

**EXAMINING THE MECHANISMS OF THE STUDENT LOAN RECOVERY FOR
SUSTAINABLE FINANCING OF HIGHER EDUCATION IN ZAMBIA**

**BY
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**A Thesis submitted to the University of Zambia in partial fulfillment of the requirements
for the award of Degree of Doctor of Philosophy in Education and Development.**

THE UNIVERSITY OF ZAMBIA

LUSAKA

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DECLARATION

I, Alex Mugala, do hereby declare that this thesis represents my own work and that it has not previously been submitted for a degree at the University of Zambia or at another university except in the case where acknowledgement has been made in the text.

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CERTIFICATE OF APPROVAL

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DEDICATION

This thesis is dedicated to my parents, Mr. Francis Gibbs Mugala and Mrs. Alice Nambela Mugala, for instilling in me the value of education, for never losing faith in me since I was young and for bountifully sacrificing their meager resources so that I may pursue my academic goals. Finally, I dedicate my work to and express my gratitude to my siblings Hellen Mugala, Noel Mugala, Given Mugala, Victor Mugala, Lillian Mugala, and Blessings Mugala, whose words of support and push for perseverance continue to resound in my ears. My biggest supporters have been all of you. Your unshakeable, unflinching faith in me will always serve as the main source of inspiration for all I accomplish.

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ABSTRACT

For undergraduate students in public universities in Zambia, the main source of funding for higher education is the student loan programme. The student loan scheme is sustained through government and student loans recoveries. Even though Higher Education Loans and Scholarships Board (HELSB) has achieved tremendous progress in the area of loan recovery, there is still much work to be done. This study therefore sought to examine the modalities of student loans recovery for sustainable financing of higher education in Zambia. The study was guided by the Human Capital Theory and Ability to Pay Theory. The researcher employed pragmatism paradigm and an embedded research design. The respondents were sampled using simple random sampling (students), non-discriminative snowball sampling (graduates) and expert purposive sampling (key informants). This study encompassed a sample of 1400 students, 18 graduates, 1 Ministry of Education Official as well as 6 members of staff at Higher Education Loans and Scholarship Board (HELSB). Questionnaires and interview guides were used to collect quantitative and qualitative data respectively. The quantitative data collected was analysed using a software commonly known as SPSS and qualitative data was analysed using thematic analysis. The findings of the study indicated that the interest rate was relatively high. Despite indicating that the interest rate was too high, some beneficiaries stressed that they would pay their student loans in order for the government to continue supporting other needy students. The findings of the study also revealed that the modalities used by HELSB were retrieving beneficiary records using National Pension Scheme Authority (NAPSA) and Zambia Revenue Authority (ZRA) database, recovering loans through Public Service Management Division (PSMD) and individual/private employers' payroll systems. The study established that one of the factors affecting the recovery of loans was failure or lack of insurance of loans. Other factors include untimely remittances, lack of an Integrated Management Information System, failure to capture and recover loans from beneficiaries who are in the informal sector, lack of an investment policy, lack of employment and low salaries. As regards the performance of the student loan recovery scheme in Zambia, the findings showed that the level of loan recovery had increased exponentially from 2018 to date. Owing to this exponential increase, HELSB has expanded the provision of student loans beyond the traditional University of Zambia (UNZA) and Copperbelt University (CBU). Based on the findings and conclusions, the following recommendations were made: HELSB must consider reducing the interest rate and ensure that the loan deductions are reduced to a fair amount, preferably, the deductions should be proportional to a person's basic salary. HELSB needs to insure the loans because loan insurance considerably reduces the educational debt's financial risk. HELSB must also make sure that borrowers are well-informed about their obligations to repay their loans at the time of application. To aid in the tracing down of beneficiaries whose loans have matured, HELSB needs to establish closer relationships with higher educational institutions, student organisations/unions, and alumni networks. HELSB should also work more closely with employing agencies and employers to ensure timely repayment and recovery of loans. In an effort to increase the employers' compliance levels, HELSB management ought to devote additional resources to leading compliance visits. To enhance the recovery of student loans, the thesis proposed a framework.

Keywords: *Mechanisms, Students, Beneficiary, Student Loans, Loan Recovery, Sustainable Financing and Higher Education*

LIST OF ABBREVIATIONS AND ACRONYMS

BoG - Bank of Ghana

CBU - Copperbelt University

CRB - Credit Reference Bureau

GPA – Grade Point Average

HCT - Human Capital Theory

HEA – Higher Education Authority

HELB - Higher Education Loans Board

HELSB - Higher Education Loans and Scholarships Board

HELP - The Higher Education Loan Program

HESFMS- Higher Education Students Financing Management System

ICT – Information Communication Technologies

IMIS - Integrated Management Information System

KEC - Kenya Education Commission

LBFR - Loan Bursary Fund Regulations

LDRU - Loan Disbursement and Recovery Unity

MDM - Monthly Deduction Method

MOHE – Ministry of Higher Education

MU - Mulungushi University

NAPSA - National Pension Scheme Authority

NHEFC - National Higher Education Fund Corporation

NMDC - National Manpower Development Council

NOK - Norwegian Kroner

NSFAS - National Student Financial Aid Scheme

NSFAS - The National Student Financial Assistance Scheme

NYU - New York University

OM - Offset Method

PACRA - Patents and Companies Registration Agency

PMEC - Payroll Management Establishment Control

PSMD – Public Service Management Division

SDGs – Sustainable Development Goals

SEL - State Educational Loan

TPB - Theory of Planned Behavior

UD - University of Dar es Salaam

UNZA - University of Zambia

USLS - University Student Loan Scheme

ZICTA - Zambia Information and Communications Technology Authority

ZRA – Zambia Revenue Authority

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CHAPTER ONE

INTRODUCTION

1.0 Overview

This research sought to examine the mechanisms of the student loan recovery for sustainable financing of higher education in Zambia. This chapter covers the study's background material with the goal of introducing the study's broad focus. Chapter one also includes a statement of the problem, the study's aim and the research objectives that the researcher focused on while conducting the study. The research questions produced from the study's particular objectives and important assumptions are included in the same chapter. The study's significance is also discussed in order to highlight how the research might be beneficial to diverse stakeholders. In order to assure the study's practicality, delimitations and limitations are highlighted. The operational definitions underpinning the study are also discussed. Finally, the chapter ends with a succinct summary.

1.1 Background and context

In today's educational landscape, the dream of pursuing a university degree is increasingly becoming out of reach for many aspiring students. Shockingly, statistics reveal that a plethora of prospective students are being deterred from accessing higher education due to the skyrocketing costs associated with obtaining a degree. Students are therefore compelled to take out enormous amounts of student loans in order to obtain a degree. A student loan is money a student borrows from the government or a private lender to help pay for university or university costs, like tuition, supplies, books and living expenses (Clark, 2019). It is also defined as a loan which is offered to students at university or university to fund their course, and which must be paid back after they have completed their studies (Richard, 2016).

Conversely, student loan recovery is an attempt to recoup student loans that have not been paid back by a beneficiary (BIS, 2011). When students repay their student loans, they normally pay back both the principal balance (what they borrowed initially) and any

interest that accrues on that balance. Most loans do not require any payments until at least six months after you graduate or drop below half-time enrollment, but from there you will need to make regular monthly payments. The students' loan programme is designed to give low-income students the opportunity to invest in their own future by giving financial assistance when it is needed and allowing them to repay after graduation (Marcucci & Johnstone, 2007). The extent to which this goal can be achieved in a sustainable manner is contingent on former beneficiaries repaying all matured loans in full. The issue of former beneficiaries' loan repayment is crucial in calculating Higher Education Student Loans Board (HELSB's) default rate and loan recovery rate.

Student loan programmes, which are usually focused on tertiary education, are of great importance to governments because they can help governments solve a variety of important policy issues. Student loans can help national budgets by allowing for greater cost sharing through the increase in tuition and other university fees. They allow students to avoid paying rising tuition fees up front and to defer loan repayment until they receive the incomes that are typically paid to university graduates. The freed resources can be put to better use in areas that are more important to society, both outside and inside the education sector, particularly basic education. A higher rate of cost recovery may be possible if effective recovery mechanisms are put in place (Marcucci & Johnstone, 2007).

Loan schemes targeted at the poor and minority groups may increase access to higher education for the poor and minority groups, contributing to social fairness. Loans with favorable terms for education in specific sectors might help to loosen skilled labor bottlenecks that stifle social, economic, and industrial development. Across countries, there are significant disparities in loan schemes. Not only do the basic goals of the schemes differ, but so do organizational structure, beginning financing sources, student coverage, loan allocation systems and collection mechanisms. However, practically all government-sponsored lending schemes have one thing in common: they are heavily supported by governments. This indicates that, unlike business loans, a significant share of the overall loans outlay is made up of consumer loans (Joensen and Mattana, 2017).

Many nations, both developing and developed, have student loan programmes (Johnstone, & Marcucci, 2010). From a global viewpoint, funding higher education is necessary in most developed countries, such as the United States, to fulfill the market's required skills. However, not everyone can afford higher education, necessitating the need for finance through the provision of student loans. Maintaining academic independence in programme selection and accountability requirements is critical to the loans' long-term viability. There has been a recent trend with regards to student aid. In the recent past, there has been a tendency in the United States addressing student aid from an expanding number of beneficiaries. Government loans are the principal sources of support for the majority of students. Despite the growing rate, the number of recipients and the amount spent on loans awarded in the United States have decreased in recent years (Sandy and Kathleen, 2012). This subsequently affected the sustainability of the student loan scheme.

Since the Student Loan Fund of Thailand was established in 1996, many students have been able to access higher education in universities and subsequently transforming society from elitists to a mass institution of learned people in the first ten years of operation. In this scenario, the money supported 2.6 million students throughout the same time period, with an estimated worth of \$5.7 billion. Overall, the Thai Student Loans Scheme has accomplished a lot of things in its brief history, including establishing a statewide loan programme, putting it into motion quickly, and serving well over three million and a half student borrowers (Tangkitvanich and Manasboonphempool, 2010).

According to a study conducted by Jianguo and Rong (2011), higher education in China has changed from elite to mass education since the establishment of the policy on higher education expansion in 1999. In the course of expanding mass higher education, the Chinese government revised prior rules for free tuition. The implementation of these macro-policies posed a serious difficulty in terms of aiding the growing number of needy students who were completing their higher education. To address this issue, China implemented a student loan policy (Jianguo and Rong, 2011).

Jianguo and Rong, (2011) further espouses that the usefulness and sustainability of the student loan programme depend on more than just the way the programmes are designed. The student loan should be available to all students in need and to those who are prepared to accept the offer of investment in higher education in order for the loan to be more useful. To put it another way, the loans should be available to the targeted people for the targeted goals. Repayment must be assured and total repayment must equal the initial loan payment for the current year in order for the loan to be more financially sustainable.

In most African countries, a department for higher education student loans has been established to distribute and recover debts from borrowers because some countries view higher education funding as a cost-sharing procedure. In Tanzania, for example, parents and students believe that subsidizing higher education should be the responsibility of the government. Owing to this, Tanzania established the Higher Education Student Loans Board (HESLB) which is in charge of higher education financing for university students. However, because of the increased number of students who rely on the loan, the exclusion criteria have resulted in fewer students being sponsored and in some cases, loan disbursements being delayed (Chatama, 2014).

