# Critical analysis of the nexus between higher education funding and equity: Interrogating Kenya's new student-centered funding model (2023) through the lens of John Rawls' theory of justice

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## ABSTRACT

Higher education financing remains a critical policy and philosophical challenge because funding arrangements determine not only the sustainability of universities but also the distribution of educational opportunities within society. In Kenya, persistent challenges related to increasing enrolment, declining public financing, institutional financial constraints, and unequal access have stimulated reforms in higher education funding. The introduction of the Student-Centered Funding Model in 2023 represents a significant shift from institution-based financing toward a need-based approach that allocates government support according to students' socioeconomic circumstances. However, questions remain regarding whether the model sufficiently promotes equity and social justice while ensuring the sustainability of public universities. This article critically examines the nexus between higher education funding and equity by interrogating Kenya's Student-Centered Funding Model through the lens of John Rawls' Theory of Justice. The study adopted a qualitative philosophical research design based on critical policy and documentary analysis. Data were obtained from policy documents, government reports, scholarly literature, and theoretical works on justice and higher education financing. Thematic and philosophical analysis were employed to examine the model's alignment with principles of fair equality of opportunity and the difference principle. The findings reveal that the funding model represents an important movement toward equity by recognizing socioeconomic differences among students and directing greater support toward disadvantaged groups. However, the analysis also identifies challenges related to student categorization, adequacy of financial support, transparency of the means-testing process, and the balance between student equity and university sustainability. The article argues that while the Student-Centered Funding Model reflects elements of Rawlsian justice, its capacity to achieve substantive equity depends on whether implementation mechanisms genuinely improve the educational opportunities of the least advantaged. The study recommends strengthening need assessment processes, ensuring adequate support for vulnerable students, maintaining sustainable institutional financing, and adopting continuous evaluation mechanisms to ensure that higher education financing contributes to social justice.

**Keywords:** Equity, Higher Education Funding, Student-Centered Funding Model, Social Justice, Rawls' Theory of Justice, University Financing, Kenya, Educational Opportunity

## I. INTRODUCTION

Higher education is increasingly viewed as a key institution in the promotion of social mobility, economic transformation, knowledge production and the development of democracy. In addition to its role in improving the lives of individual students, higher education serves a larger social role by creating opportunities, narrowing inequities, and empowering citizens to engage effectively in the social, political and economic spheres. It is therefore, not only an administrative or economic issue, but a question of justice, fairness and the distribution of social opportunities when considering the financing of higher education. Financing higher education affects who can attend, who has to pay for education, and whether there are any viable opportunities for the disadvantaged to change their social prospects (Marginson, 2016). However, from this point of view, financing mechanisms need to be evaluated also from an equity and social justice perspective, alongside efficiency and institutional sustainability.

The world's higher education systems have seen unprecedented growth in their demand for university education and the importance of knowledge as a key factor in economic development. This growth has put major financing pressures on governments, which face challenges in sustaining this growth at acceptable quality and cost. The idea of providing significant public funding for universities has been a tradition in many countries, where the private and public benefits of higher education have been acknowledged. But the lack of funding has pushed the governments to seek alternative funding strategies such as cost-sharing mechanisms, student loans and targeted financial assistance schemes (Johnstone, 2004). The arguments for these reforms include sustainability and efficiency, but have sparked questions about whether they will lead to a decrease in equity, since students and households will have to pay for the reforms, which may be an obstacle for people in economically disadvantaged groups.

Ensuring access, quality and financial sustainability is especially relevant in developing countries, such as sub-Saharan countries. Governments in Africa have seen a rapid growth of their higher education systems, as they aim to boost higher education output needed to support national development. This growth has, however, tended to take place with marginal public funding that has led to less infrastructure, less financial support per student, and a growing burden on the universities (World Bank, 2010, Ministry of Education, Kenya, 2023). As a result, several African countries have introduced reforms to shift away from exclusive government funding and diversify their sources of revenue. Such changes have helped improve the institutional survival in some settings, but questions have been raised about the consequences of such changes for disadvantaged students who may not be able to afford the extra educational expenses.

The funding of higher education in Kenya has gone through a number of historical stages influenced by a variety of shifting economic and political priorities as well as the growing demand for university education. At Independence, higher education was mostly supported by government subsidies, actually indicating the commitment of the State to develop skilled human capital for the nation's development. This model was gradually undermined, however, by the rising number of students in university, the expansion of public universities and the increasing fiscal pressures over time. Consequently, Kenya implemented cost-sharing policies that placed more responsibility on students and families to cover university costs (Marginson, 2016; Unterhalter, 2009). Addressing financial constraints, while at the same time ensuring access to higher education, may have been a factor in Kenya's move towards cost sharing, as noted by Rodrigues and Wandiga (1997). The reforms opened up greater possibilities for universities to engage, but also generated questions about the cost and the disparity of the financial burden on students of different socioeconomic statuses.

This move towards cost-sharing was also reinforced by even more sweeping international neoliberal reforms that signalled a retreat of the state from providing public services and a greater reliance on market-based finance for higher education. Wangenge-Ouma (2008) contends that the reforms in the higher education system in Kenya were part of a broader international trend in which universities were encouraged to diversify revenue streams, commercialize some of its services and adopt efficiency-driven management. Such changes have opened up new revenue streams for universities but have placed a conflict between the economic benefit of sustainability and the social goal of equal opportunity. Munene and Otieno (2008) point out that the institutional risks and equity concerns that arose from financing reforms in Kenya stemmed from the fact that the disadvantaged were more at risk of the effects of increased financial responsibilities.

