

# Is University Education in Kenya a Public Good?

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**POLICY BRIEF**

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## EXECUTIVE SUMMARY

University education in Kenya has long been treated as a public good, financed by the government through institutional funding, scholarships, bursaries, and loans. This role is now under strain due to rising enrolments, expansion from one university in 1963 to 78 by 2023, and shrinking fiscal space.

The New Funding Model (NFM) launched in 2023 marked a shift from equality to equity. The NFM aimed to allocate support based on household need using the Means Testing Instrument (MTI), while promoting sustainability. However, poor communication, mistrust, and fragmented funding undermined its legitimacy. Parents, students, and faculty perceived differentiated support as government withdrawal from responsibility.

The policy gap lies in the absence of clarity on whether university education is still a public good or a shared/private responsibility. This ambiguity fuels mistrust and resistance, ultimately affecting effective implementation.

### **Policy direction is urgent. Government should:**

- ✓ Explicitly define the status of university education
- ✓ Streamline university funding to reduce inefficiency
- ✓ Align financing frameworks with this stance and consolidate fragmented funds
- ✓ Strengthen inclusive, multi-channel communication to manage expectations & build trust

A clear position on whether university education is a public or private good is the cornerstone of reform. Aligning expectations with fiscal realities will restore trust and secure equitable, sustainable, and quality higher education for Kenya's future.

## INTRODUCTION

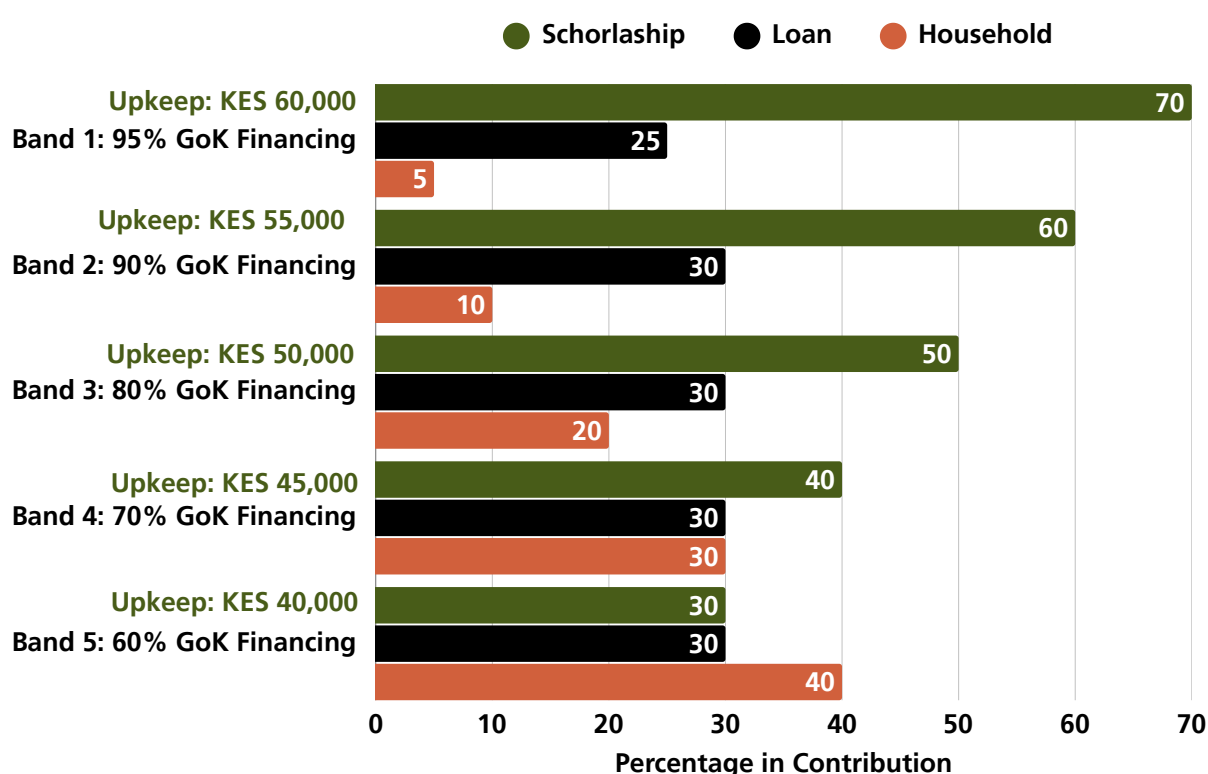
Since independence, Kenya has consistently financed university education as a public good through direct institutional funding, scholarships, bursaries, and student loans. This commitment reflected a strong belief that higher education is a public good based on its power to fuel economic growth, innovation, social mobility, and cohesion. This commitment expanded access but strained public finances. From a single university in 1963, the system grew to 78 by 2023, accompanied by rising enrollments, ballooning institutional debts, and unmet demands.