In a study by Nyahende, the author found student loans to be successful in higher education. Increased enrolment in higher learning institutions and good debt recovery are two signs of this accomplishment, particularly in Tanzania (Nyahende, 2013). As a result, higher education's affordability is important to its successful economic advancement if it has an effective financial structure for managing and recovering the debt. To make it more effective, Nyahende (2013) suggested that institutions include evaluation criteria for the loan applicants' economic situation and prospective employment. An enforceable legal structure can help with delayed debt recovery and prevent disbursement interruption for future recipients.

Kenya was one of the first countries in the world to implement student loans for higher education in 1952 (Otieno, 2004). After attaining independence in 1964, the government discontinued the loan programme and chose to fund higher education through grants in

order to increase university enrollment and stimulate economic growth. The Kenya Education Commission (K.E.C.) suggested that having highly skilled professionals would help the country transition smoothly from the colonial period. Because of rising enrollment and weak economic growth owing to oil shocks, the government began exploring reactivating the classic student loan system to assist Kenyan students a few years later. To help students cope with economic challenges, the loan programme was reinstated.

The Loan Disbursement and Recovery Unit of the Ministry of Education in Kenya was in charge of the programme. Despite the lack of a guiding strategy at the time, the unit was assigned critical responsibilities to assure access, eliminate inequality, lower drop-out rates, support the correct career choices and complement the government's efforts by increasing tertiary enrolment. Its performance was harmed by a failure to foresee an increase in enrollment and poor programme management and the loan payback rate was very low. The failure of the initiative has been blamed on a variety of factors. To begin with, it neglected to take preventative measures to avoid default, which hampered loan recovery. It comprised personnel who were not appropriately trained because it was a department under the Ministry of Education. However, the legal issues were addressed in 1995 when a parliamentary act established the Higher Education Loans Board (HELB) to provide effective loan administration and a framework for recovery (Otieno, 2004; Johnstone, 2010).

The HELB in Kenya is underfunded and heavily reliant on government support. Documentary evidence reveals, however, that the Kenyan HELB is operating far better in terms of debt recovery than other student loan schemes in the East African region, owing to a strong culture of return among loan beneficiaries. This is due to the country's long association with capitalism, which instills personal responsibility for one's own well-being rather than delegating it to the government. Despite its relatively high debt recovery performance, the HELB is not operating at full capacity as a result of increased student enrollment, limited financial capacity and other problems. State university enrollment increased by 41% from 195,428 in 2012 to 276,349 in 2015. Overall, from 240,551 in 2012 to 324,560 in 2014, student enrolment increased roughly by 35% (Nganga, 2016).

Inadequate budgetary allocations are the HELB's biggest problem. For example, in 2013/14, the government allocated KES 2.365 billion, or 15% of the KES 14.5 billion asked (HELB, 2013). Other Challenges include over dependence on government funding, incomplete student records, which frustrate loan recovery and a weak regulatory framework. Shockingly, the cabinet minister in charge of education can override the decisions of the Board, and waive loans, loan penalties or interest on loans, rising graduate unemployment, which may cause loan beneficiaries to seek employment outside the country and complicate loan recovery, a weak loan compliance/inspection mechanism, and inadequate infrastructure and systems integration (HELB, 2014).

In Zambia, the current loan scheme was implemented in 2004 to replace the previous bursary scheme (Masaiti et. al, 2016). In light of the foregoing, Mwelwa (2014) asserts that the establishment of a student loan scheme serves two purposes. Its goal is to encourage cost-sharing and access to higher education for all. The Higher Education Loans and Scholarships Board (HELSB) was established by Statutory Instrument number 182 of 1973 of the Education Act of the Laws of Zambia to administer grants, loans, scholarships, and fellowships for Zambians pursuing higher education. Students pursuing degree programmes at University of Zambia (UNZA), Copperbelt University (CBU), Mulungushi University, Robert Makasa University, Chalimbana University, Levy Mwanawansa University, Nkhumba University, Mukuba University are supported by the Loans and Scholarship Board. Over 15,000 students, both locally and internationally, were being supported by the HELSB in 2021 (MOHE, 2021).

Despite the fact that the loan scheme began in 2004, recovery of the debts did not begin until 2018, because the Statutory Instrument No.182 of 1973 was found to be insufficient in terms of loan repayment. The rehabilitation process, which was supposed to start in July 2009 with the first receivers of the loans who graduated in July 2008, was compromised as a result (Masaiti et. al, 2016; Mwelwa, 2014).

In Zambia, the student loan scheme is divided into four levels based on the financial needs of domestic undergraduate students. Tuition coverage options include 25%, 50%, 75%,

and 100% coverage. The loan programme also covers some other educational fees such as a book allowance, a project allowance, and a daily subsistence allowance, which was eliminated by the Patriotic Front regime but was reinstated by the New Dawn government (UPND regime). The loan recipients are determined after a thorough review of their background information. The Ministry of Community Development, Mother and Child Health's Department of Social Welfare is in charge of reviewing applicants' financial situation and generating a social welfare report. This department's field officers visit houses to verify the information provided in the application and to ensure that the essential documentation is present. The assessor's recommendation for eligibility to the loan plan concludes the evaluations. Under the current arrangement, the loan repayment period is ten years, with a one-year grace period once the course is completed (HELSB, 2022).

In 2020, Mushimba reported that over 52 Million Kwacha was recovered by the HELSB from the beneficiaries. According to Mushimba, over 49 Million Kwacha was recovered from over 4 thousand beneficiaries working for the Government, while over 3 million Kwacha was recovered from the beneficiaries working in the private sector. By tracking down more than 4,000 beneficiaries via the government payroll system and more than 11,000 via the National Pension's Scheme, HELSB was able to recoup the funds. Mushimba added that the board was able to provide financial aid to over 1,400 students at seven public universities for the academic years 2018–2019 and 2019–2020 thanks to the money it was able to retrieve.

HELSB reported recovering a total of K20.4 million in the first quarter of 2021. According to the HELSB, the additional K20.4 million takes the total amount collected from 2018 to the end of March 2021 to K115.6 Million. A total of 46,644 recipients were sponsored by HELSB, and some of the accrued loans have since matured. There are currently 10,391 beneficiaries paying back through payroll systems, of which 6,291 are doing so through the government payroll and 4,100 are doing so through the payroll systems of their individual employers since they work in the private sector. HELSB further indicated that since commencement of the recoveries in 2018 the number of institutions remitting on behalf of

their employees (student loan beneficiaries) has increased from 1 institution in 2018 to 93 institutions by 31st March, 2021.

In light of the foregoing, it is ostensible that Zambia and other countries have embraced student loan schemes because higher education has become increasingly important in the world, not only to individuals for the purpose of enriching their lives and enhancing their status, but also to society as a whole for the sake of economic prosperity and advancement of good governance. Individuals and society benefit from higher education as a result of increased economic wealth, growth of democracy and social fairness (Davis, 2019).

The world's lending schemes are currently failing to deal with the rising problem of student loan defaults. This is primarily due to the economic downturn and the unemployment of recent graduates, who are unable to repay their higher education loans. Education loan schemes are unable to assist students from middle and low income households attend post-secondary education due to the high default rate of graduates (Ngali, 2013). Similarly, Clark (2019) asserts that educational loan default is unquestionably on the rise.

In the last 30 years, student loan recoveries have wedged a lot of research interest. However, there have been few multivariate analyses employing national databases. Much of the most important studies were done a decade or more ago (Otieno, 2004). Defaults and repayments on student loans are influenced by a number of factors, according to studies. These include student characteristics as they enter university, such as family income and race/ethnicity, as well as students' university experiences in terms of institution type, subject of study, and educational outcomes. Furthermore, crucial considerations include students' financial help and the amount of debt they acquire, as well as their employment and income after university (Mussa, 2015). Based on the aforementioned context, this study examined the mechanisms of the student loan scheme recovery for sustainable financing of higher education in Zambia.

1.2 Statement of the Problem

Globally, student loans have been promoted as a means of covering the costs of higher education (Otieno, 2004; Ngali, 2013; Johnstone, 2015). Student loans assist both students and governments in lessening their financial burdens. Over the years, there has been a noticeable increase in the number of students delaying or failing to pay back their matured student loans. According to Darolia (2013), poor student loan recovery has raised concerns about the public financial risks connected with nonperforming debts as well as the financial difficulties that many students experience. Poor student loan recovery is a problem in several nations, affecting students' educational access, continuity and performance. This subsequently culminates in delayed student loan disbursement. Disbursement delays are caused by the poor rate of government loan recovery and expanding student financial needs. Students from low-income families are disproportionately affected (Kenayathulla and Tengyue, 2016). On a global scale, most research has focused on determining what causes delays and the notion of student loan indebtedness, as well as making recommendations for changing the current financial aid situation to assist other students in gaining access to higher education (Mussa, 2015; Mueller and Yannelis, 2019). Most studies in Zambia have solely focused on cost-sharing in higher education Mweemba (2003), Chihombori (2013), Masaiti and Shen (2013). Mwelwa (2014) conducted a similar study that looked into Zambia's ability to design and administer a successful student loan system as a viable cost-sharing measure for improving equal access to higher education in Zambia. There appears to be little research on the mechanisms of student loans recovery for sustainable financing of higher education in Zambia. Consequently, if studies on this salient topic are not conducted, there may be a dearth of literature on student loan recovery and the performance of the loan scheme as well as the mechanisms used to recover matured student loans on the Zambia terrain will remain unknown. In view of the foregoing, this study examined the mechanisms of the student loan scheme recovery for sustainable financing of higher education in Zambia.

1.3 Purpose of the study

The purpose of this study was to examine the modalities of the student loans recovery for sustainable financing of higher education in Zambia.

1.4 Specific Objectives

This study was guided by the following objectives;

1. To explore the perceptions of beneficiaries towards student loan repayment in Zambia.
2. To establish the modalities used by Higher Education Loans and Scholarships Board (HELSB) to recover student loans from the beneficiaries in Zambia.
3. To ascertain the factors affecting the recovery of student loans at Higher Education Loans and Scholarships Board (HELSB) in Zambia.
4. To evaluate the performance of the student loan recovery scheme in Zambia.
5. To propose a framework that can enhance the recovery of student loans for sustainable financing of higher education in Zambia.

1.5 Research Questions

This study sought answers to the following research questions;

1. What are the perceptions of beneficiaries towards student loan repayment in Zambia?
2. What modalities are used by Higher Education Loans and Scholarships Board (HELSB) to recover student loans from the beneficiaries in Zambia?
3. What factors are affecting the recovery of student loans at Higher Education Loans and Scholarships Board (HELSB) in Zambia?
4. How is the performance of the student loan recovery scheme in Zambia?
5. What would be an ideal framework that can enhance the recovery of student loans for sustainable financing of higher education in Zambia?

1.6 Significance of the study

This study is expected to add to the current body of knowledge about higher education financing in Zambia. The study has also contributed to the existing literature on factors

influencing student repayment of higher education loans and serve as a reference for future academic research in related fields. The study is expected to contribute to a more efficient and long-term operation of the loan scheme, allowing it to better serve the targeted population of Zambians, which primarily consists of poor students or students from disadvantaged backgrounds who are unable to access higher education without external financial assistance. The study's recommendations may help to eliminate common problems (student demonstrations) linked with student loans, which appear to be recurrent in various Zambian higher learning institutions. The study will have made a contribution to guaranteeing equal access to higher education for Zambians who wish to pursue it. Furthermore, in terms of research, the report may spark more in-depth investigations for future academic research in related fields.