A combination of financial constraints at public universities and the financial constraint of higher education in Kenya have been exacerbated by the challenge of funding higher education in Kenya. The sustainability of public universities has been put to the test due to a number of factors, including a growing number of students, insufficient government funding, growing operational costs, and institutional debts. To address these challenges, the Government of Kenya launched the Student-Centered Funding Model as a major change in the basic principle of funding higher education in 2023. The new model is distinct from the previous Differentiated Unit Cost (DUC) model, which focused government funds on the institution, to redirect the focus to the student, providing financial support through household contributions, loans and scholarships, depending on assessed levels of need. The model was introduced as a way to achieve equity in access in that students are able to get financial support based on their socioeconomic status instead of a uniform institutional funding model. (Ministry of Education, Kenya, 2023)

However, the Student-Centered Funding Model has been a topic of much discussion around its ability to tackle the underlying systemic inequities affecting access to higher education. The model does provide a significant step towards the more appropriate principle of financing by need, but there is doubt about the reliability of the categorisation of students, the sufficiency of the financial support, the financial capacity of the family and the longevity of the university institutions. While financing reforms in Kenya address equity concerns, the impact of these reforms is unclear, as they fail to address the wider financing issues of government funding, institutional sustainability, and financial pressures on universities (Munene, 2024). The key question is not just whether students get financial aid, but how the financial structure is designed, and whether it's fair and it actually does something for the most disadvantaged students.

The Student-Centered Funding Model has sparked significant controversy about its ability to address more fundamental inequality issues in access to higher education, however, as it seeks to do so, it is very clear that it will prioritize equity over efficiency. The model is a significant step towards need-based funding, but it has several limitations, including the accuracy of the students' categorisation, the financial resources allocated, the feasibility of the concept in terms of household affordability, and the sustainability of university institutions. While Kenya aims to solve the issue of funding inequities, Munene (2024) notes that the effectiveness of the financing reforms is not guaranteed as they do not fully solve the wider problems of government funding, institutional sustainability and financial pressures on universities. The primary question, then, isn't just one of providing financial support for students, but one of the financing regime being designed in a way that fosters fairness and supports the most disadvantaged.

This debate highlights the important philosophical issues of justice that arise in the provision of educational opportunities. Education, especially higher education, is a huge social opportunity and it affects an individual's future opportunities, employment prospects and social mobility. A just society is one in which institutions are set up in a way that affords fair equality of opportunity and enhances the conditions of the least well-off members of society in accordance with the principles of John Rawls' Theory of Justice. According to Rawls’ difference principle, inequalities in distribution can be morally justified only if they benefit the least well off (Rawls, 1971). When applied to higher education, a number of fundamental questions must be asked: Does the Student-Centered Funding Model truly offer a fair chance for students of disadvantaged backgrounds? Does it allocate learning resources of learning opportunities in favor of those who need them the most? Or is it simply a restructuring of the inequalities in place with a new financing model?

While some of the literature has looked at the issue of financing reforms in higher education in Kenya, it has mostly centred on economic sustainability, institutional funding difficulties, and policy implementation. Little thought has been paid to the philosophical bases of equity that inform this reform, namely if the new funding model meets social justice principles. The article therefore aims to critically examine the relationship between higher education funding and equity, by engaging with the Student-Centered Funding Model (2023) of the Kenya government using the theory of justice by John Rawls. The article makes a case for developing a financial sustainability plan for higher education that goes beyond that plan to become one that sees education as a way to address historical inequities, to expand human capabilities, and to build a more just society.

### 1.1 Statement of the Problem

Higher education has long been seen as an important tool for social mobility, tackling inequality and opening pathways for individual opportunity. The financing system, however, plays a significant role in the access to higher education, as it involves who can be admitted, who will be supported, and who will have to pay for higher education in the university. Higher education financing isn't just an economic or administrative concern, it's a matter of social justice how the money is spent has an impact on the allocation of educational opportunity and, ultimately, on life chances for individuals (Rawls, 1971; Sen, 1999). If socioeconomic differences are not taken into account in a financing system, it may exacerbate inequalities and reduce access to, or benefit from, higher education for disadvantaged groups (Marginson, 2016; Rawls, 1971).

The funding of higher education has been a persistent problem in Kenya for decades now, partly because of the rising number of students enrolled in universities, the expansion of the public university system, lack of public funding for universities and the increased financial pressures on universities. Previous financing reform, such as the development of cost sharing and student loan schemes, aimed to balance the competing need for access, affordability and institutional sustainability. The impact of these reforms, however, raised issues about equity in that it represented an unequal burden to learners from different socio-economic backgrounds, where the financial burden was shifted from the state to the learners and households (Rodrigues & Wandiga, 1997; Wangenge-Ouma, 2008). Cost-sharing strategies helped universities to raise funds; but cost-sharing also posed questions about how to ensure that students from disadvantaged communities were getting equal opportunities for higher education.

The financial problems of the public universities in Kenya have kept getting worse, with the government providing less support to these universities, rising costs of running these institutions and accumulated debts. In response, the Government of Kenya implemented the Student-Centered Funding Model (SCFM) in 2023, marking a significant shift in higher education funding mechanisms. The new model contrasts with the previous Differentiated Unit Cost (DUC) approach that focused mainly on institutional funding, by giving government funding to students, according to the level of financial need, using student scholarships, loans, and household contributions to finance the education.The model was introduced as a reform of equity with a view to increasing the financial support to students from vulnerable backgrounds and making public universities more sustainable.

The Student-Centered Funding Model is a model that seeks to promote equality, but is subject to much debate as to whether it is a true measure of social justice. One of the key debates is whether the Means Testing Instrument (MTI) is a valid classification of financial need based on the multifaceted nature of poverty, disadvantage and differential access to education. Differentiated support could be an improvement on differentiated financing techniques but it also raises issues about classification, inequity, transparency and the potential for new exclusionary practices. This new approach to financing public universities and providing students with financial support is welcome, but there remain concerns about implementation, institutional changes, and the sustainability of the funding for public universities, according to Munene (2024).