The New Funding Model (NFM), introduced in 2023 following the recommendations from the Presidential Working Party on Education Reforms, sought to address the sustainability challenge by shifting from equality (uniform state support) to equity, where assistance is allocated based on household need through the Means Testing Instrument (MTI). Unlike the Differentiated Unit Cost (DUC) model, which provided block funding to universities, the NFM is student-centered.

While intended to balance accessibility with fiscal realities, the NFM exposed a deeper policy tension: should university education in Kenya continue to be treated as a public good which is universally financed through state resources or shift toward shared/private responsibility? For parents, students, and civil society, the NFM seemed to erode universal entitlement. For the government, it was a pragmatic adjustment for sustainability and fairness.

To examine these dynamics, the Partnership for African Social and Governance Research (PASGR), using its innovative Utafiti Sera<sup>1</sup> (evidence to policy) approach worked with key actors to study the NFM's implementation. By April 2024, research evidence and stakeholder engagements revealed widespread resistance and implementation challenges, highlighting that the core issue lies not only in technical design but also in the unresolved question of whether higher education in Kenya is a public entitlement or a cost-shared service.

### Student Centred-University Funding Model



Source: Modified from Ministry of Education

<sup>1</sup>Utafiti Sera refers to 'research-policy communities'; a platform that facilitates the convening of stakeholders working together to ensure that appropriate and negotiated policy uptake occurs around a particular public problem for which there is evidence. It is expressed in the form of "policy-communities" houses, which are spaces, places, and processes for policy engagement. Utafiti Sera houses set relevant agendas, generate debates and awareness, and provide comparative evidence for formulating and debating programme design, policies, or/and administrative action.

## STUDY DESIGN AND METHODOLOGY

The Utafiti Sera Higher Education House<sup>1</sup> brought together key stakeholders in a co-creation process that involved collective conceptualization, generation of evidence, and influence of its uptake in policy design and practice.

### A mixed-methods design was employed:



A **survey** of **1,068 undergraduate students** in **34 universities** across Kenya.



**Key Informant Interviews** with **40 internal stakeholders**, including the Ministry of Education, CUE, HELB, KUCCPS, UF, and NGAOs.



**Interviews** with **100 external stakeholders** drawn from university management boards, faculty, administrators, students, and civil society organizations.



**Focus Group Discussions** with **72 parents** of first- and second-year students.

Survey data was managed in REDCap and analyzed in RCore; qualitative data underwent thematic analysis. The study received ethical approval and NACOSTI licensing.

## RESULTS

Findings suggest that the main challenge in the Kenya's university financing is lack of clarity on whether university education is a public good or shared/private responsibility. The government framed the NFM as equity-driven and sustainable, but many parents, students, faculty, and civil society actors continue to view higher education as a public entitlement that should be universally financed entirely by the state. This unresolved tension generates contradictions that undermine policy legitimacy, with equity measures interpreted as privatization, and fragmented funding streams seen as evidence of mismanagement.

### Themes Shaping Perceptions and Resistance to the NFM

#### 1 Overreliance on Government Funding



Internal stakeholders including officials from the Ministry of Education, NFM implementing agencies and the National Government Administrative Officers (NGAOs) expected the Government to cover 60–95% of fees, plus upkeep of between KES 40,000 and 60,000 annually for all students.

External stakeholders including university leaders, faculty, parents, students, and civil society expected the Government to continue shouldering the bulk of university education costs. This shared expectation across the stakeholders reflects the entrenched view of higher education as a public entitlement.

This belief is captured in the expression “*Serikali imetuachia mzigo*” (the government has left us the burden), which reflects parental perceptions that partial withdrawal of government support amounts to abandonment, unfairly shifting responsibility to households. While rooted in historical precedent, these expectations clash with Kenya's limited fiscal capacity, fueling mistrust and financial fragility within universities.

