Journal of Education and Practice www.iiste.org
ISSN 2222-1735 (Paper) ISSN 2222-288X (Online)
Vol.4, No.4, 2013

Alternative Sources of Financing Secondary School Education in the Rural Counties of Kenya: A Case Study of Kisii County, Kenya.

Dr. Enock Gongera [1*] Oddillia Nabwire Okoth[2]

1. Dean Post Graduate Studies, Mount Kenya University, P.O. BOX 342-00100 Thika Main Campus, Kenya
2. School of Business and Public Management, Mount Kenya University
P.O. BOX 42702-80100 Mombasa Coast Center, Kenya

*gongerageorge@gmail.com

Abstract

Provision of quality secondary education is important in generating the opportunities and benefits of social and economic development as envisaged in vision 2030. The educational needs for secondary education have increased due to the introduction of Free Primary Education in 2003 and the increased transition rate. Secondary enrolment has grown from 0.9 million in 2004 and is expected to reach 2.7 million by 2015. This will require that the government commits more resources towards secondary education sub-sector in recurrent and physical infrastructure expansion. Public financing is predominantly recurrent expenditure that goes to salaries while the proportion of secondary non-salary expenditure, including bursaries and development was estimated at 6.5 percent, implying high household financing mainly through user charges. One way of helping mitigate this will be through schools initiating alternative sources of income and try to make up for the gap in their budgetary deficit. This study was conducted to identify the alternative sources of financing secondary school education in Kisii County and their influence on management of those schools. It also sought to identify challenges facing schools in financing secondary education and the impact of alternative sources of income on the school budget. It employed a descriptive survey design. The study sample consisted of thirty school principals and their bursars; purposively selected from schools that were at least eight years old, five from each of the six districts in Kisii County, six DEO's, six DQASOs and three District Schools' Auditors. A semi-structured questionnaire was administered to the school principals, while interview schedules were used for bursars, DEO's, school auditors and district quality assurance and standards officers. The research also sought to find out how the income generated was used by the institutions. This research was guided by the two theories; the systems resource model and the human capital theory. Descriptive statistics were used to analyze the data collected on alternative sources of income, effects of access, retention and management of secondary schools in Kisii County. Findings of the study revealed that the dominant sources of financing secondary education were; service based incomes (20%), commercial based (35%) and agricultural based (45%. Further findings revealed that earnings from this sources enhanced management in secondary schools through salary remuneration for BOG teachers, support staff and student motivation. Part of the revenue was used to purchase more teaching and learning materials and improvement of physical facilities. The Ministry of Education should therefore formulate policies on how schools can implement alternative sources of financing secondary education to reduce overdependence on government and donor funding.

Key Words: Alternative sources, Financial Challenges and Secondary enrollment.

1. Introduction

Kenya is determined to move towards realization of vision 2030. The Kenya Education Sector Support Program (KESSP) has been one of the largest investment programs ever undertaken by the Government of Kenya in the Education sector. This program reflects the government's commitment to the attainment of education for all (EFA) and the Millennium Development Goals (MDG's).The Global Education Digest, UNESCO (2007**)** focuses on the financing of education and provides a series of indicators to compare spending patterns across countries and levels of education. The report reviews how levels of education in certain countries compared to those of others with similar economic resources and student populations. It reveals that the U.S. spends the most on education; its public education budget is close to the combined total of governments in the Arab States, Central and Eastern Europe, Central Asia, Latin America and the Caribbean, South and West Asia and sub-Saharan Africa. East Asia and the Pacific have the second-highest share of global public spending on education at 18% (after the North American and Western European region). However, governments in the region are investing considerably less than their share of global wealth at 28% of GDP and the school-age population (29%). Governments in sub-Saharan Africa spent only 2.4% of the world's public education resources, yet about 15% of the school-age population lives in these countries. In South and West Asia 7% of the world's public education resources are spent on 28% of children and young people. Latin America and the Caribbean accounts for 8% to 9% of global education spending, the school-age population and global wealth.