It is made more complex by the conflict between the two goals: sustainable funding of universities and equal access to higher education. Predictable and adequate funding are essential to public universities to maintain quality teaching, research capacity, infrastructure and institutional stability, on one hand.On one hand, public universities' need for predictable and adequate funding to maintain quality teaching, research capacity, infrastructure and institutional stability. Financing mechanisms should, on the other hand, guarantee that the economic situation does not become a determining factor in educational opportunities. There is a danger of undermining equality of opportunity if a model is based solely on sustainability and disadvantaged students are not included; there is a danger to the sustainability of universities if a model is based solely on access and sustainability is not included.

This tension must be considered carefully, for a Rawlsian view of the good of social institutions relies on determining whether they offer fair opportunities and enhance the condition of those who are least fortunate in society. Rawls' (1971) difference principle implies that inequalities in social and economic structure are only justifiable to the extent they benefit the worst off. Applied to financing higher education, this invites fundamental reflection on the question of whether the Student-Centered Funding Model truly shifts the distribution of educational resources in favor of disadvantaged students, or just shuffles the deck. Moreover, the capability approach of Sen (1999) rejects approaches that only consider formal access and places emphasis on people's real capacity to improve their situation through access to opportunities. The effectiveness of the funding model should not be judged merely on the extent to which students are provided with financial support but on the extent to which financial support can help to facilitate meaningful access to and completion of higher education.

While there were a number of studies that had investigated the financing reforms in the higher education in Kenya, most of the literature had centered on the economic sustainability, institutional challenges and policy implementation. No academic interest has been shown to the philosophical argument that whether the new financing framework in Kenya is based on principles of distributive justice and fairness. Largely, there has been a lack of focus on the evaluation of the Student-Centered Funding Model from a ‘normative perspective'—one that asks the question of whether the principles and outcomes of the model are consistent with social justice. This study therefore seeks to fill this gap by critically examining the relationship between a better funded higher education and equity in Kenya's Student-Centered Funding Model (2023) as informed by John Rawls' theory of justice. The study aims to understand if the model is an effective step towards achieving equity and social justice, or if there are still issues that need to be addressed, which would prevent the model from reaching the goals of supporting disadvantaged students and sustainable development of the university.

### 1.2 Research Objective

To critically analyze the nexus between higher education funding and equity by interrogating Kenya’s Student-Centered Funding Model (2023) through the lens of John Rawls’ Theory of Justice.

### 1.3 Research Question

How does Kenya’s Student-Centered Funding Model (2023) address issues of equity and social justice in higher education financing when examined through John Rawls’ Theory of Justice?

## II. LITERATURE REVIEW

### 2.1 Theoretical Review

#### 2.1.1 John Rawls’ Theory of Justice

The study is grounded in the work of John Rawls, the Theory of Justice, and his notion of justice as fairness. Rawls' theory is a response to utilitarian approaches which primarily define justice as the maximization of aggregate welfare (Rawls, 1971). Rawls maintains, rather, that issues of justice in a good society should involve how fundamental social institutions allocate rights, opportunities and resources among people. Rawls says that the basic structure of society -- political, economic and educational institutions -- should be determined by principles that free and equal persons would accept if they were free to choose under fair conditions. This is especially important in the context of higher education finance because funding systems affect the allocation of educational opportunities and impact individuals' social and economic outcomes.

Rawls’ theory is based on two central principles of justice. First principle: Everyone must have basic liberties similar to those of others. The second principle is about the possibility of social and economic inequalities, and Rawls claims that inequalities are acceptable only if they meet two conditions; first, that they are required to be accessible to everyone under the condition of fair equality of opportunity, and second, that they must be necessary to benefit the least well-off members of society, according to what he calls the difference principle (Rawls, 1971). Fair equality of opportunity is a useful concept for analysing the issue of whether students' financial and social status influences their access to higher education in the context of the debates on higher education financing. Likewise, the difference principle can be used to evaluate if any provision of funding has a clear intention of prioritising those with more economic disadvantage.

It is in this aspect that Rawls' theory is relevant to the issue of higher education financing in the sense that it focuses on institutions as ways to remedies inequality, but not to create it. Access to a good education has a strong influence on employment, social mobility and engagement in society, thus it's not just a private good. As such, a financing approach that provides equal access to education without taking into account the existing socioeconomic inequality might be unfair in providing access to future opportunities based on inherited disadvantage. The answer is that from a Rawlsian point of view, the justice of the Student-Centered Funding Model is not simply that the funding will be allocated differently to students but so as to provide better opportunities for the poorer students.

But Rawls' framework has also been challenged as it has failed to capture the complexity of social inequalities. Although Sen (1999) recognizes the role of justice and equality, he also believes that merely distributing resources does not take into account the capacity of individuals to turn resources into productive end products. The capability approach sees equality as not just based on what people have but on what they can do and become. This means that financial aid for higher education students does not necessarily mean equity of educational experiences. The capability of students to benefit from the opportunities available at university may be affected by a number of factors including geographical location, quality of previous schooling, family responsibilities, disability and social circumstances.

Building on the capability perspective, Nussbaum (2011) highlights human dignity and the cultivation of core capabilities that are crucial for the full participation of people in society. Her strategy emphasises education as an essential skill that allows people to be free and seek life opportunities that are important to them. Thus, a fair financing scheme for higher education should not just raise the number of students enrolled, but also provide solid chances for the less fortunate students to reach success. This is another way to look at Rawls' argument, namely that justice must be concerned with the distribution of resources and the lived experience of people in social institutions.

