

**Challenges of Financing Higher Education in Developing Countries-A Case Study of
The Higher Education Loans Board.**

By

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**A Management research project submitted in partial fulfillment of the requirement
for a degree of Masters in Business Administration (MBA), School of Business, and
University of Nairobi**

Declaration

This research is my original work and has not been presented for a degree in any other University

Signed



Date.....

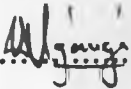
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DEDICATION

This work is dedicated to my three daughters Beatrice, Caroline and Salome who have been very understanding all the time I was busy with studying for the MBA and did not have sufficient time with them.

It is also dedicated to my parents Mr. & Mrs Wachira who continued to give me their support and encouragement.

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ABBREVIATIONS

CEO	Chief Executive Officer
CHE	Commission for Higher Education
GDP	Gross Domestic Products
HELB	Higher Education Loans Board
HELF	Higher Education Loans Fund
ICT	Information Communication and Technology
KCSE	Kenya Certificate of Secondary Education
MoEST	Ministry of Education, Science and Technology
UNESCO	United Nation Education Scientific and Cultural Organization

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ABSTRACT

This study sought to find out the challenges that are being faced by the Higher Education Loans Board (HELB) as it strives to fulfill its mandate of financing needy Kenyans pursuing higher education. The need for this study emerged from the fact when HELB was established in 1995, it was given the mandate of financing needy Kenyans pursuing higher education. But despite this, majority of form four leavers attain the university entry grade of C+ and above but only about 30% of them are admitted to institutions of higher learning either in the government sponsored or in the self sponsored programs.

The study was guided by three main objectives, first to find out from HELB management, who are the implementers of higher education financing policies, what challenges they are facing. Second who the management thinks is to blame for the young human resource wastage thirdly what the management thinks can be done to address these challenges and enable HELB fully fulfill its mandate.

Data was collected using a questionnaire to the management of HELB with both open ended and structured questions to enable them give their opinions and also provide specific answers respectively. Data was then analyzed by way of grouping similar responses together and percentages of the number of respondents with similar responses calculated. This was mainly a qualitative research as it sought to get opinions of the various heads of departments who are in different areas of operation within HELB.

The three major challenges that were identified by the respondent are: insufficient funds, increasing number of needy students, and low recovery rate. The respondents thought the blame for this young human resources wastage lies with the government. The main suggestions to address these challenges were stated as government to increase funding to HELB and stimulate economic growth to create job opportunities. This would enable past beneficiaries* service their loans. HELB should embark on mobilizing funds from other sources to meet the rising demand.

CHAPTER ONE

1.0 INTRODUCTION

1.1 Background

Access to higher education is one of the fundamental educational questions. The conditions governing such access reflect in large measure national policies in regard to higher education and in some respects, to education in general. The Universal Declaration of Human Rights, Proclaims in Article 26 (1) “Everyone has the right to education... higher education shall be equally accessible to all on the basis of merit”. In the UNESCO Convention against Discrimination in Education, Article 4 (a), the states undertake to “make higher education equally accessible to all on the basis of individual capacity”. And the international Convention of Economic, Social and Cultural Rights stipulate in Article 13 Paragraph 2 that “higher education should be made equally accessible to all, on the basis of capacity, by every appropriate means, and in particular by the progressive introduction of free education”.

The number of students meeting the minimum university entry requirements has steadily been rising over time. Low transition from secondary to university has been explained by lack of adequate financing, boarding and teaching facilities. According to Gachukia (2003), the demand for university education in Kenya is high as evidenced by the huge expenditure on university education abroad, where available information show that Kenya spends more than Kshs 16 billion per year on Kenyan students studying abroad.

The government of Kenya through what is known as the Kamunge committee recognised the need to increase access to university education and recommended that, the establishment of private and harambee universities institutions be encouraged but controlled and guided to ensure they offer courses relevant to the need of Kenya and maintain acceptable standards.(Nawara ,et al 2006)

The financing of education has emerged as a major topic of discussion among policy makers in recent years. There is evidence that in many developing countries, governments can no longer continue to increase spending on education at the high rates characteristic in the 1960s and 1970s. The macroeconomic environment has worsened,

and there is keen intersectoral competition for public funds. Thus unless educational development moves away from its present heavy dependence on public funds, the expansion of education would be frustrated. One policy option is to increase the private financing of education.

The Higher Education Loans Board has been mandated to finance students pursuing higher education both within and outside Kenya. To date the Board has only been able to finance those admitted to the public and private chartered universities in Kenya. The loans awarded are not comparable to the unit cost of education. The Board is also yet to finance students in other tertiary institutions. The finance currently available to the Board to achieve its mandate is currently limited to grants from the government and minimal recovery from matured loans. These amounts are not sufficient to cater for the rising demand and have therefore caused the Board to be unable to establish a self sustaining revolving fund. (Nyamweya 2005)

The financing of Higher education has been a big challenge to The Higher Education Loans Board resulting from; growing student population, rising cost of education, increased demand by students on financial assistance due to the slow growth in the economy and the impact of HIV/AIDS. This is to be seen against the background of dwindling finances from the governments, who have been the main financiers of Higher education. (Nyamweya 2005). The cost of higher education is shared between the government and the student with the former paying Kshs 70,000 directly to public university for each student. However there are students who qualify to be admitted to the university and cannot afford to pay the tuition fees, and have adequate money for their upkeep. There are others, who do not get the government sponsorship and cannot afford the fees for the private universities or overseas universities

The taskforce on National University Education Strategy 2007-2015 noted that in recent that year, high level of poverty, lack of infrastructure and equipment in science school has been a major impediment to access to university education. There has been a steady increase in the number of students qualifying for university admission that has not been

matched with similar expansion of facilities. The number of secondary school leavers who qualified for entry into the university education but were not admitted in the government sponsored programmes has accumulated to 201,315 over the last seven years with the academic year 2004-2005 accounting for 58,000 of the qualified candidate that year. In spite of this increase the number admitted has for a long time remained at 10,000 although in 2008-09 it was increased to 16,000.

The main challenge currently facing the higher education sector is how to increase access to higher education to cater for the increasing number of school leavers who desire tertiary education (university) while maintaining quality and ensuring equity and affordability. (Kinyanjui 2007). The number of students who qualified for university education in 2005 was slightly above 68,000. Out of this only 18,000 acquired entry to institution of higher learning with about 50,000 of them missing opportunities to join a public or private university of their choice. The number of student seeking university admission entry by 2015 are estimated to range from 160,000 to 180,000. The number who will miss the opportunity to join university at this time is estimated to be 100,000 unless opportunity for access are created. As this is being done, institutional mechanism and arrangement to support needy and under privileged student access to higher education should be a matter of priority

With the introduction of self sponsored programmes in 1997 the relative contribution of households to university education has continued to rise while that of the government has relatively decreased. The level of burden to household may have reached its limit. Although available data indicate that there has been rapid expansion of admissions of self sponsored students it is doubtful, if this source of funding can be elastic enough to accommodate further tuition fees increases, hence there is need to diversify university funding mechanism in order to lower the direct contribution of the government to the universities and lessen the burden on income needy households. There is also need for the government to encourage more private universities to start and absorb more students thus increasing access as happened in India in the 1990's. But for this to be effective there has

to be an efficient and effective loan program in place since loans permit students to finance the cost of their education from future income.

1.2 Problem statement

A fundamental policy issue everywhere according to Salmi (2006) is how to increase access to the tertiary education system. In most countries around the world traditionally only a small percentage of the population has been able to benefit from extending their education beyond secondary school level. Even in countries that have achieved unprecedented and previously unimaginable level of access, other equity problems remains including, large disparities in participation rate of different group of students. Major disparities include the difference in participation between students by their social economic status.

Cheboi (2009) reiterated that, the importance of the education sector in achieving Vision 2030 cannot be over emphasized. The human resources required for powering the other sectors such as industry, agriculture, service, ICT to enable Kenyan citizen realize Vision 2030 is critical. It is therefore imperative that education is not only accessible and equitable to all and at all levels, but that quality education is provided to all to enable the country to produce the requisite human resource.

The number of student eligible to enter into tertiary educational institution has increased substantially over the recent past due to the impact of free primary education introduced seven years ago and the subsidized secondary education introduced in 2008 .The trend is likely to continue. The annual increase in the number of form four leavers means that the number of eligible student joining tertiary institution will likewise increase every year. This progressively translates into a huge challenge in the financing of higher education.

In 2008/2009 there were 158,120 students in public and private universities. Out of this there are 80,000 self sponsored students in the public university system. HELB commenced financing these students in 2008/2009 .Out of these only 10,000 students were financed with a maximum loan award of Kshs 60,000 p.a where a total of Kshs

500 Million was utilized. This loan allocation is too minimal given that each student is expected to pay an average of Kshs 200,000 p.a. In addition they are expected to meet the cost of the stationery, examination fees, computers and even accommodation. This scenario demonstrates the extent to which availability of finances influence the level of access to higher education. Although under the government policy of cost sharing, families are expected to contribute toward their education cost, the overwhelming majority of the populations are not in a position to significantly contribute toward higher education at household level owing to poverty (which stood at 46% as per Economic Survey of 2007). Hence there will still be need for government financing intervention through HELB (Cheboi 2009)

The Technical working group MoEST (2003) noted that, though there has been increasing enrollment in both public and private universities, the transition rate from secondary to university remain very low. Places at the public universities do not cater for all student who qualify for university education since admission is pegged on available finances, boarding and teaching facilities. One of the major challenges facing university education and training today relates to the country inability to match the growth in public demand with expansion in terms of resources and physical facilities

Observation by the Task force on National University Education Strategy 2007-2015 indicated that, Kenya's inability to increase admission rates has been brought about by a wide range of factors. These include disparities in geographical development, low social and economic achievement of individual household, high level of poverty which currently stands at 46% (Economic survey 2007), disparities in the achievement level at high school and constraints in government funding which have limited the number of government supported students to about 10,000 annually in spite of growth in the candidature of the number qualifying for university admission

The motivation behind this research is to find out why even after the establishment of The Higher Education Loans Board with a mandate to finance needy Kenyan student pursuing Higher education in the recognized institution, a large proportion (according to

National University Education Strategy of 2007-2015) of the young Kenyan who sit for the Kenyan Certificate of Secondary Education (KCSE) each year do not proceed to the institution of higher learning. This has led to young human resources wastage resulting to so many youth who are not gainfully employed. Yet one of the flagship projects in vision 2030 is to increase access and equity in higher education.