Kenya's education is financed from various sources, depending on the types of the educational Institutions. The Government-maintained institutions are financed by the Government out of funds voted by Parliament each year. Secondary schools prepare their annual budgets or estimates, which are forwarded to the Ministry of Education headquarters through their respective Provincial Directors of Education. The estimates, indicating also the amount of fees to be collected from the parents, are then considered by the grants section of the Ministry which then gives out grants, less the amount of fees. The fees are retained by the schools as appropriations-in aid. An analysis of the Kenyan government funding reveals that the education sector has over the years taken the largest proportion of the government budget, which has often led to calls for its reduction. Since the turn of the 21st century, the recurrent expenditure on education has accounted for about 35 percent of the overall annual government recurrent budget (Otieno & Colclough, 2009).

The country cannot, however, ignore the provision of quality education for her people because of this high expenditure since it is faced with new challenges for educational policy that marry both the right to universal access to education and the need to enhance rapidly the development of skilled human resources (GoK, 2005). Because the increased public demand for education and training has stretched the government budget so much, the government has, in response, had to intensify partnerships in educational funding with parents and communities, individual investors, civil society and donors. The education sector in Kenya, therefore, is financed from different sources depending on the categories of schools. Mainly public resources and grants from donors and bilateral loans fund the public education sector. Private investors, religious, charitable and other Non Governmental Organizations (NGOs) also play a major role in financing education programs in various parts of the country (MOEST, 2001).

A critical analysis of the Public and Private expenditure in education, however, indicates that the public and households are not getting their money's worth in education (MOEST, 2001). This is because the country does not enjoy enrolment and participation rates consistent with its high level of public spending in education. As indicated in the sectoral analysis, the entire education system faces problems of access, equity, completion, equality and regional and gender disparities. As the government and other players in education therefore, find alternative viable strategies in pursuit of quality education for all, there are major challenges in the cost and financing of education that need to be addressed. The Facilities Development Unit of the Ministry of Higher Education also grants funds for specific development projects in schools identified for the development of certain facilities.

Provision of quality secondary education is important in generating the opportunities and benefits of social and economic development as envisaged in vision 2030. The educational needs for secondary education have increased due to the introduction of Free Primary Education in 2003 and the increased transition rate. Secondary enrolment has grown from 0.9 million in 2004 and is expected to reach 2.7 million by 2015. This requires that the government commits more resources towards secondary education sub-sector in recurrent and physical infrastructure expansion. Currently the government faces budgetary constraints with the treasury claiming that there are no funds to employ more teachers and meet physical infrastructural development. With the implementation of the devolved administrative systems, government expenditure on education is likely to increase even more. This therefore casts doubt on the sustainability of government funding. There is need for school managements to explore other alternative sources of financing secondary education in Kenya especially in the rural areas with an aim of achieving educational development goals, hence need for the study.

2. *Sources of Financing Education*

Various countries that are on track in achieving UPE are now looking for innovative strategies and financing options for expanding secondary education, consistent with national human capital development goals. However, fiscal constraints prevent many, especially low-income countries, from relying solely on government revenue to finance desired educational expansion. To solve these problems, most countries have adopted policies to (a) charge tuition fees to recoup part of the cost of providing public education services; and/or (b) encourage development of private schools to handle at least part of the expansion.

Assie-Lumumba (2005) identifies five sources of financing education: the state, local communities, families, businesses and external sources. In general, for children from rural communities to access education at 17 lower costs, there is a tendency for the most broad-based contribution of rural communities to the costs of education to be situated in the framework of investment costs. The construction of school buildings is a significant area in which community participation is most visible and widespread.

2.1 Socio-economic and socio-justification for investing in secondary education.

Provision of good quality secondary education is a critical tool in generating opportunities and benefits of social and economic development (World Bank Report, 2005). Educating people means putting opportunities into their hands and it is recognized as one of the best anti-poverty strategies. It is also one of the best ways of ensuring a country's economic prosperity and competiveness. It is estimated that average earnings increase by 11% with each additional year of education (Ndichu, 2003). Each additional year of maternal education reduces childhood mortality by about 8% (World Bank, 2005).

