



REDEFINING HUMAN CAPITAL IN KENYA: A CRITICAL ANALYSIS OF CURRICULUM REFORMS IN THE 2023 PRESIDENTIAL WORKING PARTY REPORT

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Abstract:

Human capital development (HCD) is universally recognized as a primary catalyst for economic growth and social transformation. In Kenya, despite significant expansion in higher education enrollment, concerns regarding the quality and employability of graduates have necessitated systemic reforms. This paper analyzes the Report of the Presidential Working Party on Education Reform (PWPER, 2023) through the lens of Human Capital Theory. Specifically, it examines the implications of the proposed shift to Competency-Based Education and Training (CBET), the restructuring of university governance, and the implementation of a new funding model on the development of a skilled Kenyan workforce. Drawing on data from the report and supporting literature, the study argues that while the PWPER recommendations provide a robust framework for aligning university outputs with labor market demands, the success of these human capital strategies is contingent upon sustainable financing and the mitigation of infrastructural deficits.

Keywords: human capital development, Kenya, PWPER 2023, competency-based education, university reforms, curriculum, TVET

1. Introduction

The relationship between education and economic development is well-established in economic literature, dating back to the seminal works of Schultz (1961) and Becker (1964), who posited that investment in human capital—through education and training—yields higher productivity and income. In Kenya, the vision of becoming a knowledge-based economy, as outlined in Vision 2030, relies heavily on the ability of the higher education sector to produce a skilled, adaptable, and innovative workforce.

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However, recent trends indicate a paradox of high university enrollment rates coupled with rising youth unemployment, suggesting a mismatch between the skills supplied by universities and those demanded by the labor market (World Bank, 2022). To address this, the Presidential Working Party on Education Reform (PWPER) was established to review the entire education sector. Their report, *Transforming Education, Training and Research for Sustainable Development in Kenya* (PWPER, 2023), proposes radical shifts in university education.

This paper critically evaluates the PWPER report's recommendations regarding university curriculum reforms, assessing their potential to enhance human capital development in Kenya. It focuses on three core areas: the transition to Competency-Based Education and Training (CBET), the integration of Technical and Vocational Education and Training (TVET) with university education, and the proposed financing models.

2. Theoretical Framework: Human Capital and the Skills Mismatch

Human Capital Theory suggests that education is an investment that increases the productive capacity of individuals. In the context of developing nations, this theory extends beyond basic literacy to include technical skills, critical thinking, and the ability to innovate (Lucas, 1988). The "skills mismatch" occurs when the education system produces graduates with theoretical knowledge that industries do not need, while lacking the practical skills required for a modern economy.

The PWPER report (2023) implicitly acknowledges this disconnect. The report notes that the current university curricula are often rigid and disconnected from the dynamic needs of the economy. Therefore, the proposed reforms can be viewed as a strategic intervention to realign the national human capital investment strategy with market realities, thereby maximizing the return on investment (ROI) in education for both the individual and the state.

3. Curriculum Reforms and Human Capital Optimization

3.1 The Shift to Competency-Based Education and Training (CBET)

Chapter 9 of the PWPER report explicitly advocates for the adoption of Competency-Based Education and Training (CBET) in universities. This marks a departure from the traditional content-based approach, which has been criticized for rote learning, to a model focused on the mastery of specific skills and competencies (PWPER, 2023).

3.1.1 Implications for Human Capital

From a human capital perspective, CBET increases the "employability" of graduates. By emphasizing practical application, problem-solving, and industry exposure, universities can produce graduates who are "work-ready" from day one, reducing the training burden on employers. The report highlights the need to integrate internships and attachments more structurally into the curriculum. This aligns with findings by the International

Labour Organization (ILO, 2021), which suggests that work-integrated learning significantly enhances the human capital value of graduates in developing economies.