The main reason advanced for these young human resources wastage by all stakeholders be it Students, Governments, Parents, International Education supporting institutions like UNESCO, Employers is that there are no adequate financial resources to facilitate accommodation of half or all the qualified secondary education graduates. The student financing loan scheme was established to curb this wastage by fulfilling its mandate of financing needy Kenyan pursuing higher education.

1.3 Objectives of the Study

This study seeks to explore the major challenges that are faced by the HELB in striving to fulfill its mandate of financing needy Kenyans pursuing higher education.

- What are the major challenges that HELB is encountering in striving to fulfill its mandate of financing needy Kenyan pursuing higher education?
- The research seeks to find out who the HELB management believe is to blame for failing to increase access to higher education and help curb the young human resource wastage.
- It also seeks to find out what the top management think can be done to help solve the challenges being encountered.

1.4 Significance of the study

This study will be of great significance to all who are interested in reducing the level of young human resources wastage. This can be done by facilitating and helping HELB to overcome the challenges it is facing as it strive to fulfill its mandate of financing needy Kenyan pursuing higher education.

CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Role of University Education in Developing Countries

There is a broad agreement that university in the developing countries should try to produce manpower not only at the highest level but also at critical sub degree level necessary for development. (IAU 1979). That their research programmes should emphasize not so much production of new knowledge as the application of knowledge to local problems and that they should emphasize the responsibility to offer public service in terms of extension programmes, community health care agriculture and teacher training colleges and consultations.

The taskforce on National University Education Strategy 2007-2015 observed that University education seeks not only to generate, transmit, store and retrieve knowledge, but also forms persons of virtue and integrity. University education train leaders who are critical, creative and innovative. Such leaders in training are offered the challenge of actualizing their potential and transforming society. University education therefore assist students in developing skills that help them learn lessons from the past, examine the present and plan for the future by transforming individual and the society in ways that reduces poverty and increase global competitiveness of the nation. University education is critical for social economic development .It has the potential to increase social equity and mobility, social cohesion, productivity and innovation. University education also encourages society to challenge bad practices in governance.

It also observed that ,the ability to use knowledge could dramatically enhance the agricultural sector by increasing production and adding value to primary products, food security could be enhanced through the development of Kenya arid and semi arid areas, the tourism sector could be enhanced by diversifying the products, services sectors could be fully exploited with the provision of appropriate manpower .Kenya is well placed within the region for development into a financial and manufacturing hub.

Nyamweya (2005) observed that higher education system in developing countries are assigned conflicting missions .They are expected to offer advanced level programs to train the scientific and professional manpower required to sustain productivity increases and economic growth while accommodating rising social demand. At the same time, their resources have become more and more limited. Countries place a high priority on education as a major means of being or becoming competitive in a tough global economic environment.

2.2 Evolution of Higher Education Financing

Before the existence of the modern university, which appeared in Europe in the eleventh century higher level instruction invariably, took the form of students hiring teachers. In India, students would attend the homes of Brahmin Scholars who were hired and paid on the basis of moral reputation. In ancient Greece, Students paid itinerants scholars for moral and scientific training that was intended to prepare them to enlarge their private fortunes.

From 1962 to 1982 enrolment at university level in Kenya grew at the rate of 8.2%p.a.In 1970 there was one public university with 2,768 students .The number rose to 43,591 students in 1998 and to 62,873 in 2002 in the six public universities and 91,541 in 2005, out of which, 81,491 were in public universities.55% of the 81,491 in public universities were sponsored by the government while the rest were in the self sponsored programme. (Economic survey 2005)

Currently there are seven public universities with 12 constituent colleges with a total enrollment of 47,120 students who are government sponsored and 80,000 students who are self sponsored. (Economic survey 2008) On the other hand student enrolment in the seven private chartered universities by Commission for higher Education roses from 4,845 in 1995 to 10,310 in 2002. There are about 20,000 students studying in institutions of higher learning outside the country.

A dominant theme of higher education in 1990's was financial distress –the principle (although not the sole) condition underlying world banks' declaration in 1994 that higher

education was in crisis throughout the world'. Four major factors contributed to this pervasive condition of austerity, these are , enrolment pressure, tendency of unit cost in higher education to rise faster than unit cost in the overall economy ,a tendency accelerated by the rapidly increasing cost of technology and by the rapid change in the field of study , the increased scarcity of public revenue –a function in turn of competition from other public needs like basic education, public infrastructure, health, the maintenance of public order and the inability of many countries to rely on formal methods of raising public revenue e.g. turnover taxes on state owned enterprises and the growing dissatisfaction in many countries with the rigidity and inefficiencies of the public sector generally and a corresponding drift towards market solutions including privatization, deregulation and decentralization.

The decade of the 90's saw a remarkable consistent world wide reform agenda for the finance and management of universities and other institutions of higher learning .What is remarkable about the consistency is that there are very similar patterns in countries with dissimilar political-economic system and higher education traditions and at extremely dissimilar stages of industrial and technological growth.

2.3 History of University Funding

2.3.1 Before 19th century

Universities finances were dependent on students and not student funding. Universities were consumer demand driven institution. As a result of this instructors and institutions were much more responsive to student demands. The impetus for massive state interventions both in finance and the provision was the training for individual for administrative and technical careers in the civil service –a form of employer based training. In the early years Europeans Universities essentially were employer based training facility, with the government as primary employer meeting the educational costs

In the 20th century these systems expanded rapidly throughout the world, particularly as more companies sought to industrialize. The pattern of developing publicly supported institutions to provide administrative and technical manpower was exported to many developing countries that were colonies of European power. When these countries

achieved independence the structure for the university system was already in place and most governments chose to expand this institution rapidly.

2.3.2 Type of University Finances

There are three types of university finances

- State Dominance-Here state run universities receive all their funding from the government which also subsidize student living expenses as was the case in Kenya before 1990 when cost sharing was introduced in Kenyan public universities. Also like in Senegal where there is no tuition fees loan program or revenue diversification. They have very generous student support due to political intervention which leads to rapidly growing student numbers unmatched by expanded budget leading to inadequate facilities, overcrowding, low quality education and high student repetition rate.
- Cost recovery –Like in Philippines and current Kenya system where state universities receive massive support from the government while the private ones rely on student fees payment. These are based on Gareth Williams distinction between two very distinct approaches to the role of Higher education institutions (OECD 1990). These are, universities may be regarded as ‘service’ institutions that can be relied upon to serve the wider interest of the society and the economy, alternatively ,they can be seen as ‘commercial enterprises’ that provide services for the benefit of the individual. These service-oriented roles underlie much of the higher education expansion in Europe and in many developing countries in the recent decade and have been used to justify the heavy subsidizations of a largely autonomous higher education sector

But high tuition fees may affect access negatively; they will be more acceptable socially if they are accompanied by scholarship support for qualifying students from disadvantaged background. This may not be practical in many countries’ settings especially in developing countries where parent income are low and students do not have recourse to alternative sources of finance.

This has lead to establishment of student loans schemes that delay cost recovery until after the graduation and employment of the graduate. The case of Higher

Education Loans Board which give loans to needy Kenyans pursuing higher education to be repaid upon completion of studies and engaging in gainful employment.

- Another type of financing is revenue diversification where the university engages in other income generating activities such as research, provision of holiday short courses like in USA.

2.4 Background of Financing Higher Education in Kenya

Overall, three broad phases of the evolution of funding higher education in Kenya can be identified as the era of free higher education, the era of cost sharing and the era of privatization and commercialization. (Commercialization involves engagement in ventures such as consultancies, commercial farming and even cafeterias, while privatization refers to admission of privately sponsored fee paying students over and above the quota of students that come in with government subsidy).

At independence, in order to encourage students pursue higher education, the government wholly funded their education. Scholarships and grants from Ministry of Education were provided to train students both locally and overseas. These awards were provided to all students who gained admission to the then Royal Technical College and later University of Nairobi, irrespective of financial need and status. As the expansion continued as a result of rising demand for education and increasing population, the proportion of the government's budget devoted to education increased at the expense of other sectors like Agriculture, Industry and Health (GoK, 1995)

This rapid university expansion led to increased public expenditure in higher education not only in absolute terms that is as a percentage of National Budget on education but also as a percentage of Gross Domestic Product (GDP). In 1963/64 financial year, the recurrent expenditure on education was 22.5% of National Budget, in 1984/85; education accounted for 29.5% of National budget. By 1990/91 financial year, this had risen to 40.5% and by the year 1999/2000 the proportion was 38%. In the year 1990/91, higher education accounted for 19% of total expenditure up from 11% in 1980/81. A large part

of this expenditure comprised allocation to the student loan scheme to support maintenance rather than educational and research activities (GoK, 1988a).