More recent scholarship also validates Rawls's theory as it pertains to higher education financing, as scholars discuss funding mechanisms as reflections of social values. Motala et al. (2023) suggest that the funding of higher education cannot be divorced from questions of justice and equity as financing structures affect who gains entry to higher education, who thrives, and who falls behind. They note that there are pressures on higher education systems around the world to increasingly marketize and cost-share the system while maintaining its public status. This tension is of special interest in Kenya which is currently undergoing reforms in its financing system to make it sustainable, while also trying to ensure equitable access (Motala et al., 2023).

This study is, therefore, well suited to the analysis of the Kenya Student-Centered Funding Model using Rawls' Theory of Justice because it allows the study to determine if the Funding Model is a fair institutional arrangement in Kenya. The theory can be interrogated with regard to three fundamental questions: Is there equal opportunity for students, are financial inequalities set up in such a way that disadvantaged students benefit, and is the financial model based on social justice.

## 2.2 Empirical Review

### 2.2.1 Evolution of Higher Education Financing and the Emergence of Cost Sharing

Financing higher education has been greatly transformed worldwide in response to the growing number of students and the ever rising costs of institutions, as well as changing perceptions of what the state should do to support universities. In the past, many nations saw higher education as a social good as universities brought about other benefits to society than economic returns to any given individual. But with the growth of higher education institutions, the financial strain made it difficult for governments to afford comprehensive public subsidies. As a result, a number of countries have instituted cost sharing policies via tuition fees, student loans and private contributions (Johnstone, 2004).

Cost sharing, however, arose from the realisation that higher education provides public and private benefits (Johnstone, 2004). Everyone in the society has an advantage when he or she is educated and each person is provided with an economic benefit by being better prepared for employment. As a result, governments came to argue strongly that part of the expenses of education should be shared among the state, students and households. But critics state that cost sharing may put students from higher-income families at a competitive advantage in the face of a school's financial demands.

Also, in Africa, the pressures have been largely similar and have driven significant reforms in higher education financing. The transformation of the university systems, the diminishing availability of government funding and international policies were all factors that led to many countries experimenting with market-based sources of funding. The World Bank (2010) observes that African higher education systems have faced difficulties in ensuring access to higher education while simultaneously preserving quality, due to increased numbers of enrollee students relative to the funding sources for higher education. Consequently, reform of financing has been directed towards diversification of funding sources, institutional autonomy, and increased student contribution. The county's funding of higher education in Kenya follows this global trend. The government used to provide a lot of financial assistance to universities, which demonstrated the society's sentiment that higher education played a major role in national development. With growing demands for higher education and the increasing number of students in universities, however, cost-sharing policies were introduced. Cost sharing was introduced in Kenya because of financial constraints to ensure access to university education (Rodrigues & Wandiga, 1997). The policy offered extra resources for universities, but also created issues around the affordability and inequity of access.

### 2.2.2 Higher Education Financing Reforms and Equity Challenges in Kenya

Kenya's financing reforms have generated extensive debate regarding their implications for equity and institutional sustainability. Wangenge-Ouma (2008) argues that higher education reforms in Kenya were influenced by globalization and neoliberal policy approaches that encouraged universities to diversify revenue sources and reduce dependence on government funding. While these reforms enhanced institutional flexibility, they also shifted greater financial responsibility toward students and households. Munene and Otieno (2008) provide a critical analysis of Kenya's financing reforms by demonstrating that policy changes produced unequal consequences among students and institutions. They argue that financing reforms created institutional risks and equity concerns because students from different socioeconomic backgrounds experienced the costs of reforms differently. Students from disadvantaged backgrounds were particularly vulnerable because increased financial obligations could limit their participation in higher education.

Similarly, Gravenir et al. (2006) argue that Kenya's higher education financing system has historically struggled to simultaneously achieve equity, access, and quality. They note that declining government support and inadequate student financing mechanisms created challenges for both institutions and learners. Their analysis suggests that no single financing approach can independently achieve all objectives, implying the need for balanced mechanisms that combine public investment with targeted support (Wangenge-Ouma, 2008). These studies demonstrate that financing reforms cannot be evaluated solely according to financial efficiency. Rather, they must also be examined in relation to their consequences for equality of opportunity. This argument aligns with Rawls' principle that institutional arrangements should be judged according to whether they improve opportunities for disadvantaged groups.

### 2.2.3 The Student-Centered Funding Model and Contemporary Equity Debates in Kenya

The Student-Centered Funding Model (SCFM) for higher education in Kenya was introduced in 2023, marking a shift from the traditional funding methods of higher education institutions. In the new model, government financial support is focused on students according to their financial need as assessed, instead of going mainly to institutions through block funding. Students are classified based on their socio-economic factors and are given varying levels of scholarships, loans and household contributions. The model was developed in response to persistent problems in public universities, such as declining government support, growing student populations and financial problems. The African Population and Health Research Center (APHRC) contends that the New Higher Education Funding Model was developed in the context of massification of higher education and shrinking public funding, while its goal was to address issues of equity, quality, sustainability and more.

There are, however, recent scholarship that raises critical questions about how and what consequences the model has for justice. The reforms are a significant step towards a student-centred approach to financing, but there are questions about whether they are being implemented by the government, whether the institutions are sustainable, and whether the practicalities of implementing them have been taken into account.While the reforms are an important step towards a student-centred approach to financing, there are questions about whether they are being implemented by the government, whether the institutions are sustainable, and whether the practicalities of implementing them have been taken into account. The reforms bring in new methods of funding and financial support for students, he says, but do not necessarily solve the structural problems in higher education funding.