The study could also help the general public comprehend the numerous elements that influence university students' repayment of higher education loans in Zambia. This research may also provide insight to government policymakers on the factors that influence beneficiaries' repayment of higher education loans. The findings could also help policymakers and the HELSB develop long-term methods for assessing, planning, and reviewing education financing. This research would help HELSB collect important data to improve its loan allocation and recovery operations. The findings might allow HELSB to incorporate new recommendations for repayment of such loans in order to reduce default rates and encourage beneficiaries to repay their debts. The study will offer a titillating contribution to our understanding of the general factors impacting loan repayment by higher education loan recipients by using graduates as a reference point. The findings can also be applied to students who borrow money from other financial institutions to cover their educational costs.

1.7 Delimitation

Delimitations are the boundaries that the authors voluntarily impose for themselves. They are concerned with the definitions that the researchers choose to designate as the boundaries or limits of their work in order to keep the study's aims and objectives from

becoming unattainable (Ellis, 2009). It may be claimed that delimitations are under the researcher's authority in this regard. Thus, delimitations are primarily concerned with the theoretical backdrop, objectives, research questions, study variables and sample of the study (Leedy, 2016). The study examined the mechanisms of the student loan scheme recovery for sustainable financing of higher education in Zambia. The data was collected from officials at HELSB, Ministry of Education and students from some Zambian public universities who have accessed student loans from HELSB. The rationale of choosing beneficiaries who have graduated is because their loans are due for payment. Similarly, the rationale of sampling students is because their loans will be due for payment after graduation.

1.8 Limitations of the Study

Limitations relate to potential flaws in a study that are usually beyond the researcher's control and are strongly linked to the research design, statistical model constraints, financing constraints, or other reasons. In this context, a limitation is an 'imposed' restriction over which the researcher has little control. Limitations may have an impact on the study's design, findings, and conclusions (Montori et al, 2004). The study was limited to selected officials at Higher Education and Loans and Scholarships Board (HELSB) and students from some Zambian public universities who have accessed student loans from HELSB. Though this may be a subjective selection of respondents in the questionnaire administration, the results from the study would not in any way influence the generalization of the study. Time and resources were other major limitations to the study. Further, some of the selected respondents were not willing to take part in the study. The major flaw was the limited sample of graduates. A large sample may have helped to enrich the results. This impacted the study by restricting the researcher to obtain data from a large sample. The researcher overcame this limitation by getting rich information from participants until the level of data saturation was reached.

1.11 Operational Definition of terms

Due to the fact that words are contextually ambiguous depending on the situation at hand, the following terms whose working definitions are given below, were used in the study.

Student: refers to a student is primarily a person enrolled in a school or other educational institution and who is under learning with goals of acquiring knowledge, developing professions and achieving employment in a desired field;

Graduate: refers to a person who has successfully completed a course of study or training, especially a person who has been awarded an undergraduate or first academic degree.

Loan Beneficiary: refers to a student or former student who is or was granted a loan under the Act;

Student Loan: refers to a loan granted to a student by HELSB for the purpose of defraying the costs connected with education at a local Higher Education Institution including costs connected with the board and lodging of the student for the purpose of attending higher education;

Scholarship: refers to an award granted to a student by Higher Education Loans and Scholarships Board for the purpose of defraying the costs connected with the student's education at a local or foreign Higher Education Institution including costs connected with the board and lodging of the student for the purpose of attending the higher education institution;

Student loan recovery: refers to an attempt to recover student loans that have not been paid back by a beneficiary;

Higher education: refers to education at universities or similar educational establishments, especially to degree level;

Higher Education Institution: refers to an institution that provides higher education on a full-time, part-time or distance learning basis;

Higher education loan: refers to a form of monetary assistance availed to students to meet the expenses associated with their studies;

Loans and scholarships board: refers to a board put in place to provide for the granting, administration, investment, payment and recovery of loans; provide for the administration and granting of scholarships; facilitate the mobilisation of financial resources for loans and scholarships; and provide for matters connected with, or incidental, to the foregoing;

Scholarship: refers to an award granted to a student by Higher Education Loans and Scholarships Board for the purpose of defraying the costs connected with the student's education at a local or foreign Higher Education Institution including costs connected with the board and lodging of the student for the purpose of attending the higher education institution;

Financing of higher education: refers to the process by which revenues and other resources are derived and allocated for the formation and operation of higher education institutions;

Sustainable financing: refers to the ability for a programme to continue for a long time;

Perceptions: refers to a mode of apprehending reality and experience towards a given phenomenon;

Factors: refers to an element that influences something;

Approaches: refers to a way of dealing with something;

Performance: refers to a measure of the success or failure of a scheme using various parameters;

Implications: refers to a possible future effect or result;

The Act: refers to the Higher Education Loans and Scholarships Act No. 31 of 2016;

1.12 Organization of the Thesis

This thesis is divided into seven chapters. Chapter one gives an overview of what the research is all about. It presents the background information to the topic from international and local perspectives and laid the foundation under which the study was undertaken. It further presents the statement of the problem, purpose of study, objectives and research questions. It provides the significance of the study, limitations and delimitations as well as operational terms in the study.

Chapter two presents the conceptual frame work, and the theoretical framework that informed the study. Two theories namely Human Capital Theory and Ability to Pay Theory were used to provide a solid theoretical foundation and inform the interpretations of the findings.

Chapter three analysed literature related to the study topic. The concept of student loan scheme recovery for sustainable financing of higher education examined were discussed and reviewed. This step facilitated the contextualization of the topic using international and local studies.

Chapter four covered the methodology and/or research process used in the study. The chapter discusses the philosophical and research paradigms, research design and target population. It further presents sampling techniques, data collection techniques and data analysis procedures and ethical issues. It winds up by discussing methods of validity and reliability.

Chapter five provides the presentation of findings (quantitative and qualitative data). The presentation is in tandem with the research questions that guided the study.

Chapter six discusses the findings presented in chapter five according to research questions and themes emerged from the findings. Further, it discusses the theoretical underpinnings, innovations and contributions of the research to the academic world and research implications.

Chapter seven gives the synopsis of the study, conclusion and recommendations based on what has emerged from the research and suggestions for future research.

1.12 Summary

This Chapter has presented the background to this study, outlined the identified problem that has prompted its undertaking, and highlighted the purpose of the intended study. In addition, the chapter has also outlined the aim and specific objectives guiding the study. The significance attached to undertaking the study has also been highlighted. This chapter has further outlined the scope of the study, operational definitions within the study, and finally, but not the least, the delimitation and limitations and theoretical and conceptual frameworks of the study. The next chapter will discuss literature pertaining to the main concepts of this study, and the lacunas identified therein.

CHAPTER TWO

CONCEPTUAL AND THEORETICAL FRAMEWORKS

2.1 Overview

The theoretical and conceptual framework clarifies a research's course and firmly establishes hypothetical conceptions as its foundation. The two frameworks' main goals are to increase the generalizability, acceptability, and meaning of research findings in relation to the field's theoretical constructs. This chapter therefore covers the conceptual and theoretical frameworks of the study in relation to the modalities of student loans recovery for Sustainable Financing of Higher Education in Zambia. The theories that were considered in this study are Human Capital Theory and Ability to Pay Theory. The conceptual and theoretical frameworks were discussed in their respective order and the chapter ends with a summary.

2.2 Conceptual Framework

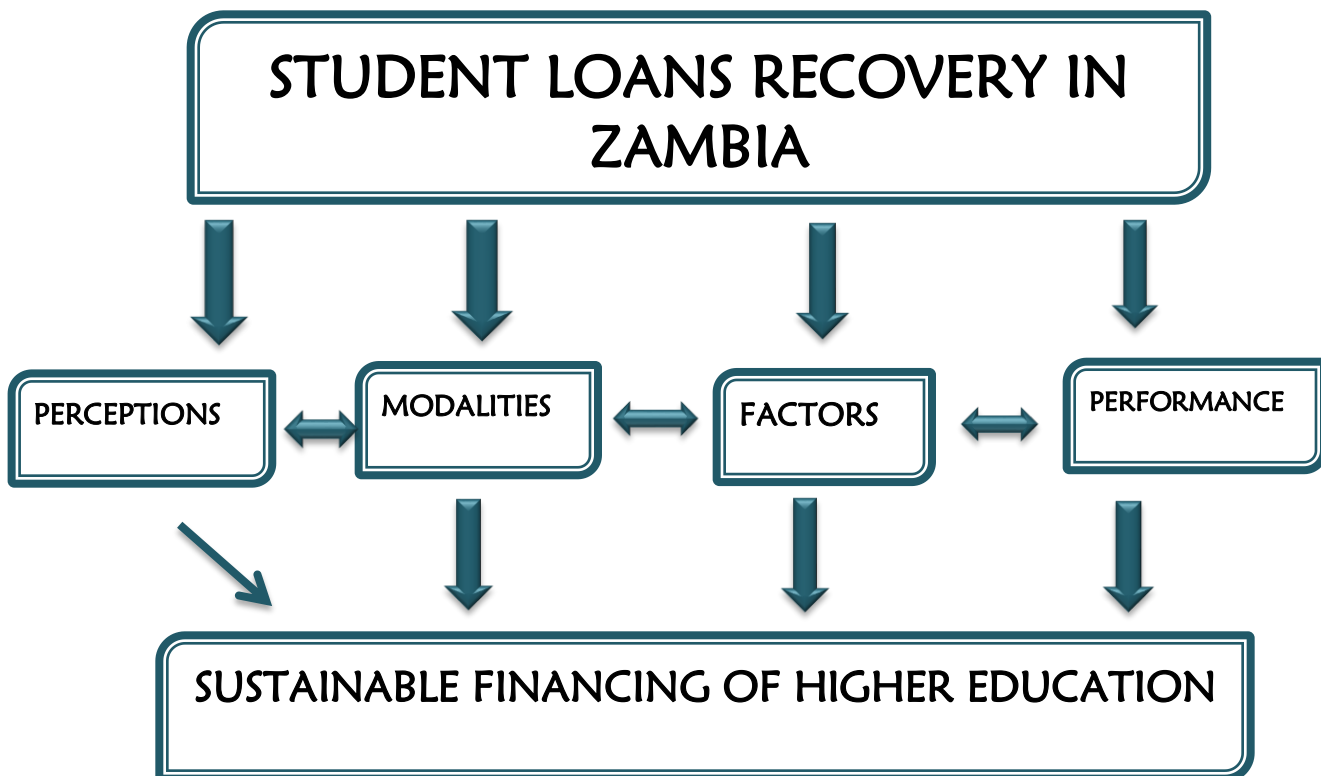


Figure 2.1: Conceptual Framework

Referring to the above figure, the conceptual framework used in this study was dependent on a number of variables, including beneficiaries' perceptions of student loan repayment, modalities the HELSB employs to recover student loans, factors influencing student loan recovery and the performance of the student loan recovery programme. According to the conceptual framework shown above, a thorough understanding of perceptions, modalities, factors and performance of student loan recovery is required for sustainable funding of higher education to be realised in Zambia.

In many nations during the past few decades, there has been an increase in the importance of loan payback among university students as well as a deepening of views toward loan repayment (Sandy, 2012). However, the fact that intense worry over debt payback does not match real behaviour confounds some researchers. It is determined that each student does not attribute his or her own actions to the deepening of the loan default. This has led some researchers to identify a mismatch between words and deeds or an attitude-behavior gap. Such a diagnosis may be troublesome because it highlights the fact that attitudes or concern can only be trusted to accurately predict and explain behaviour if and when they are issue-specific (Choi, 2014).