As indicated above, as students enrolment grew the government's provision for students' upkeep grew rapidly. This necessitated change in the loan component with the introduction of cost sharing in 1990/91 where the government financed the student unit cost of Kshs 120,000 per year with a direct grant to the universities of Kshs 70,000 per year per government sponsored student with the balance of Kshs 50,000 being funded by a loan first managed by the ministry of Education where the loan could be disbursed to students equally and the universities introduced the pay as you eat system of feeding the students. For ease of management of loans to university student in 1995 the government through an Act of parliament (The HELB Act Cap 213A) established the Higher Education loans Board (HELB) whose mandate was to finance all needy Kenyans pursuing Higher Education and collect all mature loans advanced to former university student since 1974 by the Higher Education Loans Fund (HELF) and later the Ministry of Education. (GOK 1995).

The taskforce on National strategy on university education 2007-2015 concluded that, challenges in financing university education include government policy on university funding, expanding university student numbers and management of funds in the universities. It is expected that if the National strategy on university education prepared by the stakeholders of the university education sector for the period 2007-2015 is fully implemented, the number of students being admitted will increase from the current 23% to 48% by 2015

Cheboi, (1995) observed that the net effect of expansion without corresponding increase of resources for the university education is that, the quality of teaching and research may be highly compromised .Limited resources result in inadequate staffing, lack of inadequate scientific equipments, poor library services, deteriorating physical facilities which are some of the basics in providing quality education.

Public universities in Kenya rely principally on government funding for capital investment and substantially (between 70-80%) for their recurrent expenditure. Private universities on the other hand, get 98% of their revenue from student fees and use them for all their capital development and recurrent expenses. The universities will need to fully implement the self sponsored program to increase the internally generated funds whose enrolment correlate with the extent of disengagement from government funding. But mechanism will need to be put in place to ensure that even the income needy students achieve this by providing affordable loans .This is where HELB comes in to ensure equity (Cheboi 1995).

Challenges that are faced by the methods where the level of recurrent funding is fundamentally determined by the number of students in the universities who are government sponsored based on the uniform rate of Kshs 120,000 per academic year regardless of the unit cost of the program, is that, the university offering expensive courses such as medicine and dentistry are at an disadvantage (Cheboi, 1995). This unfairness can only be mitigated by development and implementation of a realistic unit cost. Expansion in order to accommodate more students is expected to lower the unit cost due to the economies of scale. Fund to the university over the years though increasing in nominal terms are grossly inadequate. There is need therefore to explore other alternative funding mechanism for the university if access is to be increased.

The government realized the magnitude of the problem of financing higher education in 1974 and introduced the student loan schemes in an attempt to pass some of the cost of university education to the students. Students were then expected to take loans to meet the cost of their living expenses and personal allowances. The cost of financing university education has however continued to rise and in 1989-1993 development plans the government stated that 'with the expanded university opportunities it is expected that families will meet the cost of teaching in the spirit of cost sharing'. In 1991 the loan scheme was reviewed so that in addition to taking loans for living expenses and personal allowances, students were expected to pay part of the tuition from the loan and a further Kshs 6,000 from personal sources. In 1995, the Higher Education Loans Board

hereinafter referred to as the HELB was established. Despite cost sharing with the students through the introduction of the loan scheme and direct payment of the tuition fees, the proportion of the funds raised through such methods is insignificant. University budgets are still constrained. To address the financial shortfall universities are expected to raise additional funds. World Bank (1994) noted that, charging fees is one of easiest means of generating income in the universities. In 1994 the World Bank explicitly stated the case for higher education to pay greater proportion of the cost of such education

However to enable students pay tuition, loans should be available to them as is the general trend in many countries both developing and developed. While charging of fees whether through loan scheme or direct fees payment by students has the positive effect of increasing the quality of teaching and research and enhancing efficiency, it also has the negative effect of limiting access to university education of students from low income families and minority groups (Cheboi, 1995). This however depends on the amount of the fees and whether there is a form of financial support to those students who cannot afford to pay their fees. This is the mandate of the HELB

With the increased tuition fees in the university, equity in the provision of university education is jeopardized because only the children of the rich will get access to university. But the provision of loans to pay such fees has effect of making higher education more equitable. By reducing the financial burden on the public purse, loan programs can lead to an increase in the overall participation rate. Student loan program are indeed more equitable than free or highly subsidized system because when education is free, the majority of the taxpayers will in effect be subsidizing the education of the children of the rich hence creating an elite education system, thus making minority benefit from the majority. (Cheboi, 1995).

HELB undertakes the financing of a substantial number of students who are admitted to public and private chartered universities in Kenya. Since inception in 1995 the Board has heavily relied on government grants to award loans to income needy students. The Board also raise funds through monies recovered from the matured loans though the recovery is

minimal. The grants received from the government has been dwindling over the years and is therefore not sufficient to cater for growing student population. Also the amount awarded as loans are not sufficient to cater for the rising unit cost of higher education. For this reason Nyamweya (2005) observed that HELB need to seek alternative sources of funding which may include capital markets by issuing an education bond, philanthropic organization and donor aids if it is to meet the growing demand.

Higher education in Kenya has indeed been affected by the dampened economy as they have for long relied on a single financial source-the government. Also granting unsecured loans has encouraged loanees to evade payment as no one has been penalized for not repaying their loans. Having an autonomous body like the HELB handling the granting and recovery of loans has not improved the system to the extent that was expected. To date HELB has been unable to set up a self sustaining revolving fund that would have enabled it to cut off their independence on government grants (Nyamweya 2005)

HELB is charged with the responsibility of ensuring that those students to whom the government owes a duty of ensuring that they do not fail to attain higher education due financial constraint gets it. Nyamweya (2005) concluded that the Board is therefore placed in a position where it needs to seek alternative methods of raising funds if it is to be effective and one of the methods is through capital markets.

HELB offers unsecured loans on a mortgage rather than income contingent basis, at 4% interest rate repayable for up to ten years. No cost are levied for administering the loans unlike in USA who by 1985, they were offering such loans at an interest rate of between 5-12%. This has led to there being a dismal recovery rate that has made it necessary to take a keener look at the loan scheme and its ability to support the rising student population and find out the challenge that are being faced by the Board.

The experiences in other parts of Africa according to Chacha (1998) paints rather a gloomy picture as financing higher Education is still entirely the responsibility of the

state which through government subsidies is involved in the financing of the cost of learning directly to the universities and colleges and award bursaries and scholarships HELB as an organization is unique and only of its kind in Africa .Many African countries still relies heavily on their parent government to finance higher education .This practice, however, is different in western countries like USA, UK, and Germany where they have liberalized funding of Higher education to individuals, private sector and public corporations.

Awino (2000) concluded that HELB is attracting a lot of interest in this part of the world and is now seen as a role model for study and research in the world of academia and industry. However as observed by Lalampaa (2006) ,the fulfilling of the mandate of an organization like HELB may be influenced by environmental factors which include political, economical, technological, social cultural and internal environmental.

Lack of policies in loan recovery strategy which cuts across various areas of operation is the cause of problem in the loan recovery efforts and unless HELB takes a bold step in tackling this issue by formulating clear and well documented policies which acts as a source of reference for all of its activities, then its role of financing higher education in Kenya will still be hampered by many problems at stake. It must now identify itself with those strategic choices which will see it award loans to all the needy Kenyans and remain a viable institution with no dependency on the exchequer at all, for this will be the pinnacle of its success in this millennium and beyond. (Awino 2000).

2.5 Student Loan Schemes in Developing Countries

Student Loan Schemes have been introduced to enable students to receive financial support in order to meet two types of expenses. These are maintenance or living expenses which include travel and books as in most European and Scandinavian countries or to pay tuition fees as in case of Japan, The United states, Kenya and Zimbabwe. The other reason is to meet expenses of student as the case in Greece, Portugal, and Spain and in the majority of developing countries for example Kenya and Malawi (Johnston 1986).

Student loan programmes, in developing countries and Africa in particular, according to Kotey (1992) have a relatively short history. However they have been criticized as unworkable because of the problem that have continued to plague these programmes. Critiques have based their arguments on the fact that no program so far is self financing. Early programmes such as the one introduced in Ghana in 1971 was abandoned a year later in 1972(reintroduced in 1975) due to change of government.

Student loan schemes in Kenya and Nigeria have suffered from poor administration and low loan recovery ratio due to high rate of defaulting and evasion. Ziderman (1995) indicate that, these factors have made the student loan schemes in Africa more expensive to operate than if outright grants and bursaries had been provided

Student loan schemes can be expensive, inefficient and inequitable endeavors if they are not properly implemented. This is particularly true of student support programmes that are heavily subsidized and whose access is open to all students irrespective of need or ability as the case is with many student loans schemes in Africa (Wood hall 1992)

According to Tadaro (1992) large elements of hidden grants present in majority of subsidized student loans in the developing countries are considered to be anti-egalitarian since they represent subsidy from the rich to the poor. They involve a transfer of income from poor taxpayers to those who are going to earn higher income in the future. ()

Ziderman (1995) indicates that, experience of loan programmes from both the developed and developing countries indicate that loans cannot be short term or medium term solutions to the problem of resource scarcity in higher education because of the level of default and high cost of administration. Their repayment period excluding the grace period also vary from country to country and may range from five years in Hong Kong to 20 years in Venezuela

Loan programmes can be said to have two inherent weaknesses or draw backs. The first is the problem of high cost and low repayment rates leading to low financial return to the

government. The second is the philosophy of loans is closely tied to a strong relationship between education, employment, and earnings. When this relationship does not obtain, students particularly those from poor families may be dissuaded from borrowing to finance their studies. The Kenya loan programme is the traditional mortgage type where repayment is made over a specified period in equal monthly payment as opposed to an income contingent loan where loans are repaid as a proportion of the graduate's income each year. These mortgage type loan schemes are less preferred because they may deter access to higher education of vulnerable groups the loan is essentially meant to reach (Bowman 1986)

Targeted or selective loan schemes are cost effective, have equity and are efficient. This targeted student support will not only increase the flow of private resources into higher education through payment of tuition fees from students with ability to pay but will also increase the participation of students from poor families background who otherwise would have been discouraged in enrolling in higher education institution (Mahon 1988). Furthermore targeting will enable government to adhere to cost sharing policy objective. Consequently reducing pressure exerted on public resources as costs are shared in a more balanced way among students, parents and taxpayers.