#### 2 The Means Testing Instrument: Equity versus Equality



The MTI was designed to allocate resources equitably by assessing household financial capacity. While progressive in principle, it created contradictions. On one hand, differentiated support framed education as a shared responsibility; on the other, minimum guarantees of tuition (60%) and upkeep (KES 40,000) reinforced entitlement. Even well-off households applied, stretching government resources.

Implementation challenges worsened inequalities. Students in rural areas often lacked accurate information or internet access in the funding application process, resulting in inaccurate banding and exclusion of the most disadvantaged. Thus, rather than reducing inequalities, the process reproduced them. “*Serikali imetuachia mzigo*” (the government has left the burden on us), a parent of a second-year student said.

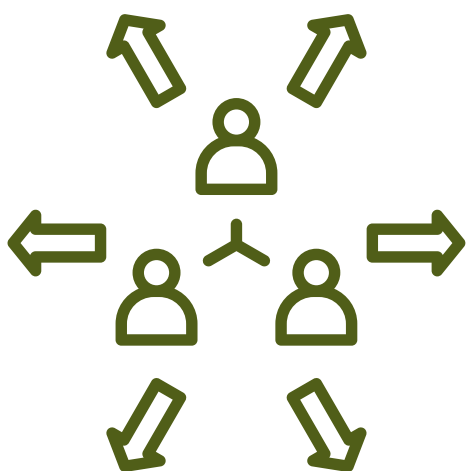
### 3 Communication, Trust, and Public Good Expectations



Internal stakeholders (government officials) consistently framed the NFM as fair, sustainable, and an equity-enhancing reform. External stakeholders, however, interpreted it as withdrawal from responsibility. Parents and students expected uniform support; differentiated allocations were interpreted as privatization. University faculty reinforced this perception.

The communication breakdown stemmed not from a lack of information, but mistrust caused by a gap between two competing framings: one in which equity secures the public good by protecting the most vulnerable, and another in which equity signals a retreat from the government's universal obligation to provide university education as a public entitlement.

### 4 Fragmented versus Inefficient Funding



Kenya's university financing system is highly fragmented, with resources spread across multiple political offices, counties, and agencies. Stakeholders perceive this as evidence that government has adequate resources but mismanages them.

The coexistence of university debt with parallel bursaries and scholarships creates contradictions. Households observe funds being distributed through various political offices, even as they are asked to bear higher costs under the NFM. This reinforces the belief that education can remain a public good while the NFM's push for household contributions signals a shift toward privatization. As long as this ambiguity persists, reforms such as the NFM are likely to be seen as contradictory and illegitimate demanding more from families while government resources remain opaque and poorly coordinated.



*"The government is keen to stop paying salaries, but this won't work. University education is too important to be ignored. ...there is no way that fees from parents can pay salaries." Said a public university lecturer.*



# KEY RECOMMENDATIONS AND POLICY IMPLICATIONS

## Clarify the status of university education

- Define whether it remains a public good or shifts to shared responsibility to align stakeholder expectations and government capacity:
  - Resolve ambiguity that fuels mistrust
  - Provide a legal and policy anchor for future reforms

## Consolidate and streamline funding streams

- Reduce duplication and interference in university funding
- Enhance transparency and accountability in resource allocation
- Strengthen legitimacy of cost-sharing under the NFM

1

## Align financing and policy frameworks with clarified status

- Ensure coherence between policy stance and financing practice
- Promote fiscal sustainability through transparent mechanisms
- Pilot and monitor reforms before scaling up

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## Inclusive and transparent communication

- Use consistent, accessible messaging to improve public trust
- Reduce misinformation and exclusion of marginalized households
- Bridge interpretive gaps between government framing (equity) and public perception (privatization)

4

## CONCLUSION

Kenya's university education system stands at a crossroad. For decades, university education has been treated as a public good, with government financing seen as both an obligation and an entitlement. Yet fiscal constraints, rising enrolments, and institutional debt have made this model increasingly unsustainable. The New Funding Model attempts to reframe financing around equity and sustainability, but its reception exposed an unresolved tension: while government presents equity as a pragmatic adjustment, many stakeholders interpret it as a retreat from the state's responsibility to fund university education. This ambiguity has eroded trust and undermined reforms. Clarifying whether higher education is a public good or a shared/private responsibility is essential for reform. Only then can financing frameworks be coherent, expectations managed, and trust restored.

An explicit policy stance will anchor reforms, align fiscal realities with societal expectations, and ensure a sustainable, equitable, and trusted university system that drives Kenya's development.

## ACKNOWLEDGEMENT

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## FURTHER READING

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