



Why are there proportionately more poor pupils enrolled in non-state schools in Urban Kenya in spite of FPE policy?

Introduction

Access to quality education is a fundamental human right, and one of the Millennium Development Goals. To meet this right and goal, Free Primary Education (FPE) was implemented in Kenya in 2003. However, many pupils residing in urban informal settlements are still enrolled in fee-paying non-state schools (what some writers have referred to as 'private schools for the poor') in spite of existing policy of FPE in several countries in sub-Saharan Africa. The question asked by those who have become interested in this issue is whether FPE meets the needs of the poor when many poor parents who live in the informal settlements are still paying for poor quality education, when they could be getting fee-free schooling in the state sector?

There is yet to be a clear answer to this question. This paper aims to contribute to this debate based on 'excess demand' and 'differentiated demand' theory. The paper uses data collected in informal (slum) and non-slum residential areas to compare how children in these two residential areas access schools, following the implementation of FPE in Kenya. The paper concludes that it is 'excess demand' which explains the utilization of low-fees private schools by the poorest in the informal settlements and it is differentiated demand that explains the utilization of the high-fees private schools in the formal settlements.

Arguments in Favor of and Against Private Education Sector

There are those in favor of private sector in education and those against private sector involvement in education. Those in favor argue that due to insufficient public provision of education in low income countries, the private sector is one of the means to achieving universal enrolment as it expands supply while shifting costs away from government. Private sector involvement in education increases education revenue, enabling expansion of supply and redistribution of educational opportunities.

Those against, on the contrary, argue that private sector in education relies on strong demand and the ability and willingness to pay by parents. Consequently, private schools tend to have incentives attracting those with ability and willingness to pay excluding students from poor households and remote areas. In developing countries, public supply is limited and private schools meet excess demand from parents who are willing to pay, for education but are excluded from public schools due to supply constraints. Where public supply is low, private markets provide lower quality second-chance schools for students who cannot access selective public schools. When public school capacity can accommodate all students, private schools emerge to provide competition to public schools and to offer differentiated products.



Although free primary education has led to improved school participation, an acceptable portion of pupils from poor households still utilize low fees private schools.

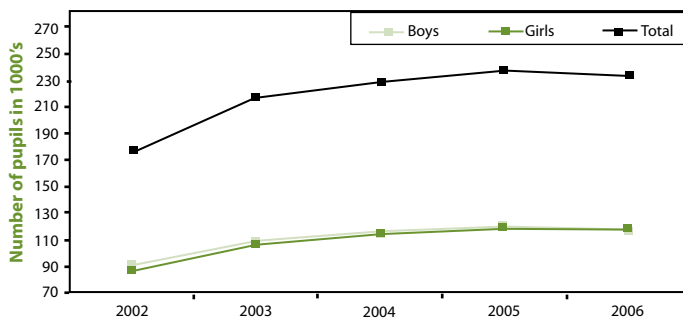
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Enrolment before and after FPE

Trends in primary school enrolment in Nairobi Province in both public and private schools between 2002 and 2006 show there is gender parity (Figure 1). Total enrolment between 2003 (the year FPE was implemented) and 2005 increased sharply between 2002 and 2003, then steadily thereafter.

Figure 1: Number of pupils enrolled in primary schools between 2002 and 2006 by gender, Nairobi Province



Source: Ministry of Education, 2008

Who are using Private Schools?

Table 1 shows the utilization of private schools in the informal (slum) and formal (non-slum) areas. Based on wealth quintiles, there is generally unacceptably high level of utilization of private schools in the slums by the poorest. Since there is inadequate public spending on education in the slums, the poor are crowded out by the wealthier segments in the public system and pushed to using low-fees 'private schools for the poor'; this is attributed to 'excess' demand.

The converse is the case in the non-slum areas where the wealthy are more likely to utilize high-fees private schooling; this is because they do not prefer the available public system. This we attribute to 'differentiated' demand. The non-slum wealthy quintiles are looking for something better for the children that are different from what is available in the public system. To this group, public schools and private schools are imperfect substitutes. For the wealthy in the non-slums, existence of private schools offers them choice. For the slums, the 'mushrooming' of low-fees 'private schools' merely fills that gap left by insufficient supply of school places by the public system. For this group, public schools and private schools are perfect substitutes.

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Table 1: Number of children enrolled in private schools by study site and wealth index

Variable	Private	Total	% Private
SITE: Slum	2415	6156	39.2
Non-slum	209	1127	18.5
Wealth Index: Slum			
Poorest 20 Percent	529	1232	42.94
2	490	1231	39.81
3	504	1231	40.94
4	485	1233	39.33
Least poor 20 percent	407	1,229	33.12
Wealth Index: Non-Slum			
Poorest 20 Percent	12	227	5.29
2	25	224	11.16
3	39	227	17.18
4	55	228	24.12
Least poor 20 percent	78	221	35.29

Policy Message

The paper contributes to the debate on why the poor utilize private schools when there is a policy of free primary education in Kenya. We have attributed this to excess demand as result of low public expenditure in education in the slums. Those who utilize low-fees private schools are those who have been involuntarily excluded from the state system, whereas those who utilize high-fees private schools are those with preference for the private sector over state system.

While FPE has obviously led to improved school participation, unacceptable portion of pupils from poor households still utilize low-fees private schools, not because they prefer to use these, but because they have not been included in the state system due to inadequate supply. A first step by the government is to find ways of improving supply of state schools of acceptable standards in the informal settlements or ways of encouraging meaningful public-private partnership in the expansion of quality education for all children.