The major problem faced by countries intending to implement this policy option according to Woodhall (1987), is how to evaluate needs given that income data on which needs assessment is to be made may not be readily available in the developing countries or can be inaccurately reported. For effective assessment of financial needs extensive information on family data is required such as, number in the family, earned income, number of dependant children, specific circumstances (e.g. unemployment, or illness). Also Ziderman (1995) suggest that where income data has not been reported, income can be deduced by comparing remuneration offered to persons in similar occupation or with similar education using labor market income survey

At the same time Kipsang (2007) reiterated that, using assets to assess financial needs should not present a major problem nor be viewed as a drawback of these strategies.

policy makers and educational planners should be able to come up with innovative ways of assessing students' needs that takes into account specific local circumstances. At any rate the mean testing instruments should continually be under review to ensure that no deserving student is denied the chance to pursue higher education. This effort, will no doubt ,involve the stakeholders such as higher education institution, commission for higher education, ministry of Higher Education, Higher Education Loans Board ,students, parents, secondary schools and members of the public.

Many students who were denied entrance into a public university program had to try and find a place in the private higher education sector (Elik 2004). However private universities charged substantial tuition fees and student received no or very little financial support from the government. Not surprising this attracts the students from affluent families.) Students loan schemes can make a contribution to relieving the financial pressure facing higher education, provided that the loan program are properly designed, effectively managed with a high rate of recovery being achieved.(Ziderman 1991)

Observations by Kipsang (2007) indicate that the universal loan scheme initially administered by ministry of Education failed to achieve its objective because it was not properly designed and it lacked the legal backing mainly on recovery there is still need to do an assess of policies, practice and implications of adopting the scheme as an option of financing Higher education given that the findings of study by wood hall was general to loan schemes administered in various countries.

The ever increasing pressure from development partners such as World Bank and other donors' aside, the higher education sector itself is being questioned internally for its limited capacity to provide access to most eligible Kenyans .Worse still this limited participation in higher education is compounded by gender imbalance, social economic status and regional imbalance. Austerity in the public budget for higher education, coupled with poor performance in the sector in promoting access and equity has led the government of Kenya to intensify the mechanism for cost sharing and user charges in higher education. (Kipsang 2007)

The current international trend in higher education management according to Serem (1997), is the move by governments to require students to pay an increasing proportion of the cost of their education. This may be achieved through student loan schemes whose objectives are two folds. These are, to reduce government expenditure on education and to encourage equal access to higher education opportunities taking into account issues related to equity, efficiency and the quality of education provided. The twin aim of the higher education loans board is to ensure equity in disbursement of loans and to establish a watertight system of loan recovery.

Student loans on their own could not solve the financial problem of higher education but there should be more effective use of limited resources and improved loan recovery mechanism, whilst ensuring through a reliable system identification of students in genuine need of financial assistance. (Tilak 1993). Unless student loan schemes are accompanied by carefully formulated policies they may aggravate rather than reduce inequalities, with the rich getting public subsidies through low level of fees and the poor paying back in full for their education through loans and hence inequality in access and declining participation in higher education.

Since public university education is a quasi public good ,the benefits which are very significant for society as well as the individual, mixed financing of higher education is necessary and government, students, their parents and users of educated manpower should bear the cost of higher education(Tilak 1993). Free higher education disproportionately benefit students for upper income background and is largely financed by the tax payers many of whom have lower earning prospects than highly privileges university graduates.(Woodhall 1990)

But there is a limit to which users of higher education, students and parents can afford the private cost of higher education .Although student loans can enable them to pay a significant amount of tuition fees and has redistributive effect on income in the country, most Kenyans particularly in the lower income group may not afford the direct tuition

fees. The levying of the fees may therefore limit access to higher education and compromise equity as per observation made by Cheboi (1995). The use of bursaries to cater for these affected might be counter productive as the majority of the students might qualify for bursaries resulting in further government subsidization.

The Kenyan student loan scheme was expected to be self sustaining within 10 years of its establishment which was premised on government funding the scheme fully within that period, but which was not the case for the scheme was forced to inject in some of the loans recovered from past beneficiaries to finance student loan disbursement instead of placing it in a revolving fund. The major challenges faced by HELB include challenges of low funding from exchequer and low loan recovery rate. (Kipsang 2007).

Taskforce on Higher Education and Society (2000) observed that higher education systems in developing countries which are under great strain. They are chronically under funded, while facing escalating demand. Approximately half of today's higher education students live in developing countries. Teaching staff are often under qualified, lack motivation, and are poorly rewarded. Many developing countries will need to work much harder just to match their position, let alone catch up.

Largely the student loan program target support on the needy and the poor as observed by Kipsang (2007). This therefore justify the need by government to continue to subsidize financing of higher education, as those who benefit from the scheme are the under privileged in the society. Provision therefore of equitable opportunities to all citizens to pursue education of all levels irrespective of their gender, race, religion, or social economic status is at the heart of Kenya government education policy. However, the caveat to this treasured principle is the inadequacy of finances. It is imperative therefore that resource in higher education are efficiently utilized considering that, public finances are limited and that government spending priorities have recently changed towards lower level of education system. Basically, this call for change in the way resources are used and managed.

The reason why higher education is subsidized by the state through loan scheme is to provide level playing ground for all students irrespective of their financial background, thus ensuring access, equity, and equality in participation in higher education. Student loan scheme ensure that university are still able to enroll the financially needy students, which will in turn ensure their viability and allow institutions to continue offering quality programs. However for student loan schemes to be successful they must address the inherent difficulties associated with administering a program, as well as, the problem of poor loan recovery through default .Globally it is emerging that student loan scheme once implemented are encountering numerous difficulties Part of the reason why loan schemes are considered as highly plausible way of encouraging participation in higher education by those who are not financially able to afford the cost is that , I t offers financially needy students a mean of accessing higher education and gaining a qualification that can lead to employment without having to worry upfront about cost. (Meagan 2005) .According to Johnstone (2001), National loan schemes are most successful if they are subsidized by government and do not require collateral or consignees on the part of the borrower.

Johnston (2000) observed that the success of any loan program is dependant on its ability to recover these loans and protect against defaulters. Government should refrain from giving highly subsidized loan as these loans act more as grants than as loans. Student loan schemes also need to ensure the high administrative and collection costs, are built into the cost of the loan, to ensure that the money recovered reflect the actual cost involved in the administration of the loan.

Unlike in the early day (1963-1970) when government financed entire cost for all the students who joined public universities when the numbers were fewer and the demand made on its finances were manageable everything was taken care of by the government and students were even given pocket money, current trend is that global forces impacts on higher education including globalization, market forces in higher education provision and the development of digital technology. Which is the result of the triumph of the market after the fall of command economies in the mid 80's and early 90's.As a result the government role in providing services including higher education has been increasingly

reduced, the private sector increased and higher education itself has become increasingly co-modified, where students are regarded as consumers and institutions as suppliers and thousands of new providers have come into the business of selling the commodity. Competition for the students who can pay has shifted the admission policies.

According to Chacha (2002), the challenge that need to be addressed in the East African country if higher education is to meet expectations include, surging numbers of students in the face of insufficient resources, insufficient attention to and insufficient fund for research and knowledge creation, insufficient remuneration of academia staff leading to loss of motivation, part time teaching elsewhere and moonlighting and brain drain and deterioration of infrastructure due to lack of funding. Due to the increased numbers of students qualifying to be admitted to the university and only a third are admitted by the joint admission board (JAB) .The burden of the rest is squarely left to the parents whether poor or not.

This is because the only body assisting Kenyan to finance Higher Education –The Higher Education Loans Board (HELB) cannot accommodate all needy cases hence there is need to get strategies to enhance HELB capacity to give loans to all deserving Kenyans because fees charged for the parallel degree program are prohibitive and as a result many deserving Kenyan will continue to miss the opportunities for a better life. This is for the same reason that for a number of years Kenyans have had to send their children to study out of the country because it is felt that if a student went to the US for example they are able to finance their education by working part time. This has resulted to brain drain and East Africa has continued to suffer the loss of a much required Human resource in the various fields particularly in the field of science and technology (Chacha 2002).

Ghanaian student loan scheme was established in 1988 to assist every Ghanaian who enrolled in any public tertiary institution in Ghana which applied also to such part-time students in these institutions as the minister of education may determine. The amount to grant as to be determined by a trust with the approval of the minister. The purpose of the scheme was to assist students to defray personal expenses including cost of Boarding and

lodging, books, equipments and for such other purpose that may be necessary in his course of study which otherwise was to be met by the student parent meaning the scheme was put in place to assist student/parents to meet their responsibilities. But the loan scheme could not succeed for long due to unemployment, low graduate salary, failure to trace beneficiaries for repayment and unstable interest rate since the rate charged was based on prevailing government Treasury bill rate. (Nortey 2002).