3.2 Harmonization of TVET and University Education

A critical recommendation in the PWPER report is the creation of seamless pathways between TVET and University education (Chapters 8 and 9). The report proposes that TVET graduates should be able to advance to higher levels of education without unnecessary barriers.

3.2.1 Implications for Human Capital

This reform addresses the historical stigma associated with technical education in Kenya. By validating TVET qualifications within the university hierarchy, the report effectively expands the definition of "human capital" to include technical and vocational skills, which are essential for manufacturing and industrialization (the "Bottom-Up" economic agenda). This vertical mobility ensures that the country does not waste the potential of students who opt for technical routes early in their academic journey, allowing for continuous skills upgrading—a key component of lifelong learning (OECD, 2019).

3.3 Research, Innovation, and Graduate Employability

The report places a strong emphasis on research and innovation as pillars of university education (Chapter 9). It recommends that universities engage in research that addresses national challenges, such as food security and health.

3.3.1 Implications for Human Capital

Innovation is the highest form of human capital application. By shifting focus to applied research, universities can contribute directly to economic diversification. The report's suggestion to commercialize university research transforms students and faculty into economic agents, thereby fostering an entrepreneurial culture rather than a culture of job-seeking.

4. The Financing of Human Capital Development

A robust curriculum requires adequate financial backing. The PWPER report (Chapter 10) introduces a new funding model for higher education, moving away from the "Differentiated Unit Cost" (DUC) to a model that considers the student's financial need and the cost of their specific program.

4.1 Data Analysis

The report highlights the precarious financial state of public universities, citing "pending bills" that threaten operational capacity (PWPER, 2023, p. 158). The new model categorizes students into bands (Vulnerable, Less Vulnerable, Able) and combines scholarships, loans, and household contributions.

4.1.1 Implications for Human Capital

This financial restructuring is crucial for equity in human capital development. By ensuring that students from poor backgrounds can access high-cost programs (like STEM) through government scholarships, the state ensures that financial constraints do not limit the development of high-value human capital. Furthermore, by tying funding to program relevance and performance, the model incentivizes universities to maintain curriculum standards that attract students, thereby introducing market discipline into human capital production.

5. Challenges to Implementing the HCD Vision

While the PWPER report is comprehensive, several challenges threaten the realization of its human capital goals:

- 1) **Infrastructure Deficits:** The report admits to gaps in digital infrastructure necessary for the recommended Open, Distance and e-Learning (ODEL). Without reliable internet and digital libraries, the quality of human capital produced via ODeL may be inferior to that of traditional learning (PWPER, 2023, Chapter 2).
- 2) **Cultural Resistance:** Transitioning to CBET requires a shift in mindset for university faculty, many of whom were trained in traditional pedagogies. As noted by Kezar and Eckel (2002), faculty resistance is a major barrier to curriculum change in higher education.
- 3) **Funding Sustainability:** The new funding model relies heavily on the exchequer and the consolidation of funding bodies (HELB, UFB, TVETF). If the economic outlook remains constrained, the promised levels of support may not materialize, hampering the quality of instruction.

6. Conclusion

The Report of the Presidential Working Party on Education Reform (2023) represents a strategic pivot in Kenya's approach to human capital development. By advocating for a competency-based curriculum, integrating TVET, and restructuring funding, the report seeks to transform universities from ivory towers into engines of economic growth. The recommendations are theoretically sound and aligned with global best practices for enhancing human capital.

However, the success of these reforms depends on rigorous implementation. The government must address the infrastructural and financial bottlenecks identified in the report. If successfully implemented, these reforms could bridge the skills gap, reduce youth unemployment, and position Kenya as a leader in human capital development in the region.

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Conflict of Interest Statement

The authors declare no conflicts of interest.

About the Author(s)

Jane Kere Imbunya is a highly accomplished scholar, curriculum expert, university administrator, researcher and policy specialist with over twenty (20) years' experience in higher education, curriculum studies, teacher education, quality assurance, educational leadership, research supervision and institutional management across Kenya and Botswana.

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