One of the important issues is the extent to which financial need classification reflects socioeconomic disadvantage. Measurement of means-testing thresholds might be inaccurate, not transparent, and could be affected by shifting economic conditions. A Rawlsian approach to the question is whether or not the model is truly helping the least advantaged or whether or not there are administrative categories that are excluding deserving students. Comparative scholarship has also been conducted in recent years that has highlighted the need to consider higher education funding models from a perspective of not just efficiency, but justice. Financial decisions affect wider trends in inclusion/exclusion as they impact on participation, attainment and social mobility (Motala et al., 2023).This is especially relevant in Kenya where the effectiveness of the Student-Centered Funding Model relies not only on reallocation of resources but on equal opportunity for disadvantaged students to receive a good education.

## III. METHODOLOGY

### 3.1 Research Design

This study adopted a qualitative philosophical research design based on critical policy analysis and conceptual analysis. The choice of this design was informed by the nature of the study, which sought not to measure causal relationships or test statistical associations, but to critically examine the philosophical assumptions, policy intentions, and equity implications embedded within Kenya's Student-Centered Funding Model (2023). Policy analysis is particularly appropriate for examining complex social policies because it allows researchers to interrogate the values, assumptions, interests, and consequences underlying policy decisions rather than focusing only on policy outcomes (Bacchi, 2009; Fischer, 2003).

The study was guided by an interpretive and critical research orientation. An interpretive approach recognizes that policies are not value-neutral technical instruments but social constructions shaped by competing understandings of fairness, responsibility, and public interest. Therefore, analysing a higher education financing policy requires examination of the meanings attached to concepts such as equity, access, sustainability, and social justice. Dixon and Dogan (2004) argue that policy analysis involves philosophical assumptions regarding knowledge, values, and the nature of social problems; hence, methodological choices must correspond with the underlying philosophical questions being investigated.

The critical orientation of the study was appropriate because the Student-Centered Funding Model represents a contested policy space where competing values intersect. On one hand, the model seeks to address institutional financial sustainability and improve efficiency in public resource allocation. On the other hand, questions arise regarding whether differentiated funding arrangements genuinely promote equality of opportunity and protect disadvantaged students. Critical policy analysis enables interrogation of these tensions by examining whose interests are prioritized, how disadvantage is defined, and whether policy arrangements reproduce or reduce existing inequalities (Bacchi, 2009).

### 3.2 Study Context

This study was situated within the context of Kenya's higher education financing system, with specific focus on the Student-Centered Funding Model introduced in 2023 as a major reform in the financing of university education. The Kenyan higher education sector provides an important context for examining the relationship between funding arrangements and equity because it has experienced significant expansion in student enrolment, growth in the number of public universities, and increasing pressure on government resources allocated to higher education. These developments have created persistent tensions between the need to widen access to university education, maintain institutional quality, and ensure the long-term financial sustainability of public universities.

Historically, Kenya's higher education financing system evolved from a predominantly state-funded model toward cost-sharing arrangements in which students and households assumed greater responsibility for financing university education. While cost-sharing contributed to the expansion and survival of higher education institutions, it also generated concerns regarding affordability and unequal access, particularly among students from economically disadvantaged backgrounds. The introduction of the Student-Centered Funding Model represented a significant policy shift from institution-based financing under the Differentiated Unit Cost (DUC) framework toward a need-based financing approach in which government support is allocated to students according to their assessed socioeconomic circumstances through scholarships, loans, and household contributions.

The study therefore examined Kenya as the national policy context within which questions of distributive justice, equality of opportunity, and social inclusion in higher education financing are negotiated. Rather than focusing on a specific geographical location or individual university, the study analysed the broader policy environment surrounding public university financing in Kenya. The context was appropriate because the Student-Centered Funding Model provides a contemporary policy case through which the principles of John Rawls' Theory of Justice particularly fair equality of opportunity and the difference principle can be critically examined in relation to the allocation of educational opportunities and support for disadvantaged groups.

### 3.3 Philosophical Foundation of the Study

The study was anchored within a social justice philosophical perspective, drawing primarily from John Rawls' Theory of Justice. Rawls' framework provided the analytical foundation for evaluating whether Kenya's Student-Centered Funding Model reflects principles of fairness, equality of opportunity, and concern for disadvantaged groups. Rawls (1971) argues that social institutions should be organized according to principles that individuals would reasonably accept under conditions of fairness, particularly behind the hypothetical "veil of ignorance," where individuals do not know their future social or economic position.

In this study, higher education financing was conceptualized as a component of the basic structure of society because funding arrangements influence access to educational opportunities and shape future life chances. Rawls' principles of fair equality of opportunity and the difference principle were therefore used as analytical criteria to examine whether the funding model provides equitable opportunities and whether financial arrangements improve the position of economically disadvantaged students. The study also incorporated insights from Sen's (1999) capability approach and Nussbaum's (2011) human capabilities perspective. These perspectives complemented Rawls by emphasizing that justice requires more than formal equality; it requires individuals to possess real capabilities to benefit from available opportunities. This was important in examining whether financial assistance provided through the Student-Centered Funding Model translates into meaningful access, participation, and success in higher education (Sen, 1999; Nussbaum, 2011; Robeyns, 2017)..

### 3.4 Study Approach and Sources of Data

The study employed a documentary research approach based on the analysis of secondary sources relevant to higher education financing and social justice. This approach was considered appropriate because the study sought to critically examine an existing national policy framework, namely Kenya's Student-Centered Funding Model (2023), rather than collect primary data from individual participants. Documentary research provides an opportunity for systematic examination of written materials to understand policy development processes, underlying institutional assumptions, policy intentions, and their broader social implications (Bowen, 2009). The study analysed a range of documentary sources, including government policy documents related to higher education financing, reports from government agencies responsible for university financing, higher education policy documents, peer-reviewed journal articles, scholarly books addressing issues of justice, equity, and educational financing, as well as reports from research organizations and international institutions. These sources provided diverse perspectives on the historical development of higher education financing in Kenya, the evolution of funding reforms, and contemporary debates surrounding equity, access, and institutional sustainability.