Higher Education in Ghana has suffered a myriad of challenges such as accessibility, affordability and deplorable state of infrastructure due to general poverty and macro economic instabilities of the country. Diminishing financial resources and the growing demand for participation remain the biggest threat to Higher Education in Ghana. Due to this over half of the qualified applicants seeking entrance to universities do not obtain admission, due to limited academic facilities. To tackle this problem Ghana established a trust Fund called GETfund in 2000 where 2.5% of the value added tax is paid into. The objective of this fund was to, provide financial resources to support educational institutions provide assistance to genuinely needy and academically talented students generate monies to support the student loan scheme and financially support research and development. This fund has helped institutions to improve on their infrastructure. The Fund has also created a Scholarship scheme through the Student Loan Trust Fund to improve accessibility. This has led to an increase of university admission of 33% between 2002 and 2003. (Atuahene 2008).

Atuahene(2008) continued to observe that, challenges being faced by this funds include misappropriation of the funds, political interference, lack of autonomy, high interest rate charged by student loan which is likely to put students into bankruptcy in a country faced with unbridled micro economic instabilities, lack of reliable data to gauge the neediness of the student, lack of fairness in provision of scholarship to academically brilliant students, who a great percentage of them are those whose parents can provide them with better pre-tertiary education in addition to supplementary instruction at home

Because of tertiary education in most countries at least in the last century being largely dependant on government or tax payers and the pressure of competing public funds, this has plugged tertiary education institutions in to conditions of financial austerity. This has resulted among other to, constrained capacity and the consequent extreme rationing of places-and thus the denial of opportunities to students who may be qualified but lack the secondary school preparation or the financial means to 'buy into' an available place. (Sawyer 2002)

In most of Africa, the combination of flat or even declining economies (brought on in part by the worsening terms of trade for the less industrialized countries), burgeoning population (especially those seeking tertiary education experiences), political and social instability and conflict, and oppressive debts have all contributed to the extreme financial austerity of as well as a consequent diminishing accessibility to Africa tertiary education.

Three lessons from economic theory taking into consideration that the core objective for tertiary education are ,to expand quantity, to improve quality and to widen access all of which are subject to fiscal access. The economic theory suggests three core propositions which under pin policies to achieve these objectives. These are: The days of central planning of tertiary education are gone. This is because unlike in the past when richer countries had small university system offering degree in limited range of subjects the increased demand for university education has rendered this unworkable.

The other economic theory lesson is that since tertiary education creates benefit beyond those to the individual benefit in terms of growth, social cohesion and transmission of value, the tax payers subsidies are rightly part of the land scape in financing higher education and graduates also receive private benefits often substantial, thus it is both efficient and fair that graduate should bear some costs but since most students cannot afford to pay, a well designed student loans would help.

But for student loan scheme to succeed, as per Barr (2006), they should give loans with three core features, these are they should have income contingent repayment, be large

enough to cover tuition fees and if possible part of the living cost and should charge an interest rate related to the government cost of borrowing. Three challenges of students' loans scheme are, they fails on access, excessive reliance on tax finance which can reduce quality and tax finance which is generally regressive.

Barr (2006) continue to observe that, given the wide array of institutional requirements both to establish scheme and run it ,it is not surprising that successful income contingent loans in advanced economies including Australia, New Zealand, Netherlands, Sweden and UK are not echoed in poor countries .Chile and South Africa have such schemes on a small scale with repayments being collected by universities, a method that have proved unsatisfactory .Both schemes have been met with some success but would be fiscally costly in a larger scale because of the mechanism involved.

Crises confronting higher education system is not simply financial. There are justified concern about quality, relevance, equity and specific mission of institutions all of which needs to addressed. However it is clear that putting the financial structure of higher education into a more solid footing is essential before many of these other problems are solved.

The roots of the financial crises in higher education in many developing countries lies in the combination of a dramatic and continued growth in student numbers often the outcome of imposed liberal admission policies to ensure wide access to higher education unmatched by public expenditure on higher education. While low and middle level income countries experienced rapid student enrollment growth in 1980's, real public expenditure on higher education fell. This erosion in real resource available to universities has stemmed from conditions of economic hardships ruling in many developing countries, combined in particular with parsimony in government budgets. Policy environment have not been conducive to the promotion of greater internal efficiency within universities nor have they faced in these countries the development of the alternative, non-government sources of funding (Ziderman 1995).

The financial crises in the universities have led to aggregate decline in unit spending throughout the developing world. The developing countries fall in total real expenditure for universities with a rapid expansion on student enrollment. Moreover despite a decline in financial resources, in many countries a larger proportion of the budget moved to maintain student welfare rather than supporting educational and research activities.

Three categories of constraints imposed on universities have contributed significantly to the financial crises. These are: Government sponsored enrollment policy where the government imposes an agenda on institutions of greater student access to higher education without linking it to funding, Government restrictions on the internal deployment of resources across budget centers and among expenditure categories and Government limit on university access to outside funding. (Ziderman, 1995)

According to observation by Ziderman (1995), these three types of restriction have precluded the possibility of universities matching resources to their activities or of finding more efficient and effective method for carrying them out. In order to move from these crises three major measures that have been suggested as potential solutions to be applied separately or in consent are, greater cost recovery through the introduction of student fees or the raising of student fees from the nominal regime of student loans.

That is introduction of cost sharing, a broader diversification of revenue sources particularly selling services to the industry and greater cost recovery for instruction and particularly for student housing and meals which are critical elements in a program of financial reforms will have some adverse effect on equity and access and introduction of evening scholars in the self sponsored programs. When greater cost recovery or fees system is introduced to the universities evidence available suggest that it is not the presence of tuition fees as such that has acted as a major barrier to access to universities as much as poor access to earlier education opportunities, the cost of some foregone earnings and social class altitude to higher education

Student loans scheme are potentially valuable in facilitating more extensive cost recovery since they enable students to delay payments for higher education until they are earning

the enhanced income that their higher education has made possible. However student loans program to date have benefited only a small percentage of students to the sum involved related to only a small proportion of real instructional costs and living expenses and due to a combination of highly subsidized interest charges on the loans and the repayment default, the repayment proportion of the loan has not been high. While performance of loan scheme can be improved their potential contribution to revenue generation is likely to be limited and a system of high tuition fees coupled with widespread loans is not a feasible option in many countries (Zidermen 1991).

The national Student Financial Aids scheme in South Africa was established in 1991 by 2001 the loan scheme was successful, and had funded a total of 587,000 disadvantaged students who other wise could not have afforded to attain higher education due to poverty (Jackson 2002). The South African realized that the government could not afford intervention in form of financial assistance scheme relying entirely on bursaries (grants), as it would not be financially sustainable. It was therefore necessary to define financial assistance scheme that allowed deferred cost recovery by providing repayable loans with a bursary/grant element. This was mainly to assist the apartheid affected blacks since only whites were able to pay for their university education leading to very many white graduates in the market

The scheme succeeded observed Jackson (2002) because of learning from failed schemes as laid out by various writers such as Johnston (1986) Albrecht and Ziderman (1991) Wood hall (1989) and (1991), which lead to south Africa being cautious on how they are running their scheme. There was also political will since the government gave a backing of the notion that a deferred cost recovery could make a difference in the lives of indigenous students. This was expressed through the creation of a legislative in which the scheme could operate. The legislation which has proved to be absolutely vital first in the creation of the loan scheme as a legal entity and in creating the necessary legal frame work in which it can operate and providing the scheme with the teeth to recover loans from debtors.

Factors that have contributed to the success of the South African schemes as observed by Jackson (2002), include the granting access to state of art information system by the Loan Scheme Act. This has assisted in tracking debtors by empowering the loan scheme to recover loans by obliging employers to deduct from the beneficiaries and remit the same to loan scheme. The scheme is also macro designed where each higher education institution has a Financial Aid Bureau or Administrative unit which operates as the local arm of Loan Scheme with the cost of running the arm being covered by the institution. The scheme charges a positive real interest rate which is above inflation which helps to maintain the purchasing power of money.

The scheme uses Income Contingent Loan Repayment rather than Mortgage type that is repayment is based on the level of income. There is also use of state of art technology as opposed to labor intensive scheme leading to reduced cost of operation. Use of best business practice with staff receiving regular and thorough training with a stated Vision, Mission and Value system which gives an operation focus. The use of effective and broad communication strategies with target audiences especially the students and Higher Education Institutions and use of skilled customer care and repayment collection where recovery collection is outsourced to banking sector and other agency or 3rd party including tax collection agents.(Jackson 2002)

Mbariza (2002) observed that Due to the low admission capacity in Ugandan University only 20,000 are admitted out of qualified 100,000. There has been an increase in private higher education institutions like colleges and universities admitting exclusively privately sponsored students which means that given financial support most people would access higher education.

Cost sharing and private sponsorship favor the affluent in the society where students who get access to cost sharing are those who successfully qualify in term of academics who come from first world schools which perform better. Private sponsorship is worse for the poor for whom fees seem to be high even though the institution set them up at a break even point. The people are too poor to realize that universities almost do not make profit

out of the tuition collected. The tuition paid, though small in the eyes of the institution is too much for the student and the parents. This means that the poor are almost left without higher education. They cannot go to the first world schools to pass and be paid for by the government and again they cannot pay for themselves. In fact the courses which are more contested for like sciences, there are few private students due to limited intake and high fees. Most of the students on private sponsorship go in the art courses which are mostly non professional courses which are relatively cheaper but still the poor cannot access. (Mbariza 2002).

These inadequacies according to Mbariza (2002) could be solved by loan scheme which will give almost everybody a chance to access higher education at an institution which can admit them. With a loan scheme most students would be able to access higher education and do professional courses which they are otherwise restricted due to poverty so long as proper recovery mechanism are put in place and government is ready to improve on the economy in order to create more jobs for the graduates to enable them pay back their loans.