Previous studies (Marcucci, & Johnstone, 2010, Darolia, 2013) in western nations have frequently found weak relationships between attitudes and behavior. The borrower's attitude toward many items that could influence his or her propensity to default, such as loans, is referred to in this context as attitude. Students have certain traits that make them default on their loans, including their attitude about debt and default. In general, respondents in a study by Abu Bakar et al. (2006) had negative opinions toward loans and debt repayment. As a result, once they graduate, the negative attitudes and views may have an impact on loan repayment.

The perceptions of beneficiaries towards loan repayment can vary depending on various factors such as the terms of the loan, the individual's financial situation, their cultural background, and their beliefs about debt and responsibility. Overall, understanding the diverse perceptions of beneficiaries towards loan repayment is essential for designing

effective lending programs, promoting financial literacy, and fostering responsible borrowing behavior. By addressing the underlying factors influencing borrowers' attitudes and experiences with debt, lenders can improve loan repayment rates and support borrowers in achieving their financial goals (Barr, 2009).

By any measure, the students' loan scheme that the Zambian government implemented to replace the bursaries scheme was long overdue. If properly managed, it would be sustainable because it is intended to help students from not only the University of Zambia and Copperbelt University but the entire spectrum of tertiary education. The Loans Board should have prioritised merit while disbursing these loans rather than the recipient's institution. The loans board's initial decision to grant these loans only to UNZA and CBU students had not done much to dispel previous students' feelings of "entitlement," as they did not seem to understand that these loans should be granted to any student of higher education, based on need and willingness to repay (Mwanza, 2018).

There are valid arguments for why the government should give attention to the protest from former students against universal loan payback provided one received the loan. While youth unemployment is still a ticking time bomb and the majority of graduates are still out and about in Zambia, the demand makes no allowance for beneficiaries' financial circumstances. Unfortunately, even Zambia's highly praised higher education system has been designed to encourage graduates to view themselves as employees rather than as employers (Almendarez, 2010).

The government's student loan scheme and the requirement that recipients repay must be supported, but only until the government is confident that it has built an environment that enables graduates to support themselves and their families with or without formal employment. The government must engage in productive discussion with both current and former students about the numerous difficulties that students encounter, including how these debts must be repaid. The Ministry of Higher Education was established with the intention of serving the needs of students in higher education, however this Ministry is typically only acknowledged when dealing with student riots. The Ministry of Higher

Education was, for the most part, out of step with students in trying to find solutions to the issues that faced higher education students (Linda, 2019).

The students' loan scheme is a better alternative to the bursaries scheme, which was unsustainable, but the decision to reclaim the monies should be put on hold for the time being until positive engagement with all parties involved in this loan scheme takes place. There are several important issues that need to be addressed, including the high interest rate on this student loan and the method of repayment, which should take the beneficiaries' financial situation into account. The government should be commended for putting the students' loan scheme into practice for the sake of our educational system as a whole. If the loan scheme is properly executed, it will significantly alter the landscape of higher education. Higher education will attract a lot more students, which will ultimately be beneficial for the numerous young people who currently struggle to get sponsorship. The likelihood of human development will rise proportionately with the growth in students enrolling in higher education (Mwanza, 2018).

By enabling greater cost sharing through the increase in tuition and other university fees, student loans can ease the strain on public budgets. Resources that have been freed up can be applied to social issues that are more urgent, both inside and beyond the education industry and especially in basic education. In order to meet rising social demand for tertiary education, increased cost recovery could provide additional funding for university system expansion. Subsidized loan scheme, which are aimed at the underprivileged, may increase access to higher education for the underprivileged and underrepresented groups, promoting social equity. A loosening of skilled labour bottlenecks that impede social, economic and industrial development might also result from loans granted at advantageous terms for study in specialized professions (Linda, 2019).

In Zambia, for students from low socioeconomic family backgrounds, student loans as a source of funding for higher education play a significant role in promoting access to tertiary education. In order for the students to continue and finish their higher education, adequate funding is provided in a timely manner. HELSB may also think about how to enhance the

current system of student loans by looking at the student loan policies that other nations employ. Considering the nation's current economic state, it is possible to weigh the benefits and drawbacks of such operations. Such a process can be used, with the appropriate adjustments, to guarantee that financially strapped students receive the higher education that will both change their lives and advance the economy (Hawkins, 2017).

There are significant variations among nations' student's loans schemes. The core goals of these schemes vary, but so do other aspects including organisational structure, beginning financing sources, student coverage, loan allocation processes and collection techniques. However, there is one feature that practically all government-sponsored lending schemes have in common: they all receive substantial government subsidies. This indicates that, in contrast to commercial loans, a sizable amount of the overall loans expenditure made by the lending body whether it be a government department, loans scheme authority, or commercial bank will not be repaid. Two factors account for the difference between total loan disbursements and total loan recovery. First, the architecture of the loans schemes includes built-in interest rate subsidies. Additionally, there are operational inefficiencies in the form of significant repayment default and excessive administrative expenses (Chihombori, 2013).

A substantial and persistent disparity between payments and revenue suggests ongoing financial assistance from the government. This also applies when funding for loan schemes comes from non-governmental sources like the banking system rather than from the government; in this situation, in addition to interest rate subsidies, there is a need for continued government guarantees against failure. Government subsidies to a certain extent might continue to be a characteristic of student loan schemes as they are currently run because practically all loan schemes recover their loans and many of them experience very high losses. The commonly held credence that student loan programme might function as revolving funds that, once capitalized, can later finance themselves through loan repayments from the past is achievable. To pay for the expenses of the built-in loan repayment subsidies and to offset losses from non-repayment leakages, governments will need to inject money every year. In this situation, the size of the higher education system

is steady and this is especially true when the system is growing, as it is in a large number of nations (Choi, 2014).

The rationale for significant built-in student loan subsidies is weak in loan schemes when cost recovery or student independence are the primary goals. In both of these situations, student loans are meant to lessen the financial strain on students while they are in school and to postpone fee payment (by borrowing) until after graduation, when payment is more easily made from the anticipated increase in earnings that the additional education enables. The level of built-in subsidy in these situations is frequently too high; the goal should be close to complete loan recovery (Mwanza, 2018).

The relatively low enrollment of young people from underprivileged backgrounds in higher education institutions is a societal issue in many nations. A key component of educational and social policy today is expanding these groups of people's access to higher education. Despite the fact that there are many factors contributing to the poor's limited access, it is clear that money issues are a significant factor. There is now widespread agreement that it is essential to provide distinct financial incentives to low-income, prospective students in order to help them overcome the burden of tuition payments and living expenses as well as overcome parental opposition to income reductions and the concern that the educational process may not result in significant benefits. Therefore, it is possible to view the provision of financial aid as a necessary but not sufficient requirement in order to increase the involvement of the underprivileged (Sinks, 2019).

In the long run, as loan repayments accumulate, using loans instead of subsidies that are specifically aimed at the poor may both enhance access for the underprivileged and lower, or at least restrict, public spending on student support. Loans might need to be made available under "soft" lending criteria if they're going to be effective at increasing the poor's access to higher education. The apparent advantage of loans over grants is less pronounced since a grant provides a greater and more immediate incentive for access than does a (partially) repayable loan (Linda, 2019).

The majority of the loan schemes in South East Asia were found to follow the social targeting approach in a comparative analysis (Ziderman, 2004). However, the data did not show a significant improvement in the access of the underprivileged to higher education. There were a few crucial prerequisites for success that were missing. These include carefully and deliberately targeting loans to ensure that they do in fact reach the poor and other disadvantaged groups, failing which the scheme's main goal is compromised. Because these essential components are frequently absent, loan intended to increase the involvement of the poor are frequently ineffective.

Government student loan programmes or schemes are costly and frequently heavily subsidized. Governments have a great interest in keeping overall loan scheme costs and in particular, subsidy levels within suitable and realistic limitations given the tightness of public budgets in many nations (Givecha, 2012). It will be necessary to carefully defend the current levels of loan subsidies, create effective methods for collecting loan repayments and continuously assess the loan scheme's results to make sure its goals are being met. The sort of debt collecting system in place can affect the degree of repayment default. In particular, it has been vehemently contended that income contingent repayments schemes are likely to lessen the issue of repayment default since an excessive payback burden is avoided during times of unemployment and low incomes.

The performance of a student loan scheme can be evaluated based on various factors, including its effectiveness in increasing access to higher education, supporting student success and completion, managing default rates, and promoting positive economic outcomes. One measure of success for a student loan scheme is its ability to expand access to higher education, particularly for students from underrepresented or disadvantaged backgrounds. High participation rates and increased enrollment among target populations indicate that the scheme is effectively reducing financial barriers to education (Hayes, 2012).

The performance of a student loan scheme can be evaluated based on student outcomes such as retention, graduation rates, and academic achievement. A successful scheme should

support students in completing their degrees in a timely manner and achieving positive learning outcomes. Monitoring loan repayment rates is crucial for assessing the financial sustainability of the scheme. High repayment rates indicate that borrowers are able to manage their debt obligations, while low repayment rates may signal issues such as loan default, delinquency, or financial distress among borrowers ().

Managing default rates is essential for the long-term viability of a student loan scheme. Low default rates demonstrate that borrowers are able to repay their loans successfully, while high default rates can strain the financial resources of the scheme and negatively impact its ability to provide loans to future students. Gathering feedback from borrowers about their experiences with the loan scheme can provide valuable insights into its effectiveness and areas for improvement. Surveys, focus groups, and other forms of feedback mechanisms can be used to assess borrower satisfaction and identify areas where the scheme is performing well or falling short (Nawai, 2010).

Assessing the impact of the student loan scheme on borrowers' long-term economic outcomes, such as employment prospects, earnings potential, and socioeconomic mobility, can help determine its overall effectiveness in promoting economic opportunity and social equity. Evaluating the cost-effectiveness and efficiency of the student loan scheme involves analyzing its administrative costs, overhead expenses, and operating efficiency relative to the outcomes achieved. A well-managed scheme should strive to minimize administrative overhead and maximize the use of resources to support student success and access. By monitoring these key performance indicators and regularly evaluating the effectiveness of the student loan scheme, policymakers, lenders, and education stakeholders can make informed decisions to improve access to higher education, support student success, and ensure the long-term sustainability of the loan program (Davies, 2019).

The financial and other benefits of investing in higher education are substantial for both individuals and society as a whole. Student loans therefore have become a common way to pay for tuition and this subsequently leads to the realization of these benefits. The loan

trend, however, has some major drawbacks because it is very possible that students who stopped making loan payments may struggle to obtain employment (World Bank, 2008).

Sustainable financing of higher education is essential for ensuring access to quality education while maintaining financial stability for institutions and governments (Choi, 2014). Implementing income-contingent loan programs and need-based financial aid can help students afford higher education without imposing excessive financial burdens. These programs ensure that repayment is based on borrowers' income levels, making education more accessible and affordable. Universities can improve financial sustainability by implementing cost-saving measures, streamlining administrative processes, and eliminating inefficiencies. This may involve restructuring academic programs, optimizing resource allocation, and adopting technology solutions to enhance productivity. Governments play a crucial role in supporting higher education through direct funding, grants, and subsidies. Policymakers can prioritize investment in education, establish funding mechanisms that promote equitable access, and implement regulatory frameworks that encourage institutional accountability and performance (Mussa, 2015). By adopting a multifaceted approach that combines revenue diversification, cost management, and strategic partnerships, HELSB can achieve sustainable financing while fulfilling their educational mission and serving the needs of students and society.