The documents were purposively selected based on their relevance to the objectives of the study. Particular attention was given to sources that provided insights into the historical evolution of higher education financing in Kenya, the development and implementation of the Student-Centered Funding Model, and theoretical debates concerning equity, distributive justice, and fairness in educational opportunities. The purposive selection of documents enabled the study to focus on materials that directly contributed to understanding whether Kenya's emerging higher education financing framework aligns with principles of social justice as articulated through John Rawls' Theory of Justice.

### 3.5 Data Analysis

The data were analysed through thematic analysis and philosophical interpretation. Thematic analysis was used to identify recurring concepts, arguments, and patterns within the reviewed policy documents and scholarly literature. Following Braun and Clarke's (2006) approach, the analysis involved familiarization with the documents, coding of relevant information, development of themes, and interpretation of findings in relation to the study objective.

The analysis was organized around three main themes: the historical evolution of higher education financing in Kenya, which examined the transition from state-funded education to cost-sharing and student-centred financing; the equity and sustainability implications of the Student-Centered Funding Model, which assessed the balance between access and institutional financial stability; and the justice implications of the model through Rawls' Theory of Justice, focusing on fair equality of opportunity and the difference principle. Philosophical interpretation was applied to examine the policy assumptions and outcomes through the lens of fairness and distributive justice. The analysis therefore considered not only the efficiency of the funding model but also its capacity to protect disadvantaged students and promote equitable educational opportunities.

### 3.6 Validity and Trustworthiness

The credibility of the study was enhanced through the use of multiple sources of evidence, including scholarly publications, government documents, and institutional reports. Triangulation of sources was employed to strengthen interpretation and reduce dependence on a single perspective. According to Bowen (2009), documentary analysis requires careful evaluation of authenticity, credibility, representativeness, and meaning of documents to ensure reliable interpretation. Additionally, theoretical consistency was maintained by applying Rawls' Theory of Justice systematically throughout the analysis. The use of clearly defined philosophical principles provided an analytical framework for evaluating the equity dimensions of the Student-Centered Funding Model.

### 3.7 Ethical Considerations

Although the study did not involve human participants, ethical principles were observed throughout the research process. All sources were appropriately acknowledged through accurate citation and referencing. The study maintained academic integrity by presenting arguments objectively, critically engaging with different perspectives, and avoiding selective interpretation of evidence.

## IV. FINDINGS & DISCUSSION

### 4.1 Findings

The critical analysis of Kenya's Student-Centered Funding Model (2023) revealed that the reform represents a significant philosophical and structural transformation in the financing of higher education. The model reflects an attempt to move away from previous institution-based financing approaches toward a student-centred framework where public support is allocated according to assessed levels of financial need. According to the Universities Fund, the model replaced the Differentiated Unit Cost (DUC) system and introduced a financing structure based on government scholarships, student loans, and household contributions, with support determined through the Means Testing Instrument (MTI) (Ministry of Education, Kenya, 2023).

However, the findings demonstrate that the relationship between funding reform and equity remains complex. While the model represents progress toward recognizing socioeconomic differences among learners, questions remain regarding whether need-based categorization produces genuine equality of opportunity and whether the approach sufficiently protects disadvantaged students. The analysis generated three interconnected themes: (i) the historical struggle between university sustainability and equitable access; (ii) the extent to which the Student-Centered Funding Model advances fair equality of opportunity; and (iii) whether the model satisfies Rawls' difference principle by improving the position of the least advantaged.

#### 4.1.1 Higher Education Financing in Kenya: The Persistent Tension between Sustainability and Equity

The findings indicate that Kenya's higher education financing reforms have historically been shaped by a persistent tension between expanding access and maintaining institutional sustainability. Since independence, higher education has been considered a strategic public investment because universities contribute to human capital development, economic transformation, and national development. However, rapid expansion of university enrolment and the establishment of additional public universities placed significant pressure on government financing capacity. The introduction of cost-sharing represented a fundamental transformation in Kenya's understanding of responsibility for higher education. Rodrigues and Wandiga (1997) demonstrated that cost-sharing emerged as a response to increasing financial pressures within public universities. Although the approach enabled universities to access additional resources, it also introduced concerns regarding affordability and the possibility that economic background would increasingly influence access to university education.

This challenge reflects a broader global pattern identified by Johnstone (2004), who argues that governments adopted cost-sharing mechanisms because mass higher education created financial demands that could not be sustained through public funding alone. However, Johnstone cautions that financing reforms must carefully balance sustainability with equity because transferring costs to students may disadvantage those from lower-income households. In Kenya, these tensions were intensified by broader neoliberal reforms influencing higher education governance and financing. Wangenge-Ouma (2008) argues that Kenyan universities increasingly adopted market-oriented approaches characterized by commercialization, revenue diversification, and reduced dependence on direct government financing. While these reforms improved institutional flexibility, they also generated concerns regarding whether universities could maintain their public mission while operating under financial pressures.

Recent analyses indicate that these challenges remain central to Kenya's higher education financing debate. Ministry of Education, Kenya (2023) notes that the New Higher Education Funding Model emerged within a context of massification of university education, declining government financing, and growing institutional financial pressures. The analysis highlights that the reform was designed to address concerns related to equity, quality, and sustainability, but questions remain regarding its practical implementation and long-term impact.  rom a Rawlsian perspective, this historical trajectory demonstrates that financing arrangements cannot be evaluated purely according to economic efficiency. Institutions must be assessed according to whether they create fair opportunities for individuals regardless of their social circumstances. A financing system that improves university sustainability while limiting opportunities for disadvantaged students would fail to satisfy Rawls' conception of justice.