2.2 Financing Policy Reforms for Secondary Education in Selected Countries.

A study on financing secondary education expansion in developing countries (Zimbabwe, Malawi), fast growing countries (Sri-lanka), and OECD countries can be attributed to high level of policy and government financial commitment and prioritized expenditures sustained for a long period (Lewin and Caillods, 2001). During the expansion period, budgetary allocation to education was maintained at 8 to 9 percent of GNP. Secondary allocation increased while tertiary allocation held at less than 10 percent. At the same time, unit cost of primary and secondary education remained stable and in small multiples of unit cost recorded at 1:2 respectively. The country adopted a system of sharing the costs of increased participation among all stakeholders including local authorities and community-based organizations, hence easing the cost burden on the government. A policy of employing temporary teachers and double shifting were adopted while maintaining the wage bill at manageable levels.

2.3 Subsidized Secondary Education in Developing Countries in Africa.

In Benin, according to World Bank (2007), about 250,000 students or about 19% of primary school graduates attended government-funded secondary schools in 1987. In most public schools, tuition was free although students paid an entrance fee and bought uniforms. Most supplies were free and some students received government scholarships, usually in return for a period of government employment after graduation. In 2007, the Ugandan government went one step further and made secondary education free phasing it in so that, across Uganda everyone in the first two years of secondary education is no longer paying fees. Uganda is likely to achieve the millennium development goals for education in 2015 (World Bank, 2008).

Olembo and Cameroon (1986) indicate that school principals face increasing administrative difficulties. These include inadequate and badly constructed buildings; shortage of books and equipment; lack of proper school furniture particularly desks; poor or sometimes non-existent maintenance and repairs; untrained and half-trained teachers who seldom stay long in the profession; over-crowded classrooms; poor communication and few supporting services especially health services. As a result, the administration of schools has become one of the most taxing jobs in the whole education system. In relation to the structure of physical facilities, Olembo and Ross (1992) indicate that the development efforts of schools have sometimes been frustrated because of lack of space for extension of the school, lack of housing for teachers and worse still, lack of essential facilities like desks, chalk, books, and so on.

3. Research Methodology

3.1 Research Design

This study employed a case study using descriptive research method. Descriptive research design was appropriate for this study, as it allowed the researcher to use secondary schools to explain the effect of alternative sources of income in public secondary schools in Kisii County. The target population consisted of one hundred and fifteen secondary schools while study population comprised of 30 principals of public secondary schools in Kisii County.

3.2 Research sample and Sampling design

Purposive sampling was used to select the public secondary schools within the county; five from each district. The schools selected were all receiving the free day secondary school funding from the government; they were also to have been in existence for at least eight years: this would guarantee enough data on student enrolment ,retention and dropout since the schools would have enrolled students in form one and taken them through the four year cycle twice. The data was analyzed using inferential statistics on various alternative financial funding models in public secondary schools in Kisii County.

4. Findings

4.1 Sources of Funding on school management

The mean and the standard deviation are 16.01 and 5.63. This means that about 15% of the schools sampled get funded from other sources. This implies that the distribution of financial assistance to students is homogeneous across the County. The mean was 51.9 and the standard deviation was 22.70. About 50% of the schools in the county are offering services to the communities in order to earn income. This value of standard deviation implies a skewed distribution in the way school canteens, ICT Centers and community services are distributed as a means of earning income for schools.

4.2 Influence of Income from Alternative Sources on School Management

The results indicated that additional income from alternative sources made school management easier. Income from alternative sources enabled schools to pay workers on time and even hire extra labor whenever it was required. This extra income was also used to hire more teachers, take students for benchmarking and motivate the students and staff. Other schools utilized this extra income in infrastructure improvement e.g. putting up extra toilets and painting. This income was also used in paying school creditors since fee payment was not prompt. Having rental houses in schools meant that staffs were available full time hence making school management easier especially in boarding schools. The mean and standard deviation were 15.96 and 4.204 respectively, implying about 15% of the schools sampled were challenged in securing funding for secondary education in the county. The distribution is uniform.