In developing countries including Tanzania there is a belief that the responsibility to provide and finance higher education lies predominately with the state for three reasons as observed by Jssmuel (2002). These are ,critical service where higher education is believed to bring to the community a whole increased productivity .It is feared that under investment could cripple the economy, ensuring equity -Higher education funded by the government will forestall exclusion of the talented but financially incapable students and thus also avoid aggravating income differential from one generation to the next and economies of scale-Higher education run by government will tend to reduce unit cost as institutions become larger.

The Tanzania government is still giving loans to students to cover meals accommodation in terms of refunds after graduating while other costs such as tuition fees books and stationery, field practical expenses and medical are given as sponsorship while application fees, registration fees, caution money and student union fees are covered by

students. The students feel that this money they are granted is not enough and they say one has to survive at the edge of the sword to end of the semester if they have to depend on the loan given. However the students believe that the recoverability of this money remains a paradox due to unemployment. There is also lack of capital for self employment and a sustainable revolving fund might not be visible in the near future. Due to structural adjustment program of 1980's where the policy emphasized on allocation of resources on productive and economic enterprises the education sector has been underfinanced. (Jssmuel 2002)

Since 1991 the Ethiopian government embarked on a number of reforms in the higher education sector. The key elements of these reforms being expanding access, improving quality and encouraging competition in the provision of higher education by encouraging private provision which has played a significant contribution with respect to expanding access and providing the technology needed in the economy. Although this is being constrained by capital and capacity constraints harboring creation of new knowledge (Nwuke 2008).

To help finance higher education Student Loans have been widely advocated but there are five main problems encountered by such loan programs around the world whether developing or developed. These are: secure and maintenance of adequate capitalization which includes not only substantial capital but also regular injection of funding thereafter money from recovery of past loanees which again is hampered by low interest rate given, unemployment, and lack of supporting legal framework. If loan repayment can be effective it can reduce the need for public funding for financial support though it cannot eliminate it. Relying on public fund could also be reduced by relying on private sector including banks to provide loans to students which again they cannot do without guarantee, financially needy students cannot provide any collateral hence they cannot be able to borrow from the banks and have to rely on government funding using public money. (Woodhall 1991)

Another problem observed by Woodhall (1991) is how to secure repayments and minimize default, where non repayment may be due to low income, unemployment, illness or even death rather than refusal to repay and how to make student loans politically acceptable. In Ghana in 1971 the student loan scheme was blamed for helping topple the government. In UK in 2001 the question of student grants and loans was a major issue in the election campaign which forced the government to announce a review of the student loan scheme policy as soon as it was re-elected.

The fundamental financial problems faced by institutions of higher education are world wide and stem from two nearly universal forces. These are, high and increasing unit or per student cost of higher education. This can be attributed to a historically entrenched, tertiary education production function that is both capital and labor intensive and that has proven through out the world to be especially resistant to labor saving technology and pressure of increasing enrollment particularly where birth rate are coupled with rapidly increasing proportion of youth finishing secondary school with legitimate aspiration for some tertiary education. These conditions are mainly prevalent in the developing world. (Johnstone 2003)

Student loans schemes around the world according to Johnstone(2003), have compiled an impressive record of failure, including notable Africa examples like Kenya ,Ghana and Nigeria(with a number of newer and lesser known programs ,such as those of Tanzania and Burkina Faso also looking like failures at least on the criterion of loan recovery. At present only South Africa loan program appears to be successful with success defined as the ability to expand accessibility by putting critical funds into the hands of students and generate a cost recovery that shifts some of the cost of this financial assistance to themselves.

Johnstone (2003).observed that, for a loan program to succeed it must be equipped with the legal authority to collect, technology to maintain accurate records, collectors who can track borrowers and verify financial conditions, advisors and repayment counselors in the universities and the ability to enlist both the government tax collecting authority and employers in the collection of repayments

Cost recovery has been a major goal of early student loan programs. Kenya's former University Loan Scheme (1974-1995), at 2% interest rate or the current Higher education loans board loans at 4% (Oketch 2003) or Ghana's current student loan scheme limiting the borrower rate at 3 % (Norley 2002), had no chance of complete or near complete cost recovery even with no default. Depending on the prevailing rate of inflation which is quite high in both countries in many of these years. These interest rates represent considerable public subsidy especially if the disbursement of loans is extensive. (Johnstone 2003).

Government sponsored student loan schemes are in place in some 50 countries around the world serving a combination of objectives including revenue diversification or income generation, university system expansion, equity or the targeted enhancement of participation by the poor, specialized manpower needs and the financial benefit of the student (Ziderman 2002)

A student loan program according to Johnstone (2003) combines the financial imperative of taxpayers' revenue supplementation with the social and political imperative of expanding higher education accessibility. At the core of student loan scheme is the belief that students who will benefit so much from the privilege of higher education can reasonably be expected to make a modest contribution towards its considerable cost.

This research is to find out whether these challenges are the same that exist in HELB or whether there are other challenges that the Board is encountering in the process of fulfilling its mandate of financing higher education to Kenyan student and increasing access through equity. The researcher intends to find out whether the government agency charged with the responsibility of financing higher education for Kenyan needy students can be able to facilitate the education of these students thus increasing access.

CHAPTER THREE

3.0 METHODOLOGY

3.1 Introduction

This describe the research design, methodology and procedure used to find out what challenges are being encountered by The Higher Education Loans Board (HELB) as it strive to fulfill its mandate of financing needy Kenyan students pursuing higher education. Despite the recently prepared university strategy by Ministry of Education on increasing access to university education and increasing equity for all which is also a flagship project in attaining vision 2030, a large proportion(according to university education strategy of 2007-2015) of those qualified with the minimum university entry point do not afford university education due to lack of finances.

3.2 Research design

Using of a case study helped to focus primarily on the specific challenges that are being faced by the Board in striving to fulfill its mandate. The use of the case study helped the researcher to collect in depth data on the various area of operation of the Board which was more focused and helped to come up with the a more relevant and specific conclusions.

3.3 Population

The research will be conducted in form of a case study of The Higher Education Loans Board (HELB).The Board being the only organization of its kind in Kenya given the mandate of financing needy Kenyans pursuing higher education through provision of loans bursaries, and scholarships thus increasing access and equity is a major player of higher education attainment for Kenyan youth. This being a research based mainly on the current operation policy of HELB it targeted to get the information from top and middle management who are the implementers of financing higher education policies in increasing access and improving on equity. HELB has two divisions which are Operation and Finance and eight departments.

4 Data collection

The data was collected in form of questionnaires (Appendix 4). The Board Secretary/CEO was interviewed. It is these senior officers who are expected to have a thorough understanding of the challenges that have continued to hinder HELB from realizing its mandate of financing needy Kenyan pursuing higher education. Some of the questions were specific or guiding to help get specific answers while some were open ended question especially when seeking for the opinion of the respondent.

3.5 Data Analysis

The primary data was organized by first eliminating the unusable data which was brought about by two different questions providing the same answers check for ambiguous answers from the respondents and for contradictory data from related question was done where the wrong responses. Similar responses were grouped together and percentages for similar responses. The data was then be put into electronic form for analysis and storage in Microsoft excel spread sheet. The primary data was analyzed using the exploratory method to help deduce what the data seem to be implying.

3.6 Conceptual and Analytical frameworks

The research will be conducted to help conceptualize the major challenges being faced by the Higher Education Loan board and who the management of HELB think is responsible for the young human resource wastage and also what they think as implementers of higher education financing policies can be do to help curb this wastage.

This being a qualitative research the various challenges that will be outlined by the management will be analyzed and related facts grouped together to come up with a comprehensive list of challenges an what the management think needs to be done to overcome these challenges.

CHAPTER FOUR

4.0 DATA ANALYSIS AND FINDINGS

4.1 Introduction

The Higher Education Loans Board (HELB) was established in 1995 through an act of parliament CAP 213A. It was given the mandate of financing needy students pursuing higher education in recognized institution within and outside the country. Previously this function was being carried out by the Higher Education Loans Funds (HELF) which was a department of the Ministry of Education. However the department failed to maintain proper books of accounts on loans disbursement and recovery. This resulted in HELB inheriting incomplete records which proved a major challenge in creating a complete data base of its loanees with accurate data for purpose of tracking the loanee and recovering the mature loans to fund the current university students.

4.2 Current HELB funding coverage

In 1995 HELB was advancing loans only to under graduate students who were government sponsored. The government was pays direct fees to university as grants of Kshs 70,000 per student per year with the balance being given as a loan depending on the level of need of the student as per the mean testing instrument used by HELB. Out of the amount of loan awarded Kshs 8,000 is sent directly to the universities and the balance is sent to students' bank accounts in two installments to cater for food, accommodation and stationery for the semester. The amount currently ranges from a maximum of Kshs 55,000 and a minimum of Kshs 35,000 with a bursary of Kshs 8,000 for the extremely needy cases as per HELB mean testing instrument. For the government sponsored students, an average of 98% of the applicants are awarded loans as per the table below.

Table 1-No of undergraduate student applied and awarded loans

Year	No.applied	No.awarded	%age
2004/2005/	36,885	36,491	98.9%
2005/2006	38,947	38,498	98.8%
2006/2007	40,506	39,118	96.6%
2007/2008	42,089	41,353	98.2%
2008/2009	60,223	56,509	93.85%

HELB database

In 1997/1998 HELB commenced giving loans to undergraduate students in private chartered universities. The loan amount ranges from a maximum of Kshs 55,000 to a minimum of Kshs 35,000 per year for the successful applicants depending on the level of need of the student as per the mean testing instrument used by HELB. The total amount awarded as loan is sent directly to the university to cater for tuition. This amount is too minimal for private universities given that the annual fees average Kshs 200,000 per year exclusive of accommodation, meals and stationery.