2.3 Theoretical Framework

This study was guided by two theories namely Human Capital Theory (HCT), and Ability to Pay Theory.

2.3.1 Human Capital Theory

According to Becker (1996), human capital theory is an investment that entails paying money in order to gain new knowledge through education. Individuals acquire human capital through schooling, post-secondary investment and on-the-job training (Almendarez, 2010). Parents put time and money into their children's education. Absolutely, parents investing time and money into their children's education is crucial for

their development and future success. Education provides the foundation upon which children build their understanding of the world, develop critical thinking skills, and pursue their passions and career aspirations. Ultimately, the investment parents make in their children's education reflects their dedication to nurturing their potential and preparing them for a fulfilling and prosperous future. Education improves a person's chances of acquiring better jobs with higher pay therefore money spent on education today is an investment that will subsequently yield higher returns in the future. Savings or borrowed funds might be used to pay for schooling. Students from low-income households frequently borrow money from the HELSB to fund their education and they must repay the money.

Human Capital Theory promotes research into the factors that influence a person's propensity to spend in educational credentials and training that will result in a higher return or financial compensation. The assumption behind public subsidies is that when the advantages surpass the costs, academically capable but low-income students are driven to pursue tertiary education. According to this hypothesis, an individual will invest in human capital if the potential advantages outweigh the expense of schooling. The cost of schooling comprises the repayment of the principle amount borrowed as well as the interest associated with it. Investing in higher education increases the likelihood of finding work after graduation. When the student finds work, he will be able to pay off his/her loan (Almendarez, 2008).

With a lower default rate, more funds will be available to promote higher education by providing student loans to more deserving students (Nyahende, 2003). According to Chapman (2008), defaulters' characteristics that affect repayment are a major source of poor repayment, which can lead to a lack of funds to support the student loan scheme. Students' loans will encourage more students to pursue school by providing appropriate funding for students from low-income families. In order for the loan scheme to be able to give funding to other needy and qualified students, debt recovery from previous beneficiaries must be prioritized (Nyahende, 2013). To guarantee that loans are available to all loan applicants, obstacles to complete recovery of education loans from students must be addressed. According to the theory, costs must be incurred in order for someone

to gain information and skills (education) and that by doing so, the bearer of education becomes more productive and therefore his or her wages improve. Direct costs such as monetary or out-of-pocket charges are included in the investment costs as are indirect costs such as forgone earnings (pay and any other perks associated with a job).

Higher education, according to the preceding postulates of the theory, is a type of investment in which individuals must commit fees in order to obtain it. Human capital theory suggests that people should invest in themselves by pursuing higher education. The costs must be borne by students, their families and the government. Despite the fact that the HCT does not specify where investment should come from, that is, who should invest, investment must be made based on the social and private benefits of higher education. Higher education, while immediately benefiting the bearer and so establishing the clear grounds for an individual to undertake the charges, does not ensure that the individual reaps the full benefits of their investment (Almendarez, 2010).

According to Walker and Mkwanzani (2015), more education can boost coworker productivity and improve social cohesiveness. As a result, the overall societal returns to education investment (that is, the social returns) may be greater than the sum of all private rewards. Thus, the three benefiting parties, namely students, parents, and the government, are expected to bear the costs of investing in one's higher education (the taxpayers). When it comes to the ability of students and parents to bear the costs of investment, there are times when some people are intellectually qualified for higher education but economically (financially) unable to do so. This reinforces the idea of fairness as a way for financially disadvantaged people to gain entry to higher education.

Numerous empirical studies show that more skilled and educated people are better at adjusting to change. They have the capacity to take advantage of new possibilities as they arise and to forge new ones on their own. In the workplace, they increase productivity. A higher level of competence also makes it easier for workers to move between jobs, industries, and geographies in response to new opportunities. Reallocating both physical and human resources to more advantageous chances and even being aware of them is

made easier by it. A workforce with more education will be more adaptable. People with greater education levels are better equipped to learn new concepts, accept foreign technologies, advance local technologies, and comprehend and apply knowledge from other contexts to their own (Choi, 2014)

Student loans, which are free for eligible persons, have become an alternative to solve the complexity of equity and access to higher education. Despite the foregoing situation, some authors (Johnstone, 2002) suggest that investing in one's education is becoming increasingly expensive. Johnstone (2003) also claims that many state governments around the world have historically borne practically all of the expenditures of higher education on behalf of individuals and organizations. Individuals must share the costs of higher education with the government due to the rising cost of higher education and the presence of many other socioeconomic sectors that require more or equal attention.

The student loan scheme, in theory, is a source of finances for someone to invest in his or her higher education. Similarly, students obtain monies from loan providers and invest them in their higher education with the expectation of future returns. Students will eventually be able to repay their loans after graduating and having met their final expectations (returns) from higher education. A student loan programme as a source of finances for those seeking higher education is anticipated to be reliable and long-term in order to give borrowers confidence and security (Johnstone, 2002). This is especially important when one of the primary goals of the loan programme is to help impoverished students.

Zambia's loan system is one of the prominent local lending schemes. The acquisition of a loan, as a source of investment for disadvantaged students, is considered to be beneficial to them in every way. The procedures for application, disbursement and repayment are all included. It is assumed that with convenient procedures, students will invest in themselves through further education and gain the information and skills that will enable them to earn greater wages providing that the job market will be on their side. In fact,

repayment of the debt may not be an issue for those who decide to pay it back, let alone those who intentionally default (Mwanza, 2018).

2.3.2 Ability to Pay Theory

The second theory that underpinned this study is the Ability to Pay Theory. The "Ability to Pay" theory has roots in the works of various economists and political philosophers throughout history. While it is challenging to attribute its development to a single individual, several thinkers have contributed to its conceptualization and popularization over time. An influential figure in the development of the Ability to Pay theory is John Stuart Mill, a 19th-century philosopher and economist. In his book "Principles of Political Economy", Mill advocated for progressive taxation as a means of achieving social justice and reducing economic inequality (Choi, 2014).

According to this theory, individuals plan their spending based on their predicted future earnings rather than their existing earnings. As a result, students may borrow to fund their tertiary education, with the expectation of repaying the student loan later. Tertiary education investments, according to Baum and Schwartz (2006), are risky because students may not be able to graduate, not all graduates will be able to find rewarding professions and unanticipated changes (such as health, the economy, and family situations) may disrupt a life plan. The borrower's income is reduced as a result of these risky situations. Student loan repayment will be determined by the quantity of income received and his or her ability to make a livelihood while repaying the debts on time.

Considering the quantity of income obtained, a student may not be able to make ends meet while repaying their loans, resulting in an insurmountable debt. The ability-to-pay theory is the principal model utilized in the literature to investigate manageable debts, loan delinquency, and default since it offers the theoretical foundation for relative comparison. Non-repayment of a student loan occurs when a student believes that certain expenses, such as those required to maintain a basic level of living, are more important than repaying the loan. Even though the borrower may not have complete control over the sequence of events that occur, he or she may have some choice over whether or not to pay the planned

payments or default on the loan. As a result, delinquency and default can be traced back to the borrower's financial capabilities (Cohen-Cole and Morse, 2016).

In terms of student debt management, income-contingent repayment plans have the advantage of tying needed repayments to the income and ability to pay of student borrowers. It is unsurprising that lower income levels or wages are linked to a higher probability of default in research conducted in the United States. The default rate will be low if the revenue received is sufficient to meet basic needs and repay the loan. The problem arises in determining how much revenue is required to make a life. There are students who, although earning a respectable salary, fail to repay their student loan, therefore willingness to pay, rather than ability to pay, is the strongest predictor of loan repayment (Choi, 2014).

Both theories recognize the importance of education as an investment in individuals' future economic success. Human capital theory focuses on the individual benefits of education in terms of increased productivity and earnings, while ability to pay theory considers education as a public good that benefits society as a whole. There is a reciprocal relationship between income and education in both theories. Human capital theory suggests that education increases individuals' earning potential, leading to higher incomes. Ability to pay theory considers individuals' income or wealth as a basis for determining their ability to contribute to financing public services, including education.

Both theories have implications for education policy and public finance. Human capital theory emphasizes the importance of investing in education to promote economic growth and development. Ability to pay theory informs decisions about how to finance public education, including the design of taxation systems and government expenditure on education. While human capital theory and ability to pay theory approach education and income distribution from different perspectives, they are interconnected in their recognition of the role of education in shaping individuals' economic opportunities and their consideration of income as a factor in determining individuals' contributions to financing education and other public goods.

2.4 Summary

This chapter has highlighted the conceptual framework that underpinned the study. The conceptual framework hinges on different variables namely beneficiaries' perceptions of student loan repayment, modalities the HELSB has implemented to recover student loans, factors influencing student loan recovery, the success and challenges of the student loan recovery programme and the effects of student loan recovery on sustainable financial development. According to the conceptual framework, a thorough understanding of perspectives, modalities, factors and performance of the student loan recovery is required for sustainable funding of higher education to be realised in Zambia. Conversely, as regards the theoretical framework, the study was guided by two (2) theories namely Human Capital Theory (HCT), and Ability to Pay Theory. The Human Capital Theory was employed because it promotes research into the factors that influence a person's propensity to spend in educational credentials and training that will result in a higher return or financial compensation. On the other hand, the ability-to-pay theory was employed because it is the principal theory utilized in the literature to investigate manageable debts, loan delinquency, and default since it offers the theoretical foundation for relative comparison.

CHAPTER THREE

LITERATURE REVIEW

3.0 Overview

This chapter is a review of literature on the issues that the study intends to address. The focus of this study was to examine the modalities of student loans recovery for sustainable financing of higher education in Zambia. This chapter focuses on the literature review, reviewing the concepts to be studied and scholarly evidence. In order to assess what is known and what is unknown about a specific scenario, a review of related literature is conducted. The literature provides the researcher with tools and methods that previous researchers have used to conduct their own research (Creswell, 2013). This chapter will compile historical and current data, laying the groundwork for the study. The review is based on a number of themes, including student loan programme, student loan programme performance in specific countries, student loan repayment attitudes, factors affecting beneficiaries' ability to repay higher education loans, and legal requirements regarding repayment of higher education loans. Finally, certain significant research gaps are brought to light.

3.1 Student loan schemes

Studies have looked at loan repayment and loan recovery in a number of nations that have adopted student loan programme. Both individual country studies and comparative studies are used in these investigations. Osoro et.al (2015), which evaluates the Kenyan loan programme, and Choi (2014), which provides information on student loans in Hong Kong, are two examples of country level research. However, because these separate studies employ slightly dissimilar methodology, it is challenging to make any comparable judgments from a review of the disparate outcomes, across nations. There are a few comparative studies that cover various country lending programmes. Each of the comparative studies used the same methods to analyse the under-review county loan programme. For instance, the size of the hidden grant in loan programme in the Federal

Republic of Germany, the United States, and Sweden was measured in the seminal study by Johnstone (2010) which popularised the hidden grant concept.