#### 4.1.2 Student-Centered Funding Model and Fair Equality of Opportunity

The findings reveal that the Student-Centered Funding Model represents an important attempt to address historical equity concerns by recognizing that students enter higher education with unequal socioeconomic circumstances. Unlike previous approaches that provided relatively uniform institutional funding arrangements, the new model seeks to allocate support according to individual financial need. The policy rationale behind the model reflects Rawls' principle of fair equality of opportunity. Rawls (1971) argues that a just society should not merely provide formal opportunities but should ensure that individuals have meaningful chances to succeed regardless of their social background. In the context of higher education, this means that students should not be prevented from accessing university education simply because they are born into economically disadvantaged households.

The government's justification of the model reflects this principle. The Student-Centered Funding Model was introduced with the intention of ensuring that vulnerable and needy students receive greater government support through scholarships and loans. Under the framework, students are categorized according to levels of financial need, with funding provided through a combination of scholarships, loans, and household contributions. From this perspective, the model represents an important movement from equality toward equity. Equality assumes that all students require similar support, while equity recognizes that disadvantaged students may require additional assistance to achieve comparable opportunities. Therefore, differentiated support can be justified under Rawls' framework because unequal allocation may be necessary to achieve fair outcomes (Rawls,1971).

However, the findings also reveal significant concerns regarding whether the model's classification mechanisms accurately identify disadvantage. The use of the Means Testing Instrument introduces complex questions regarding how poverty and vulnerability are defined. Socioeconomic disadvantage is not always easily measurable because it includes factors such as unstable household income, geographical inequalities, family responsibilities, disability, and historical marginalization (Unterhalter, 2009). The 2024 High Court judgment on the funding model highlighted some of these concerns, including questions regarding student categorization, potential discrimination, public participation, and the legal basis of the model. The court noted concerns that categorizing students into groups such as vulnerable, extremely needy, needy, and less needy could create distinctions based on perceived financial ability. These concerns are particularly important from Sen's (1999) capability perspective. While financial support may remove one barrier, students' ability to benefit from university education also depends on wider social and institutional conditions (Sen, 1999). Therefore, a truly equitable financing model must consider not only who receives funding but whether students have the capabilities required to participate successfully in higher education.

#### 4.1.3 The Difference Principle and Support for the Least Advantaged

The findings further indicate that the Student-Centered Funding Model can be evaluated through Rawls' difference principle, which requires that inequalities should be structured to improve the condition of society's least advantaged members. The model demonstrates alignment with this principle because it attempts to prioritize students facing greater financial challenges. By directing scholarships and financial assistance toward vulnerable groups, the reform recognizes that disadvantaged students require additional support to overcome structural barriers. However, the analysis shows that policy intentions alone are insufficient to guarantee justice. The difference principle requires evidence that institutional arrangements actually improve the circumstances of disadvantaged groups. This raises questions regarding whether the funding provided is adequate, whether vulnerable students are accurately identified, and whether support mechanisms enable completion rather than merely admission.

Munene (2024) argues that although the reforms introduce a student-centred approach and a differentiated student aid structure, important concerns remain regarding implementation challenges, institutional restructuring, and the long-term sustainability of university financing. Similarly, APHRC's analysis highlights concerns that some students and families may still experience financial difficulties despite the new model. Evidence suggests that affordability challenges may influence students' choices of university programmes, with some selecting courses based on cost considerations rather than academic aspirations. These findings raise an important Rawlsian question: if disadvantaged students receive nominal financial support but remain unable to pursue preferred educational pathways or complete their studies successfully, does the model truly satisfy the difference principle? Therefore, while the Student-Centered Funding Model represents an important attempt to redistribute educational resources, its justice implications depend on whether it produces meaningful improvements for the least advantaged.

#### 4.1.4 Balancing Student Equity and University Sustainability

A major finding of the study is that higher education justice cannot be separated from institutional sustainability. Universities require adequate and predictable funding to maintain academic quality, research capacity, infrastructure, and student services. Therefore, a financing model that improves student access but weakens institutional capacity may ultimately undermine educational justice. The government argues that the new model will enhance university financial stability by creating predictable student-based financing and reducing historical funding challenges affecting public universities. However, critics argue that shifting financing responsibility toward students, households, and loans may not fully resolve the structural underfunding of universities.

Munene (2024) specifically questions whether the reform sufficiently addresses the issue of government responsibility for financing public universities. He argues that while the model introduces important changes in student financing, its silence regarding long-term government funding commitments raises sustainability concerns. From a Rawlsian perspective, sustainable universities are themselves a requirement for justice because institutions must remain capable of providing meaningful educational opportunities. Therefore, a just funding model must achieve a balance between supporting disadvantaged students and ensuring that universities have adequate resources to fulfil their educational mission.

### 4.2 Discussion

The findings demonstrate that Kenya's Student-Centered Funding Model represents a significant shift from institution-based financing toward a need-based approach that seeks to address socioeconomic inequalities in access to higher education. This finding aligns with Rawls' principle of fair equality of opportunity, which argues that social institutions should be structured in ways that reduce the effects of unequal social circumstances. The emphasis on differentiated support based on students' financial circumstances therefore reflects an attempt to promote distributive justice by directing greater assistance toward disadvantaged groups.

However, the findings also reveal that the realization of equity depends largely on the effectiveness of implementation mechanisms. Concerns relating to student categorization, adequacy of financial support, transparency of the means-testing process, and household affordability demonstrate that formal access to funding does not automatically translate into substantive equality of opportunity. This supports Sen's capability perspective, which emphasizes that individuals require not only resources but also the actual capacity to benefit from available opportunities.