In 2000/2001 HELB started advancing loans to postgraduate students pursuing Masters and Doctorial studies in both public and private chartered universities. Currently an amount of Kshs 120,000 and Kshs 150,000 is being advance to Masters Students and Doctorial student respectively. To qualify one must be able to service the loan immediately it is disbursed to the universities through a check off system. The interest rate currently being charged is 12% per year. This usually assist working student only. This explains why few people apply for this loan as per the table below.

Table 2-No of postgraduate student applied and awarded loans

Year	No. applied	No. awarded	%age awarded
2004/2005/	817	431	52.75%
2005/2006	912	495	54.3%
2006/2007	915	591	64.6%
2007/2008	1562	980	62.7%
2008/2009	1582	1354	85.58%

HELB database

In 2008/2009 HELB commenced funding Self Sponsored students in public universities whose population currently stands at 80,000 students. Out of this 10,000 students were funded with loan amount ranging from Kshs 55,000 to Kshs 35,000 per year. This amount is paid directly to the university to cater for tuition fees. This amount compared to the average fee charged for self sponsored programs is too minimal and the student from income needy families may not be able to raise the balance hence may not register for the self sponsored program.

4.3 Findings- General observations

Table 3-Duration with HELB

Factor	No. of respondent	%age of the total
Have been with HELB for over 5 years	9	90%
Between 1-3 years	1	10%

Out of the ten respondents from top and middle management 90% have been with the Board for more than five years. This means that these are people who have been with the board for quite some times and therefore they have internalized the challenge that are being faced by the Board in trying to fulfill its mandate of financing needy Kenyan pursuing higher education in recognized institutions of higher learning.

Table 4-Conversant with the Vision and Mission of HELB

Factor	No. of respondent	%age of the total
Conversant with the Vision and Mission	10	100%

The entire ten respondents are conversant with the vision and the mission statement of HELB. This is important because the top and the middle management are the implementers of higher education financing policies on behalf of the government. This means that they need to be well versed on the direction HELB is wishing to go as indicated in the Vision statement. They need also to be aware of why HELB exist as indicated in the Mission statement.

Table 5-Level of achievement of the HELB Mission

Factor	No. of respondent	%age of the total
20-40%	1	10%
40-60%	3	30%
60-80%	5	50%
Over 80%	1	10%

Three out of the ten respondents believe that HELB has achieved its mission by between 20-40%, 5 respondents believe that mission has been achieved by between 60-80%, one respondent believe the mission has been achieved by over 80% while another one respondent believe it has been achieved by between 20-40%

Table 6-Policy of government on higher education

Factor	No. of respondent	%age of the total
Increase access	6	60%
Cost sharing	3	30%
No response	1	10%

Six out of the ten respondents understand that the policy of government on higher education is to increase access; three respondents believe the policy is to have cost sharing with HELB playing the role of financing all needy students to create equity in access. One respondent did not give a response.

Table 7-Extent to which HELB has played its role

Factor	No. of respondent	%age of the total
70%	4	40%
50%	5	50%
Fully	1	10%

Four out of the ten respondents believe HELB has played its role by 70%, five out of ten believe the HELB has played its role by 50% while one respondent believe that HELB has played its role fully.

Table 8- Conversant with Vision 2030

Factor	No. of respondent	%age of the total
Yes	7	70%
No	3	30
Opinion on young human resource wastage		
Not acceptable due to widening the gap between poor and rich	6	60%

Seven respondents are conversant with Vision 2030, whose one of the flag ship project is to increase access to higher education with the role of HELB being to provide finance to all needy Kenyans pursuing higher education to help create equity in access. This will facilitate training the necessary human resources required for economic development.

60% of the respondents, believe that the young human resources wastage of form four graduate is not acceptable as it is bound to widen the gap between the poor and the rich and at the same time rob this country of the much needed human resources capital for economic growth .This in long run will lead to increased poverty level and increase in insecurity level due to idleness of the young energetic people. The insecurity will lead to frightening of the 'would be' foreign investors. Low foreign investment will result into slow economic growth.

Table 9- Who is to blame for the young human resource wastage

Factor	No. of respondent	%age of the total
Government	4	40%
All stakeholders	3	30%
-Institution of higher learning and government	3	30%

who is to blame for the young human resource wastage, four respondents placed the blame on the government saying that the government failed to make sound policies on education in the past, it failed to strengthen the middle level colleges where the form four leavers would be absorbed, the government can also stimulate economic growth to enable create job opportunities where the graduates would be absorbed and that the government, has the power to drive institutions in whichever way thus increasing access to higher education. Three respondents placed the blame on all the stakeholders which are the government, HELB, the parents, the students and the institution of higher learning as each one of them has the responsibility of sourcing for funding and financing higher education. Three respondents blamed the government and institutions of higher learning on the premise that the institution and the government should have put in place a proper education system which would equip the young graduates with entrepreneurial skills where they would engage in gainful self employment and sponsor themselves for higher learning. The institutions of learning would need to be carrying out regular market surveys to enable train for the market.

4.4 Challenges being faced by HELB

The respondents were request to give three major challenges that they believe were being faced by HELB.

Table 10-Main challenges

Challenge	No of respondent	%age
Inadequate funding	10	100%
Over reliance on the Exchequer	9	90%
Low recovery rate	5	50%
Increased number of students	6	60%
Lack of private sector support	4	40%
Structure and human capacity of HELB	3	30%
Lack of Public Education	2	20%

Inadequate funding

1 the respondent believe the major challenge being faced by HELB in trying to fulfill mandate is lack of sufficient funds to satisfy the growing demand for loans due to increased number of form four leavers. This is as a result of the free primary and secondary education. This demand is mainly two fold .First, the amount of loan being advanced is not in line with the fee being charged by the universities mainly for the self sponsored student in both public and private chartered universities and second the cost of living has continued to rise .This mean the amount given as living expense to the needy students in the government sponsored program not to be enough. This is so especially for student who may not have any other source of funds.

(b) Over reliance on the Exchequer

Currently HELB has two main sources of finances for its student loan budget; these are Government funding and recoveries from past beneficiaries. Since 2003 when the government introduced the free primary education and the recently introduced subsidized secondary education the government focus has shifted to financing this lower level of education which has posed major challenges as per the response of nine out of the ten respondents.

(c) Low recovery rate

HELB has a mature loan portfolio of about 14 billion out of which Ksh 7 billion is being serviced. Kshs 2 billion has been fully paid off, leaving about Kshs 6 billion as non-performing loan portfolio. The loan recovery per year, funds about 60% of the total student budget which in 2008/2009 stood at Kshs 2.7 Billion. Recovery rate is determined by the level of employment for the graduate which is currently at 45%. This has posed a major challenge for HELB as majority of past graduates are not gainfully employed to be able to service their loans. 50% of the respondent believe this is a major challenge.

(d) Increased number of students

The number of student qualifying to be admitted to institutions of higher learning has continued to increase. This has forced the universities to take over a number of middle level colleges and admit degrees student both as government sponsored and as private sponsored. These student would wish to be funded to enable them pay their fees. This has been a major challenge for HELB as the increase in student number has not been matched with an equal increase in sources of finances. 60% of the respondents believe this is one of the major challenges being faced by HELB.

(e) Lack of private sector support

40% of the respondent believes that HELB is facing a major challenge due to lack of private sector support in financing higher education. This is because private sector have failed to invest in the area of provision for higher education which would greatly reduce the burden of financing of higher education on HELB. If employers would start a work study programs where student would work during the day and attend evening classes this would greatly reduce the dependability on higher education financing on HELB and the government.

(f) Structure and human capacity of HELB

30% of the respondent believes that there is challenge in the structure, systems and human capital of HELB. They believe currently there is inadequacy in these factors to enable handle the huge loan portfolio of both the mature and the unmature loans. According to the respondent this has lead to senior managers being involved in operational issues at the expense of strategic thinking on resource mobilization which would help increase the resource base of HELB

(g) Public Education

Two respondent out of the ten believe that HELB has not exhaustively educated the public on their products .Most of form four leavers are not aware that they can access funding for their higher education from HELB especially those from the rural areas.

proper sensitization has not been done on the need for the past beneficiaries to repay their loans to help educate other needy Kenyans pursuing higher education.

(i) HIV/AIDS Pandemic

This has been a great challenge which has left many children as orphans thus requiring to be funded fully if they are to complete their education. For those students who die when they have not fully repaid their loans and their families are not in a position to repay the balance, the loan is written off. This is a loss to the Board as the loans are not insured. One of the respondents believes this is a major challenge.

(ii) Increasing poverty level

Due to the global economic conditions with the economic clutch the standard of living has risen greatly. This has led to people utilizing most of their income on basic living commodities such as food, leaving education financing to come as a second level need. This has increased the number of students seeking loans. The challenge here is that, if HELB does not provide loans to these students to complete their studies, then they will drop out and will not get into gainful employment thus will not be able to service their loans. One of the respondents believes this is a major challenge.

4.5 Suggested solutions to the challenges

Some of the suggested solutions by the respondents to the challenges being faced by HELB includes

(a) Government needs to

- Increase the funding level to HELB to be in line with the increasing number of students being admitted to institutions of higher learning.
- Stimulate economic growth to create job opportunities.
- Encourage private sector investment including having work study program where students can finance their education and lessen the burden on HELB.
- Find ways of reducing the poverty level to enable households to contribute to higher education financing.