Ziderman (2004) published the findings of a comparative analysis of five loans schemes in Asia, whereas Welsch, and Zimmer (2012) studied loans schemes in Latin America and the Caribbean. All of these comparison studies, nevertheless, only cover a small area. The Carlson and Ziderman studies have a regional focus, whereas Johnstone's study is focused on industrialised nations. Compared to the other studies mentioned above, Ziderman comparative analysis is broader and more comprehensive. The study, which calculated repayment and recovery percentages for student loan programmes in 19 nations, encompassed both emerging and industrialised nations and was not limited to a geographical scope. The findings, however, are specific to the conditions of the loans system fifteen to twenty years ago. However, the current paper's focus was on investigating how student loan recovery impacts Zambia's higher education system's sustainability in terms of perceptions, factors, approaches and performance.

Student loan programmes have several justifications. Johnstone (2003) asserts that loan programmes offer substitute methods of supporting higher education. This method of funding students is regarded as equitable and effective because it ensures that those with academic potential but little financial resources can still pursue their educational goals. But with the loans that come with means testing, this is achievable. While difficult to conduct, particularly when there is no fundamental information to support the instrument, means-testing is claimed to treat applicants equitably (Johnstone, 2004). Additionally, because they encourage people to pay for their education regardless of their socioeconomic status, student loan programmes are recognised as the greatest systems for supporting students. Further, it is claimed that loans can function as a sustainable cost recovery mechanism for funding higher education if they are properly handled throughout the loan application and repayment processes.

On the other hand, poorly managed loan programmes could deter many deserving students from pursuing higher education, and poor handling of student loans could result

in dropouts for those who are already enrolled in higher education institutions. Therefore, in order for a loan scheme to function well (objectively and rationally), the loan scheme designers must adhere to the criteria that result in good performance, such as effective institutional management with adequate systems for selecting borrowers, close communication with higher education institutions, and enough record-keeping and data storage (Woodhall, 2002).

It is argued that most governments around the world bear the full cost of higher education because the sector, particularly universities, was seen as the engine for socioeconomic development through the creation of knowledge, selection, and certification of elite groups, including learned professions, higher civil service, politicians, and commercial and industrial leadership. However, the massification of higher education, where everyone with the necessary credentials seeks out a degree, and the financial crisis that many nations around the world experienced in the 1990s made it difficult for governments to bear all of the costs of higher education, leading to cost sharing. Cost sharing through tuition fees, student loans, and other forms of private contribution is a remedy that is supported or tried in many nations (Woodhall, 2004). In general, cost-sharing is defined as the implementation of tuition fees or particularly significant increases in tuition fees to cover a portion of the costs of instruction or the introduction of user charges to cover a greater portion of the costs of housing, food, and other living expenses for students that may have previously been borne primarily by institutions or by governments (taxpayers) (Johnstone, 2003).

3.2 Attitude towards student loan repayment

There have been several studies conducted on attitudes towards student loan repayment, examining various factors such as borrower perceptions, behaviors, and experiences. Studies on attitudes towards student loan repayment provide valuable insights into the challenges faced by borrowers and inform efforts to improve the student loan system and support borrowers in managing their debt responsibly. In this context, the borrower's

attitude about loans is referred to as something that may influence how likely they are to default (Gross et al., 2009).

Psychology has historically informed writings on attitude and behaviour. Additionally, earlier research on the subject of the connection between attitude and behaviour in Western nations was frequently criticised as being inadequate. Notably, only a small number of research have examined the connection between students' views toward debt and the likelihood of default. As a result, there is still much to learn about attitudes about loan defaults (Abu Bakar et al., 2006). Notably, Darolia (2013) claims that "willingness to repay" is more significant than "capacity to repay" in their investigations.

Both positive and negative effects of attitude can be seen on loan repayment and default rates. Furthermore, it has been discovered that having a good attitude is a significant predictor of debt payback. In their study, Johnstone and Marcucci (2010) demonstrate that individuals who repay are more focused on their own success and self-direction. Additionally, when students believe that loans help their life, they develop a positive attitude about loans. Due to the advantages that students receive from borrowing, it has been discovered in numerous research that loans are crucial for students (Baum and O'Malley, 2003).

Borrowers may feel burdened and less happy with the benefits of borrowing, according to some research, which also found that borrowing has drawbacks. For instance, students of colour and those from low-income families claim to feel burdened by their debt. Furthermore, a study by Abu Bakar et al. (2006) demonstrates that respondents generally had unfavourable attitudes concerning borrowing money and repaying it, and that this unfavourable attitude would have an effect on how much of the loan is repaid after graduation.

According to their research, 51 percent of respondents agreed that it was difficult to repay the loan (Abu Bakar et al., 2006); 25 percent of students thought there were no legal repercussions for not repaying the loan; 9.8 percent thought the NHEFC couldn't find them to collect the loan; and 48.8 percent thought it was difficult for them to make repayments

(Abu Bakar et al., 2006). Additionally, African Americans, women, married people, and unemployed people have all been found to have an unfavourable opinion regarding installment borrowing. The borrower's attitude about debt may change as their debt situation does.

The length of time spent in university or the degree programme chosen there, neither of which totally guaranteed employment after graduation, can be linked to the shift in mindset. For instance, according to Davies and Lea (1995), university students are more tolerant of debt, and this tolerance grew correspondingly as more time was spent in school. Additionally, it has been discovered that receiving student counselling improves borrowers' attitudes about loan repayment. It has been discovered that students who take part in counselling programmes are less likely to default. Similar findings revealed a substantial correlation between default and those who did not participate in counselling (Zideman and Shen, 2009).

At Texas University, the default rate for borrowers who received exit counselling through face-to-face interactions with a counsellor was 1.3 percent, compared to an 11.1 percent default rate for borrowers who did not (Ogolla, 2012). On the other side, Choi, (2014) discovered that borrowers' attitudes were correlated with their delinquency, where delinquency is defined as a debt or other financial obligation for which payment is past due (Ismail et al., 2010). The likelihood of the borrower defaulting has been observed to increase by 4.8 percent for each term of delinquency (Ismail et al., 2010). The background of students and characteristics of the educational setting have also been linked to attitude. For instance, according to two-thirds of students in a national poll, race and ethnicity affect how students feel about debt. In addition, because of their discontent with the university, students had a bad attitude toward debt and defaulted on their loans (Nguyen, 2007).

Default and debt repayment are viewed as possibly influenced by a wide range of complex factors. Numerous elements mentioned above have been proven to affect attitudes. For instance, the background characteristics of students have been found to affect attitudes and are frequently discussed in the context of student loans. Similar to this, institutional traits

like academic experiences that have been demonstrated to affect attitude have also been extensively researched in the literature on educational loans. Few studies, despite the importance of the topics under investigation, have looked at how factors including parental income and education, knowledge of loan agreements, awareness of student debt, and attitudes about loan repayment affect attitudes. However, the researcher's goal in this study is to fill in any gaps resulting from the aforementioned elements that may have gone unnoticed in earlier research and could potentially be the causes of students' attitudes toward loan repayment. A chronological review of research studies on the factors influencing defaults and repayments of student loans has been created for this purpose (Kimani, 2011).

Onen et.al (2015) expanded on previous research on attitude by asserting that attitude is correlated with ignorance, dissatisfaction, and misconceptions about the possible repercussions of not repaying the loan. On the other side, Woo (2002) discovered that borrowers' attitudes were correlated with their delinquency, where delinquency is defined as a debt or other financial obligation for which payment is past due. The likelihood of the borrower defaulting has been observed to increase by 4.8 percent for each episode of delinquency.

Baum and O'Malley's (2003) further analysis of the attitude literature claims that graduates develop a bad attitude when they must set aside a larger portion of their monthly income for loan repayment. Steiner and Teszler (2005) conducted additional research on the attitude that correlates with exit counselling and found that students who rejected it were far more likely to default. For instance, at Texas A and M University, default rates for borrowers who received exit counselling through in-person interaction with a counsellor were 1.3 percent, compared to 11.1 percent for borrowers who did not.

In addition, McMillion (2004) collated evaluations of the literature on educational loan defaults in which attitude was identified as one of the risk factors for loan default. Understanding attitudes and behaviours is crucial when predicting payback and defaults, according to research on the subject (Abu Bakar et al., 2006). Additionally, when

compiling the elements associated with loan defaults, Gross et al. (2009) discovered that attitude was one of the default factors. Although sparse, studies on attitude did significantly influence the literature on student loans, notably in terms of anticipating defaults and repayments. Therefore, it is crucial to reexamine students' attitudes toward paying back their student loans. As was previously said, about 70 nations currently operate student loan programmes. As a result, having a thorough understanding of default situations that could become more serious in the future would be extremely beneficial for both academic knowledge and policy makers.

Ismail et al. (2012) conducted research on the Mediation Effects of Educational Loan Repayment Model at Malaysia's public universities. They conducted a test to determine how student loan repayments affected perceptions of how their quality of life would be affected after graduation, awareness of loan repayment issues, perceptions of the loan agreement, parental influence, students' attitudes toward loan repayment, and their intention to repay loans. The findings demonstrated that the relationship between parental influence and intention to repay loans as well as between perceptions of the impact of loans after graduation and intention to return loans is partially mediated by the students' attitude construct. Parental influence completely mediates the association between students' attitudes and awareness of debt repayment concerns brought about by the media. Peer pressure can often be difficult for teenagers to resist, especially when things are urgent, but it can also be beneficial. People have the power to persuade others to make positive or negative decisions, respectively.

According to a study by Kameda, Takezawa, and Hastie (2005), belonging to a group such as a family, church, school, or peer group is a particularly potent socialising experience, and people frequently alter their ideas and conduct to conform to the standards or expectations of the group. Some students may pay back their student loans because they see their friends doing so or because their social circle views debt repayment as vital. Children learn about finances through observations, positive reinforcement, practice and participation, and purposeful instruction by adults, according to a study on imagined interaction, attitudes towards money and credit, and family coalitions by Allen et al.

(2007). Direct influences such as family discussions and keeping track of allowance could consist of an increase in knowledge and formation of attitudes, values, and behaviors among the children. The parent/ guardian influence affects loan repayment by their children. Positive reinforcement will lead to repayment of loan granted while the negative reinforcement will lead to default.

Some students contend that the student loan is actually a grant that doesn't need to be paid back. They think that the government ought to support them without requiring them to pay back the debts. The failure of the lender to make it obvious that the obligation was, in fact, a loan and that failing to repay will have potentially substantial legal and other implications, such as a loss of credit, contributes to a failure to make payments (Kerin, 2012). The idea that students should pay anything for their higher education, whether on a political or ideological level can result to non-repayment.

A study on attitudes is crucial to understanding why students refuse to pay back their debts even when they have the money to do so. As mentioned in the earlier study by Abu Bakar et al. (2006), attitudes regarding loan defaults remain a significant subject for additional research because "willingness to repay" is more significant than "capacity to repay". Additionally, it has been discovered that attitude influences debt behaviour and there is a wealth of literature pertaining to students' repayment behaviour that spans several years (Baum and O'Malley, 2003). Importantly, however, it is frequently highlighted that Western societies have a poor connection between attitude and behaviour.

In the 1990s, it was discovered that attitude affected students' university experiences broadened the research on student loan repayment and default, discovering that a borrower's pre-university, university, and post-university factors significantly influenced their loan repayment and default behaviour. Pre-university traits include things like age, gender, race, parents' education levels, income, and high school performance. University traits include things like degree completion, major choice, GPA and family support. Post-university traits include things like educational attainment, highest degree earned, income, occupation, loan debt, marital status, and the number of dependents. Additional research

suggests that attitude is a contributing factor in the dropout rate. For example, 43% of white students and 70% of Black and Asian university students attribute their dropout to student loan debt (Chatema, 2014). However, according to Williams (2018), borrowers who are African American, female, married, and unemployed have an unfavourable view regarding installment borrowing.