The findings further confirm arguments in previous studies that higher education financing reforms must balance student equity with institutional sustainability. While the Student-Centered Funding Model seeks to improve access for vulnerable students, sustainable universities require adequate and predictable financing to maintain quality teaching, research capacity, infrastructure, and student support services. Therefore, the effectiveness of the model depends on whether it simultaneously improves opportunities for disadvantaged students while strengthening the capacity of universities to deliver quality education.

Overall, the findings suggest that the Student-Centered Funding Model demonstrates important elements of Rawlsian justice but requires continuous improvement to achieve substantive equity. The model's success should therefore be assessed not only by the distribution of financial assistance but also by its ability to enhance participation, completion, and long-term educational outcomes among disadvantaged students.

## V. CONCLUSION & RECOMMENDATIONS

### 5.1 Conclusion

This article critically examined the nexus between higher education funding and equity in Kenya by interrogating the Student-Centered Funding Model (2023) through John Rawls' Theory of Justice. The study established that higher education financing is not merely a question of resource mobilization and institutional sustainability but also a matter of social justice because financing arrangements influence access, participation, and opportunities for students from different socioeconomic backgrounds.

The study concludes that Kenya's transition from state-funded higher education to cost-sharing and subsequently to student-centered financing reflects an ongoing effort to balance three competing objectives: expanding access, ensuring institutional sustainability, and promoting equity. While previous financing approaches contributed to the expansion of university education, they also exposed inequalities associated with the financial burden placed on students and households.

The Student-Centered Funding Model represents a significant policy shift by recognizing socioeconomic differences among students and adopting a need-based approach to financing higher education. From a Rawlsian perspective, the model demonstrates elements of fair equality of opportunity by attempting to direct greater support toward disadvantaged students. However, its ability to achieve substantive equity depends on effective implementation, including transparent student categorization, adequate financial support, and mechanisms that ensure the needs of vulnerable students are addressed.

The study further concludes that achieving equity in higher education requires more than financial access alone. Sustainable educational opportunities depend on institutional conditions that enable students to participate fully, succeed academically, and complete their studies. Therefore, the Student-Centered Funding Model should be viewed as an important step toward social justice in higher education financing, whose long-term success will depend on maintaining a balance between supporting disadvantaged learners and ensuring the sustainability and quality of public universities.

### 5.2 Recommendations

Based on the findings of the study, the Student-Centered Funding Model requires continuous refinement to strengthen its capacity to promote equitable access to higher education in Kenya. The Government of Kenya, through the Universities Fund, should enhance the transparency, accuracy, and inclusiveness of the Means Testing Instrument used to categorize students according to their financial needs. Since socioeconomic disadvantage is complex and cannot be adequately captured through household income alone, the assessment framework should consider additional dimensions of vulnerability, including geographical marginalization, disability, family circumstances, and educational background. Establishing clear assessment criteria and effective appeal mechanisms would reduce the possibility of deserving students being excluded due to inaccurate classification.

The study further recommends that financial support provided through the funding model should be adequate to enable disadvantaged students not only to access university education but also to successfully complete their studies. Government scholarship and loan allocations should therefore be periodically reviewed to reflect the actual costs associated with higher education, including tuition fees, accommodation, learning materials, and living expenses. Ensuring sufficient financial assistance would strengthen the alignment of the funding model with Rawls' difference principle by ensuring that public resources are directed toward improving the opportunities of the least advantaged members of society.

In addition, higher education financing reforms should maintain a balance between promoting student equity and ensuring the sustainability of public universities. While placing students at the centre of financing decisions represents an important step toward addressing inequalities, universities require predictable and adequate funding to maintain quality teaching, research capacity, infrastructure development, and student support services. A sustainable financing framework should therefore recognize that institutional stability and student equity are interconnected objectives rather than competing priorities. The study also recommends adopting a broader understanding of equity beyond financial assistance alone. Access to funding does not automatically guarantee successful participation and completion of higher education, as students may continue to experience academic, social, and institutional barriers. Universities should therefore strengthen support mechanisms such as mentorship programmes, academic guidance, counselling services, disability support systems, and retention initiatives targeting vulnerable learners. Such interventions would enhance students' capabilities to benefit from educational opportunities, consistent with the capability perspectives. Furthermore, the implementation of the Student-Centered Funding Model should be accompanied by continuous monitoring and independent evaluation. Regular assessment should examine whether the model is achieving its intended objectives in relation to access, retention, completion, student experiences, and institutional sustainability. Such evaluations would help identify emerging challenges, including possible forms of exclusion or unintended consequences, and provide evidence for improving the effectiveness of the financing framework.

The study further emphasizes the importance of inclusive stakeholder engagement in future higher education financing reforms. Since funding decisions affect students, universities, families, academic staff, and government institutions differently, meaningful consultation with these stakeholders is necessary to enhance policy legitimacy and ensure that diverse experiences of disadvantage are considered. Such participatory approaches are consistent with principles of fairness because they recognize affected groups as important contributors to decisions concerning the distribution of educational opportunities. Finally, the study recommends further empirical research on the justice implications of Kenya's Student-Centered Funding Model. Future studies should examine the experiences of students from marginalized communities, rural areas, and vulnerable socioeconomic backgrounds to determine whether the model is improving actual educational outcomes and reducing historical inequalities in access and completion. Comparative research examining Kenya's approach alongside other student-centred financing models in Africa and beyond would also contribute to broader understanding of how higher education financing systems can promote equity and social justice.

### Declaration of Interest

The authors declare that they do not have any known competing financial interests or personal relationships that could have appeared to influence the work reported in this paper.

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