding model (Frequa-Kwarteng, 2022).

According to Fredua-Kwarteng, financing higher education is facing enormous challenges especially in Africa due to the surge in demand for higher education leading to an exponential growth in higher education institutions with much of the continents economy remaining stagnant. Policy makers, researchers and donors in Africa therefore ought to find sustainable but strategic approaches to financing higher education.

Although the challenge arguments posed by Fredua-Kwarteng (2022) are valid in the growing demand for university growth especially in sub-Saharan Arica, this should not be associated with funding as a dilemma. Maintaining focus on the universities mission and core priorities should rather be the focus. Take the Module II programme in Kenya for instance, it is documented that this programme that aimed at alleviating equity and social inclusion in higher education in Kenya only distracted universities from their core mandates (Ngugi, 2022). Ngugi argues that since the inception of the module in the early 1990s, the quality of education in universities has continued to dwindle, with degrees serving as tools for job promotion. Moreover, universities became rich institutions that could set up satellite campuses and venture into real estate. Our argument here then is if universities could not achieve equity and social inclusion with the module II funds, then funding does not constitute a dilemma in achieving equity and social inclusion.

On the contrary we posit that universities inability to generate funds notwithstanding, inclusive and equitable education in higher education is at risk due to the diminishing funding of public universities and the unilateral push by the International Monetary Fund (IMF) to overhaul some of these public universities. Therefore, these institutions' potential to achieve SDG 4 rests on a rethink in the funding strategy employed by the government.

In Africa, higher education funding comes with its own challenges, including enrolment growth outpacing funding capabilities, inefficient application of funds across, governments and education institution diluting the impact of funds provided, increasing decline in public expenditure per student and underfunding of research and quality investment (Okebukola, 2015). We argue that in light of such challenges, reforms targeting higher education funding in Kenya are inevitable. These reforms ought to consider equity and inclusion in higher education. Indeed, higher education funding reforms implemented in America, Europe and Asia (Kováts-Németh, 2020) have sought to transform allocation of public funds in the education system, with spending efficiency and equity and inclusion being key determining factors. Another critical element at the centre of these reforms is diversification of funding sources through granting autonomy to universities (Pruvot, et al, 2015).

Higher education in Kenya is not immune to such reforms in funding as advocated by the World Bank. Evidence shows that diversity and inclusion have formed higher education agenda for decades with colleges and universities creating offices for diversity and inclusion, and other efforts to cater for equity and inclusion (Nunes, 2021). Yet, doubts linger as to whether those efforts have succeeded to realize equity and inclusion. This appears to be the situation in Kenya with questions being asked regarding the higher education funding model. In 1995, the government of Kenya established the Higher Education Loans Board (HELB) to concretize its policy of promoting university education. However, HELB has failed to meet its obligations due to challenges of inadequate funding from the exchequer and loan recovery. We contend that other strategies are required to address access, quality and management barriers to equity and inclusion in higher education in Kenya, including

**Potential Strategies**

**Awareness of financial exposure.** Awareness of financial exposure that encompasses digital literacy, financial literacy, and financial inclusion has been associated with institutional financial resilience (Hargrave, 2022; Kass-Hanna et al., 2011). Therefore, financial resilience in higher institutions is key to building equitable and inclusive education. Higher education institutions should seek to strengthen their financial resilience by understanding financial exposure. Given that funding for students in public universities is declining while instructional costs are increasing, understanding financial exposure provides universities opportunities to reorganize their operating models and actualize equity and inclusion.

**Develop principles.** Developing of principles manifested through planning, operational strategies, debt repayment, and cash reserves is also closely linked with institutional financial resilience (Jaquette et al., 2018; Searing et al., 2021). The question of principles brings into mind the Module 11 programme that disoriented most public universities in Kenya from their core mandates and priorities. Lack of developed principles led to rushed decisions devoid of a resource allocation framework. Universities opted to buy buildings costing multi-billions and opening unsustainable satellite campuses at the expense of remaining citadels of sustainable development. By developing principles universities in Kenya can operate as decentralized structures with set priorities to allocate resources equitably.

**Change preparedness.** Change preparedness demonstrated through adaptation, transformation and change management also emerges as an avenue for institutional financial resilience that does not have to rely on funding (Barasa, et al., 2018; Burnard, et al., 2018). Indeed, change preparedness takes cognizance of emerging competitive business environment informed by globalization and digitalization. Universities need to take note of the potential impacts of the fourth industrial revolution and embrace digital transformation. In this way, change preparedness will be an avenue to alleviate equity and inclusion challenges.

## Conclusion

Although inclusive and equitable education in higher education is at the most risk due to the diminishing funding of public universities and the unilateral push by the International Monetary Fund (IMF) to overhaul some of these public universities, public universities in Kenya should continue to play the critical role of contributing to community well-being and regional growth without looking at funding as a dilemma but rather an opportunity.

## Recommendations

Universities need to realize that the financial resources they require in their core mandates need not only be sourced from external funding but can also be generated through sound missions and strategic plans taken by the universities themselves. Therefore, this paper asserts that lack of funding should not stop achievement of equity and social inclusion in universities in Kenya. The study recommends that the government of Kenya should rethink the public universities funding strategy anchored upon practices such as financial exposure awareness, development of principles, and change preparedness to enhance the institutions' potential to achieve SDG 4.

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