3.3 Factors affecting repayment of higher education loans

There are many factors recorded in literature which affect repayment of higher education loans. The decision to make a student loan payment, like any other consumer loan obligation, is based on the borrower's capacity to pay as well as the risks and rewards of default. The borrower's income and assets determine their ability to repay. If a borrower has a job loss or a significant company loss that leaves him unable to pay his debts, default may result. Benefits of deferring student loan payments include the resources that are freed up and can be used for consumption or to pay off other debt (Felicia Ionescu and Marius, 2014).

The primary reason for loan repayment default is inability to pay owing to unemployment or other unforeseen financial hardships. This finding is primarily supported by a number of empirical research that have shown a significant correlation between student loan default and unemployment and low incomes. Default may also be impacted by inability to make payments because of illness, incapacity, or death. Education increases a person's chances of landing better positions with high salaries, therefore investing in education today will provide bigger rewards later on. A person's ability to repay their student loan obligations depends on their ability to borrow money to pursue a degree, which boosts their employment prospects (Davis, 2019).

According to the human capital perspective, higher education boosts skill and knowledge, which leads to employment and higher income. Zambia will require professionals in many fields to realise Vision 2030. Doctors, teachers, engineers and other essential workers will be indispensable to the development of the nation in the future. Education is a key factor in generating these experts. Education spending results in higher employment and income.

Graduates' higher incomes will help them pay off student loan debt accumulated while they were pursuing their school. Many students who have completed their studies and received a degree who are still unemployed increase the risk of loan default, whereas those who have found employment are eager to pay back their loans right away. Applying for unemployment insurance is the post-school factor that has the largest correlation with loan repayment default. Unemployment increased borrowers' likelihood of default by 83 percent compared to their baseline likelihood (Woo, 2002). Nationwide, borrowers say that being unemployed is one of the main causes of default (Clark, 2019).

In a study of borrowers who dropped out of tertiary education institutions between 1976 and 1985, defaulters were asked about the significance of various factors (many of which were post-university factors), such as unemployment, low income, the existence of other loans that were more important to repay, dissatisfaction with their educational programme, and underlying personal issues. Unemployment and lack of income were very important or somewhat important causes for defaulting for about 83 percent of proprietary school borrowers and 74 percent of two-year school borrowers (BIS, 2011).

Sandy (2012) conducted a study on the short-term impact of student loan debt on career decisions. The study used national data sets from the 1987 National Tertiary Student Aid Survey to analyse the career choice of 1,006 men enrolled in 2- and 4-year tertiary education institutions, both public and private. Sandy discovered that when students graduate with large debt loads, they tend to look for employment with higher starting salaries in order to have enough money saved up to make loan payments. Student loan programmes promote access to higher education, but they may also drive graduates to forgo their preferred careers in favour of high-paying jobs. Debt can prevent students from enrolling in graduate programmes and from taking on additional debt, which could prevent them from pursuing lower-paying jobs in the public sector.

The degree of optimism among students is one element that affects the buildup of student loan debts; this is because they think their financial situation is temporary and that paying back their loans will be simple once they graduate from university (Ngali, 2013). In a study

done in the United States in 2012, Hout examined the return on schooling outside of the labour market. Using population data and tuition information from the department of education, he looked at the connection between education and economic and social rewards. The study's findings supported the social and financial benefits of education. According to the report, those who pursued higher education had better lives and decent jobs. Education loan repayment is made simpler by well-paying professions.

The majority of students who fail on their student loans in California do so because their personal income is insufficient to cover their payments, according to a study by Woo (2002). As post-graduation or departure wages rise, the likelihood of default declines. As students near graduation, their costs rise which also implies that they can put off paying back these short-term debts until they are more financially secure. According to Warue (2013), students who owed more money had more trouble repaying their loans, regardless of whether they were in default, and when their monthly debt payments exceeded 8% of their income, the debt was deemed unmanageable.

Students accumulate debt because they think their current financial situation will pass quickly and that short-term debt can be paid off with ease. They believe that if their income rises, their debt will also decline. Because a portion of the pay received will be needed to service the loan, students with higher education debt were shown to have lower average salaries than those who had not secured the loans (Baum and O'Malley 2003). These results suggested that the borrower's inability to repay the loan due to financial instability following graduation. The grandaunts' preferred method of debt repayment will depend on the amount of money they get. If the borrower has many loans, priority will be given to repaying the loans with the highest interest rates and those that include penalties for late payments. Students must repay their student loans on time in order to avoid incurring additional fees since they are subject to penalties if they are not repaid within the specified time frame and terms.

Although the majority of graduates don't land formal positions, HELB depends more on debt collection from those who do. According to Owino (2003), the student loan

programme in Kenya has a low recovery rate because HELB heavily relies on recoveries from graduates who are employed primarily in the government public sector, the Teachers' Service Commission, and a small number of private companies because these well-known organisations are simple to contact. Lack of official work or employment subsequently leads to self-employment for the majority of graduates. Since there may not be effective mechanisms utilised by HELB to reclaim the loan from them, self-employed graduates' positive impression of payback rests more on their willingness to repay the money. Wongnaa (2013) claims that borrowers with greater education levels have a better understanding of how to run a firm which subsequently leads to higher profit levels. Therefore, one of the important elements impacting SMEs in Malaysia's loan repayment performance is educational level.

Khan and Ahmed (2001) reasoned that some lending institutions factors are related to risk management structures put in place by lending institutions were to blame for loan defaults. These institutions factors include laid-back procedures used in credit risk management. Negligence in monitoring loan defaults, insider loans, unaggressive credit collection methods and lack of trained personnel manning these institutions. When loans are not performing the quality of assets decays and can affect the asset base of a bank and affect the banks' ability to lend further (Ndung'u, 2007).

Furrow (2005) offers a unique perspective on integrity, seeing it as “the extent to which our various commitments form a harmonious, intact whole”. On this view, clarity lies between the diversity of commitments each person has made and their mutual consistency. By pointing out that having integrity means being able to live an integrated account, the author further develops the idea of integrity. The Kenyan Constitution touches on issues of honesty and leadership for public servants. Public officials must be investigated to determine if they are qualified to hold office. Holders of public posts must be free of any anticorruption violations, criminal convictions, and other government requirements that may be brought as part of integrity compliance, according to the constitution. One of the conditions for integrity clearance is repayment of student loans, and some businesses have utilised this criterion to assess the fitness of various applicants for employment.

Reddy (2004) critically analysed a number of concerns relating to bank credit arrangements. It was believed that the use of authority in this situation had little influence on illicit action. A default choice is not always irrational. Instead, a defaulter considers probabilistic assessments of different costs and advantages of his choice. Awino (2000) discovered that the lack of policies in loan recovery strategies is the root of the issue with loan recovery efforts. Unless HELB takes a bold step to address this issue by developing clear and well-documented policies that serve as a source of reference for all of its activities, it will continue to face numerous challenges in its role of funding higher education in Kenya.

According to Baum and O'Malley (2003), borrowers of student loans have a variety of traits that influence their propensity to repay the debts, accelerating the default rate. Pre-university measures, university experiences, and post-university measures are the categories into which these qualities are divided (Matt and Teszler, 2003). Pre-university measures, as defined by Herr and Burt (2005), are traits that students acquire before enrolling in university or a university. These characteristics include age, gender, and attitudes. After enrolling themselves at a university or university, students' borrowers acquire qualities known as "university experiences." These characteristics include academic success as indicated by grade point averages, financial support, and degree completion. The traits a student loan borrower achieved after graduating are known as post-university measures; these characteristics include things like the highest degree attained, income, and marital status of a borrower. In a study about education loan defaulting conducted by Abu Bakar et al. (2006), it was discovered that perception was associated to loan default and it is still a vital field for further research as "willingness to repay" is more significant than "capacity to repay".

According to Rendleman and Weingart (2014) research, attitude is correlated with ignorance, dissatisfaction, and misconceptions about the possible repercussions of not repaying the loan. Woo (2002) discovered that the perception of borrowers as misbehaving when it comes to loan repayment or other financial obligations for which payments are past due. The likelihood of a borrower defaulting will rise as the due date

draws near. Students who graduate receive exit counselling, which teaches them how to budget their money and pay off their loans.

According to research by Nawai (2010), students who reject exit counselling are much more likely to fail on their loans than those who accept it. Perception was identified as one of the elements contributing to loan non-repayment in a literature review on student loan defaults compiled by McMillion (2004). A knowledge of attitudes and behaviours is crucial in forecasting loan payback or non-repayment, according to study by Abu Bakar et al. (2006). Additionally, when Gross et al. (2009) gathered the elements linked to loan default, they discovered that perception was one of them.

According to the World Bank's (2008) research, students will be encouraged to weigh the costs and benefits of their higher education as their awareness of these charges and comprehension of their loan repayment obligations rise. In order to offer future deserving students an opportunity to receive the same benefits of education, students will feel obligated to repay the loans after their studies are complete. A study on students' attitudes toward repaying student loans was conducted by Ismail et al. in 2010. The information was gathered from a cross-section of students enrolled in Malaysian public universities.

According to the analysis, which was conducted using the Theory of Planned Behavior, loan defaults are influenced by a complex interaction of psychological, social, and personal factors, including students' attitudes, their intentions to repay loans, parental influence, their perceptions of how loan repayment will affect their quality of life after graduation, their perceptions of loan agreements, and media-created awareness of loan repayment issues. Through the ads made to raise awareness about loan repayments, which are thought to have resulted in higher loan collections, the HELB loan collecting methods can be directly linked to the loans recovery. One of the recognisable debt collection practices that can be related to the recovery of student loans is the use of emails to convey loan amounts and remind loan recipients of their repayment obligations, as well as phone calls and in-person visits to employers (Warue and Ngali, 2016).

The impact of information on students' perceptions of the expense of education in the Netherlands was examined by Booji et al. in 2012. They chose a representative sample of university students. Information on loan terms, such as interest rates, the maximum loan amount, the grace period, and the payback time, is provided to half of these students. The findings show that Dutch students are generally under informed about loan conditions and that understanding is greatly improved by information. This shows that educational efforts are successful in raising students' levels of knowledge, which in turn affects how they view debt repayment.

A study on students' perceptions of the costs and advantages of student loans was conducted by Christie and Munro in 2003. Students enrolled in two universities in the United Kingdom were interviewed. It was discovered that lower-class students frequently lack knowledge about the financial advantages of higher education, which leads to loan default. Students from upper-class families, in contrast, are aware of the financial advantages of higher education, but frequently do not need to take out loans to cover university tuition because of their parents' financial means. Initiatives to promote financial literacy can help students understand student debts before they graduate (Hayes, 2012). These seminars can cover a wide range of topics, including fundamental money management techniques, a review of the financial aid package, and an extensive guide to repayment choices. Prior to attending university, most students had no experience making autonomous financial decisions and lack even a basic concept of money management (Hayes, 2012).

Steiner and Teszler's (2005) study on the effects of consumer education versus loan counselling on loan default rates indicated that loan counselling was associated with a reduced rate of default. Students that take part in these programmes have a different perspective on loan repayment, which lowers their risk of default. Masterson (2010) claims that New York University (NYU) implemented a programme that began raising awareness by calling each approved applicant to go over the loans included in their financial aid package and how it would develop over time. The university wanted students to understand that higher education is an expensive investment and that they should see

repaying student loans after graduation favourably. After learning that the practice had no impact on the enrolled students, NYU made the decision to end the programme. Even though the programme did not produce the anticipated results, NYU made an effort to assist its students in covering the costs associated with attending the university and is open to considering such initiatives that might be successful.