4.3 Influence of Income from Alternative Sources on Sustenance of School Projects and Programs

When school principals were asked how much income from alternative sources was raised and how it impacted on school projects and programs, the results reflected mean income per school at Ksh 179,545.5 with a standard deviation of Ksh 70,025.6. The income generated from alternative sources in schools is skewed.

5. Conclusion and recommendations

The research aimed at studying the alternative sources of financing secondary education in Kisii County. Based on the findings of this study which examined alternative sources of financing secondary education in Kisii County, the following conclusions were made: Apart from government funding, the following alternative sources were identified: Income generating projects that were classified into three classes: Agricultural based, Commercial based and Service based. The Agricultural based included livestock farming and crop farming. The commercial based activities are school canteen and bakery. The service based income activities were; Bus hire, Hire of furniture and school fields, school halls and equipment. Other alternative sources of financing secondary education in Kisii County other than income generating projects include funding from the following: Individual sponsors and donors, Government bursaries, Harambees / Fundraising, Non Governmental organizations (**NGOs),** Religious organizations e.g. Churches, Constituency Development Fund **(CDF)**, Banks e.g. Equity, Cooperative, Local Authority Transfer Fund **(LATF).**

The following were recommendations of the study:

The government through the Ministry of education should formulate policies that will require schools to come up with alternative sources of financing secondary education in order to break the overdependence on free day secondary funding that does not seem to be sustainable from the findings of the study.

The Ministry of education should develop structures within the schools and the in-service training courses to train the school managers on successful management of the projects by imparting them with skills. This would ensure that fees charged is subsidized and therefore affordable to most households and hence increasing access, improving retention by preventing drop-out and that facilitating achievement of the Millennium development goal number two of Education for all (EFA)

The Ministry of education through Kenya Institute of Education should revise the curriculum so that more emphasis is given to subjects that will encourage development of both cognitive and psychomotor skills that will help realize quality education for self-reliance, in line with the National goals of education and to facilitate realization of vision 2030. Learners should be encouraged to choose a subject from these group of subjects i.e. agriculture, home-science, computer, woodwork, art and design, building construction, which will help in the economic pillar of vision 2030.

In pursuit of increased returns from secondary schools, the ministry should put in place mechanisms to ensure that each school is given a condition of raising a minimum threshold of income for financing secondary education, before it qualifies for the free day secondary funding.

From the background and findings of this study, the following areas are suggested for further study:

That a study be conducted to establish the influence of level of skills in management of income generating activities in secondary schools in Kenya.
That a study be conducted to find out the influence of alternative sources of income on the quality of education offered.
That a study be conducted to establish the effect of the level of training of the management team of secondary schools on resource mobilization of the schools.

References

Abagi, O. (1997). *Status of Education in Kenya: Indicators for Planning and Policy Formulation.*Nairobi: IPAR Special Report.

Abagi, O. (1999). *Education for the Decade: A Demarcation of Imperatives*. In Kimuyu P. Wagacha, M. and Abagi O. (Eds). Kenya's Strategic Policies for the 21st Century, Macroeconomic and Sectoral Choices. Nairobi: IPAR

Andai O.S. (2005). Determinants Female Access to Primary Education, a Case of Kaloleni Division, Kilifi District, M-Ed Thesis, Kenyatta University, Unpublished.

Ayot, H.O. and Briggs, H (1992) : *Economics of Education*. ERAP Nairobi.General Printers. East African Standard, 4th June 2004. DEO's anger at bursaries. Nairobi.

Gogo, J. O. (2002). The impact of cost sharing strategy on access, equity and quality of secondary education in Rachuonyo District, Kenya (Masters Research Paper, Maseno University,(2002).Unpublished.

Gogo J. (2010). Adoption of Operation Costs of Secondary Education: A Case Study of Nyando District in Kenya. Research Paper presented at the First National Workshop for the Educational Management Society of Kenya Held at Migori Teachers college on 12th to 14th April, 2010.

Gogo J. (2012). A study on cost effective measures to reduce operational costs of secondary education, a case study of Nyando district. Research Paper.

Government of Kenya (2005). Sessional paper No. 1 of 2005 on a policy framework for education, training and research.