Institutions of higher learning needs to

- Expand their facilities to accommodate more students.
- Frequently conduct market survey on the need of the market and train in relevant degree where the graduate will either go to self employment or will be employed to enable them repay their loans.

c) HELB needs to

- Educate past loanees on the need to repay their loans.
- Come up with other sources of funds –Mobilize more funds from different sources other than relying on the exchequer and the loan recovery.

CHAPTER FIVE

SUMMARY AND CONCLUSION

This chapter presents a summary of the research findings whose main objectives was to find out the main challenges being faced by The Higher Education Loans Board (HELB) and to strive to fulfill its mandate of financing needy Kenyans pursuing higher education.

1 Summary

The first objective of the study was to find out the challenges that are being faced by HELB in striving to fulfill its mandate. The research findings indicate that there are diverse challenges facing HELB as presented by its management. The three main challenges that were identified included: Lack of sufficient funds to enable HELB cover all the needy cases especially in the self sponsored programs both in the public and private universities. HELB needs to award reasonable amounts which are comparable with the fees charged by the universities for the self sponsored programmes.

The other major challenge is that the universities with the authority from the government has continued to expand by taking over middle level colleges and admitting both government sponsored student and the self sponsored ones. This has not been matched with increase of funding to HELB by the government to enable funds the additional students.

The financing of HELB budget is done mainly through government grants and loan recoveries from past beneficiaries. The loan recovery rate is too low as a result of low employment level for the graduates. This is as a result of low economic growth and poor curriculum which fails to equip the graduates with the necessary entrepreneurial skills that would enable them be self employed and be able to service their loans.

other research objective was to find out, according to the HELB management, who is blame for the young human resource wastage. The biggest blame was placed on the government due to poor policies especially on the lower level education curriculum. This merged does not equip the form four graduates with entrepreneurial skills which they could use on self employment to enable them finance their higher education. Governments, when making decision on introduction of free primary and secondary education seem not to have taken into consideration what would happen after form four. At the same time the government recently has allowed the universities to take over quite number of middle level colleges where the universities admit mainly self sponsored students and charge exorbitant fees which majority of Kenyan cannot afford.

On the objective of what can be done to help overcome these challenges, the management response was that, there is need for the government to increase funding to HELB to match the increased number of students being admitted to the institutions of higher learning. HELB should also mobilize funds from other sources including from the capital market with the support of the government, who would act as a guarantor for the borrowed funds. The government needs to stimulate economic growth to enable creation of employment opportunities where the graduates can be absorbed and enable them service their loans. At the same time institutions of higher learning need to expand their capacity and admit more students to help curb the human resource wastage. The government will need to encourage the private sector to invest in higher education financing.

5.2 Conclusion

The study revealed that the major party to blame for the young human resource wastage is the government due to making policies in the past that were not all encompassing. This is so especially, with the introduction of free primary and secondary education where there was need to consider what will happens once the students complete form four and qualify to be admitted to institutions of higher learning.

The study also revealed that even though HELB was established and given the mandate of financing needy Kenyans pursuing higher education, the government has not given all the required support to enable HELB fully fulfill its mandate. HELB may also be blamed as it does not think 'outside the box' and come up with other ways of getting funds to establish a sustainable revolving fund from where needy students can be financed. Instead HELB continues to rely on the exchequer even though the government has shifted its focus to the lower level of education. HELB also continue to rely on loan recoveries whose recovery level depends on the level of employment which in turn depend on the economic growth. Currently the economic growth is too low due to global economic environment.

The researcher's conclusion is that the challenges being faced by other student loans schemes in developing countries such as, insufficient funding, low recovery rate, increasing student numbers, increased demand of higher loan amount are still the major challenges that are being faced by HELB. If HELB is to succeed in establishing a sustainable revolving fund to finance needy Kenyans pursuing higher education there is need for a concerted effort by all stakeholders be it the government, HELB, the private sector, institutions of learning, the parents and the students.

5.3 Limitation of the Study

The study focused only on the challenges being faced by HELB in financing needy Kenyan pursuing higher education. It therefore did not cover the challenges being faced by the other stakeholders who include but not limited to the government, the private sector, the parents, the students and the institutions of higher learning.

5.4 Recommendation for further research

It is recommended that similar study be done to cover the other stakeholders so as to have opinion from all players and thus help to come up with a lasting solution.

A study needs to be done on the available options to HELB on funds mobilization to help reduce the reliance on the exchequer.

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Appendix 1

Secondary to University Transition Rates, 1999/00 – 2007/2008

Category	1999/00		2000/01		2001/02		2002/03	
	No.	%	No.	%	No.	%	No.	%
Candidates Registered	169,357	100	173,792	100	178,608	100	194,798	100
No. qualified for admission (C+ & above)	30,243	17.9	30,666	17.6	40,471	22.7	42,158	21.6
Candidates Admitted out of the qualified	8,150	27	8,899	29	11,147	27.5	11,046	26.2

Category	2003/04		2004/05		2005/06	
	No.	%	No.	%	No.	%
Candidates Registered	198,076	100	219,405	100	260,665	100
No. qualified for admission (C+ and above)	42,721	21.6	58,230	26.5	68,030	26.1
Candidates Admitted out of the qualified(%age)	10,791	25	10,966	17.5	10,211	14.7

Category	2006/07		2007/08	
	No.	%	No.	%
Candidates Registered	243,453	100	276,239	100
No. qualified for admission (C+ and above)	58,239	24	62,853	23
Candidates Admitted out of the qualified(%age)	10,632	18	16,134	26

Ministry of Higher Education statistics

Appendix 2

Statistics on Form four Leavers

Year	Total no. of form Four leavers
2003	207,730
2004	222,665
2005	260,665
2006	243,453
2007	276,239
2008	305,015

Source Economic survey 2008

University Enrolment in 2008/2009

Category of Universities	No of university in category	Total enrolment 2008/2009
Public universities	7	47,120
Self Sponsored in Public Universities		80,000
Private Chartered Universities	11	20,000
Private Universities with letter of interim Authority	8	4,000
Constituent Colleges	12	7,000
Total	38	158,120

Commission for Higher Education (CHE) 2008

Questionnaire for Top and Middle management of the Higher Education Loans Board

Dear Participants

The mandate of the Higher Education Loans Board according to the HELB Act CAP 213A is to source funds and finance Kenyans pursuing higher education in recognized institutions of higher education. Despite this 70% of KCSE graduates every year waste away due to lack of financial resources. Since only 30% of the total qualified Kenya certificates of Secondary Education (KCSE) graduates are admitted to institutions of Higher learning either through government sponsorship or self sponsored programmes. This questionnaire is to find out the challenges being encountered by HELB as it strive to fulfill its mandate.

1. At what level are you within the board? **(Tick as applicable)**

- a) Senior level
- b) Middle level
- c) Others

2. What is your area of operation? **(Tick as applicable)**

- a) Lending
- b) Recovery
- c) Finance
- d) Human Resource
- e) Information technology
- f) Others

3 How long have you been at HELB? **(Tick as applicable)**

- a) Less than one year
- b) Between one and three years.....
- c) Between three and five years....
- d) Over five years.....

4. Does HELB have a strategic plan? **(Tick as applicable)**

- a) Yes
- b) No.

5. Does HELB have a Vision Statement? **(Tick as applicable)**

- A) Yes
- b) No.

6. If your answer in 5 above is YES please summarize it in your own word.....

.....
.....

7. Does HELB have a Mission Statement? (Tick as applicable)

- a) Yes
- b) No

8. If 7 above is YES please summarize it in your own words.

.....
.....
.....

9. In your own judgment to what extent has HELB achieved its Mission? (Tick as applicable)

- a) Below 20%
- b) Between 20%and 40%
- c) Between 40% and 60%
- d) Between 60% and 80%
- e) Over 80%

10. For your answer in 9 above give two reasons why you arrived at this judgment

- a).....
- b).....

11. What is the policy of the government on Higher Education?

.....
.....

12. What is the role of HELB in actualizing this policy?

.....
.....
.....

13. In your opinion to what extent has HELB played its part in implementing this policy of the government? (Tick as applicable)

- a) Fully
- b) 70%
- c) 50%
- d) Below 50 %

14. Please indicate two major reasons why you made the above conclusions

- a).....
- b).....

15. Are you conversant with Vision 2030? (Tick as applicable)

- a)Yes
- b) No

16. If 15 above is Yes what is the role of HELB in achieving Vision 2030 in your opinion.

.....

.....

.....

.....

17. What are three main challenges that you think are being faced by HELB as it tries to achieve its mandate, Vision and Mission and Vision 2030?

- a).....
- b).....
- c).....

18. In your opinion what need to be done by HELB and other stakeholders to help overcome these challenges?

- a).....
- b).....
- c).....

19. What do you think of the young Human Resources wastage witnessed after majority of KCSE graduates qualify for higher education but fail to acquire it due to financial constraints?

.....
.....

20. Who would you blame for the wastage? (Tick as appropriate)

- a) HELB
- b) Government
- c) Parents
- d) Students
- e) Institution of higher learning
- d) Others (please specify)

21. For your answer above please state the reason why you have arrived at this conclusion.....

.....

22. What is the role of HELB in curbing this human resource wastage?

.....
.....
.....

23. What are the two major reasons that are hampering HELB in carrying out this role?

- a).....
 - b).....
-

24. In your opinion what can be done to facilitate HELB to achieve its mandate.

- a).....
- b).....

25. Give any other comment you believe would help get a solution to this problem of curbing the young human resources wastage.

.....
.....
.....

Thank you for your co-operation