It is crucial for university students to think about how their credit reports and credit ratings may be impacted by their student loans. Students' credit scores are impacted by school loans and student loan debt. Higher Education Loans Board (HELB) maintains a database of higher education loan defaulters in Kenya and provides the Credit Reference Bureau with their names (CRB). As a result, they won't be able to obtain credit from any financial institution for a minimum of seven years after paying off their last loan obligation. Many students choose to repay their student loans out of fear of being blacklisted, which changes how they see debt repayment.

Sigei (2010) conducted research on assessing the Kenyan credit reference bureau's effectiveness in the context of Kenya Commercial Bank. According to his research, CRBs are crucial in preventing repeat loan defaulters from obtaining loans from other financial organisations. Mumi (2010) who conducted a study on stakeholder opinion of credit reference bureau service in Kenya credit market also expressed similar views. The study showed that many of the borrowers would make every effort to repay their credit facilities in order to avoid being labelled as defaulters in credit reporting databases. According to Darolia (2013), student loan default trends are concerning since they can have a significant financial impact on both borrowers and taxpayers. A person's credit profile is harmed by default, which can restrict students' access to the credit market and reduce their capacity to fund future purchases.

Undergraduate students have expressed concern that mounting student loan debt prevents them from moving out of their parents' house after graduation or purchasing a home, a car, or having children (Baum and Saunders, 1998). According to a research by Millett published in 2003, financial aid obtained by university students does not, however,

become such a burden that it limits their post-graduation prospects. Additionally, a study of recipients of Pell Grants discovered that loan repayment has no appreciable influence on the likelihood of purchasing a property (Baum and O'Malley, 2003). However, because students have varied worries about repaying the debt they owe, a student loan that was carried forward beyond graduation became a significant factor in their employment decisions. When projecting repayments and defaults, perceptions about how loan repayment will impact a student's personal life after graduation can be crucial.

Students were asked in a research by Abu Bakar et al. (2006) about how they felt borrowing money from the National Higher Education Fund Corporation (NHEFC) will affect their lives once they graduated. Nearly 70% of the students said that paying back their student loans would prevent them from purchasing automobiles, getting married, or starting a family. Another 43.6 percent said that it would prevent them from getting married. Marriage in Malaysia can be quite expensive because it is still rooted in cultural customs, especially for the prospective groom (Abu Bakar et al., 2006). Notably, half of all male respondents said that delaying marriage would postpone loan repayment, compared to only 39% of all female respondents.

The respondents' ability to save for their marriage, which also affects when they will start having children, may be impacted by having a debt to repay (Abu Bakar et al., 2006). Another study discovered that students thought the size of the debt had an effect on when they should get married, have children, and buy a new automobile. In the Australian context, Marks (2009) discovered that loan repayment can negatively affect a couple's decision to have children but had no adverse effects on when a student leaves the parental home, marries, and subsequently buys a home. Additionally, research has shown that students who borrow money for their education may have long-term effects on their jobs and other life decisions. Overestimating future earnings also increases the likelihood of student debt accumulation over time (Williams, 2018).

In a study of 381 university students regarding the use of credit card loans, only a handful were able to report the current interest rate of their credit cards. According to Osoro et.al

(2015), those who incur debt may not fully appreciate the implications of their financial behaviour. Additionally, it has been discovered that students who still have unpaid loans in their later years of life experience stress. Students' evaluations of their quality of life are impacted by their stressful lives as a result of their high debt loads, which delays repayments (Nadar, 2011).

3.5 The Performance of Students' loan scheme in selected countries

Studies on how effectively student loan programmes are performing in certain nations frequently look at a range of variables, including availability, affordability, default and repayment rates, and the effects these have on students' financial security and academic success. The following significant research and reports shed light on how well student loan programmes function across various nations:

3.5.1 Tanzania

Since Tanzania's independence, the majority of its higher education institutions have been owned and operated by the public. As a result, all costs associated with higher education, including those related to students' living expenses, have been covered by the public purse. However, the loan programme for students of higher education was formed in the 1990s to allow them to access higher education. Allowing needy students to enroll in higher education regardless of their social or financial situation was one of the main goals of Tanzania's loan programme. It is claimed that Tanzania's student loan programme has marginally increased access to higher education (Engede, 2015).

There has been only a very slight increase in undergraduate admission rates and a modest expansion in total undergraduate enrollments for the past eleven years at the University of Dar es Salaam and in the other three public universities in Tanzania, despite the fact that a major goal of cost sharing in Tanzania was to increase participation and accessibility to all institutions of higher education, including the flagship university of Dar es Salaam (Ishengoma, 2004). These minor increases, however, do not even come close to accounting for the rising number of advanced secondary school graduates over time or the rising number of candidates who meet the admissions requirements (URT, 2006). The

results demonstrate a varying pattern; for example, in 1991–1992, 41% of applicants were accepted, followed by 32% in 1996–1997, 48% in 1999–2000, and 32% in 2003–2004. The figures also demonstrate that enrolment has never reached even 50% of applications, indicating that there are more un-enrolled students than enrolled ones. The aforementioned facts lead to some crucial inquiries about access to higher education in Tanzania, specifically in relation to the country's premier university, Dar es Salaam (Ishengoma, 2004).

Given Tanzania's extreme poverty, it is plausible that many students never applied for higher education because their families could not afford the costs associated with doing so, including transportation, applications, and entrance exams. Despite this, it is also feasible that some students would not have been able to eat or remain at or close to their places of study if a loan for studying, lodging and food hadn't been offered (Gaitho, 2013).

Due to the lack of a tool (means-testing) that may have made it possible to execute equity (fairness in access to the loan funds), which is one of the goals of student loans in Tanzania, specifically directing the money to the needy students, was unrealistic up until 2004. In light of this, it is asserted that children from the wealthier section of society tended to be overrepresented in institutions of higher learning by a ratio of almost 1:4. However, the means-testing was conceptually introduced in 2005 and physically implemented in 2006, although its effectiveness has not yet been determined (Ishengoma, 2008).

In addition to the aforementioned, it is said that from 1994 to 2000, Tanzania's loan programme was successful in providing loans to students enrolled in higher education institutions. The loan fund was established in 1994–1995 with 1,647,669,450 Tanzanian shillings from the Treasury, and 6,044 loan beneficiaries in higher education received the same amount. The loan programmes growth to 16, 370, 485, 500 Tanzania shillings by the end of 1999/2000 and its handling of 10, 292 loan beneficiaries are further reported. Additionally, as of the 2006–2007 academic year, 78 billion Tanzanian shillings was distributed to 47,784 students from various higher education institutions around the nation. It may be argued that the number of students receiving study loans has increased,

despite the fact that, as was already alleged, the growth does not correspond to the number of students completing Advanced Secondary Education and being eligible for higher education (HELB, 2014).

3.5.2 South Africa

In certain countries, student loan programmes have been essentially successful, but in other nations, the programmes have been unsatisfactory. One of the effective student loan programmes is demonstrated by the experience from South Africa. Since its inception in 1996, the National Student Financial Aid Scheme (NSFAS) has performed admirably. This includes regular public awareness campaigns that inform people via TV, radio, the internet, brochures, higher education students, and public meetings on the formalities involved in obtaining the funds. The NSFAS has been able to deal with stakeholder political pressure during the implementation stage and other types of problems that afflict other countries on the continent interested in running a national student loan programme (Sandy, 2012).

In addition, the South African student loan programme has been effective in resolving some of the problems that frequently result in the failure of loan programmes. It has been successful in recovering the loans and safeguarding them from default in addition to timely disbursing the funds. In order for the money recovered to accurately reflect the costs associated with loan administration, student loan programmes must also make sure that high administrative and collection fees are factored into the loan's cost (Johnstone, 2000). Despite servicing a significant number of financially challenged and formerly underprivileged students, NSFAS has managed to keep its annual administration costs under 2%, thanks in part to a strong technology foundation that facilitates accurate record keeping. It is said that the lending scheme is working successfully (Rendleman and Weingart, 2014).

3.5.3 Kenya

In Kenya, the government discontinued the student loan programme in 1952, but it was reinstated in 1973 under the name of the University Student Loan Scheme (USLS) in the shape of a small, non-autonomous organisation called the Loan Disbursement and

Recovery Unity (LDRU) (Otieno, 2004). Otieno also makes the point that despite the fact that students were supposed to direct their application forms to be approved by the chiefs or locals, the loan programme was not performing well in terms of disbursement and recovery because money was literally given to students without any serious effort being made to recover them. He adds that there was a great deal of outcry from the students, parents, and other stakeholders about how few of the targeted students were able to access the loans because of the complicated and bureaucratic procedures that made it difficult for the poor students (the ones who were targeted) from the country's periphery to reach the LDRU offices in Nairobi. The programmes smooth running was hampered by a number of reasons. First off, no precautions were taken to prevent against default because the programme was begun on an ad hoc basis. It also lacked personnel with the necessary expertise in debt recovery.

It was by all accounts utterly unprepared to manage the difficulties of managing a loan programme. However, when the government established the Higher Education Loans Board (HELB) by a Parliamentary Act in 1995, more extensive modifications were made. Decentralization of application stations to upcountry regions was one of the effective facilitative techniques adopted for the distribution of loans, scholarships, and bursaries to needy Kenyan students. Up to 50% of funds disbursed in Kenya are produced by recoveries, which as of 2002 averaged Ksh 50 million (US\$2,173,913) every month. The HELB in Kenya has been successful in recovering a sizeable portion of the lent monies (Otieno, 2004). Despite this success, the Board still has a long way to go before realising complete cost recovery, which is a difficult challenge for many loan programmes. The lending arrangement is shown as improving after a protracted period of struggle.

3.5.4 Norway

In 1947, a state agency for student loans was founded, which served as the foundation for the creation of a nationwide system of student loans (Levy, 2004). He goes on to say that the loans are disbursed following a means test and a personalised evaluation of the student's intentions and progress. According to the administration, the State Educational

Loan Fund, the same type of government organization runs the system. In close collaboration with the ministry and the educational institutions, the State Educational Loan Fund has been in charge of all duties relating to the administration of the schemes. The university's development of ICT makes communication easier, both within the institution and with other educational institutions.

Students must submit their loan application forms to the State Education Loan Fund either directly or through their academic institutions. They are delivered to the relevant regional office, which registers them by scanning them. These applications are registered, and unless more questions are asked, the computer will automatically process them. Other apps are handled manually first (Johnstone and Marcucci, 2010). Johnstone and Marcucci also draws attention to Lnekassen's launch of a net-bank client contact, which now enables university students to submit an application electronically. The payment document must be signed by the recipient and returned to Lnekassen before the payout can be made, which takes place within ten days after the customer receives it through their educational institution. The applicant receives 20% of the loan within ten days by bank or post office, with the remaining 80% being paid back monthly to a bank account.

When the student has finished their studies, an automatic repayment schedule is created with regard to loan payback. The payback time is set to a maximum of 20 years, while smaller loans may have a shorter repayment period. The plan is provided to the consumer about four months after that. Loans for students are interest-free while they are enrolled in classes for as long as they are qualified for financial aid, but interest is applied to the loan starting the first month after the study period has ended. The State Educational Loan Fund reported in its annual report from 2001, which Choi (2014) referenced, that the loans repaid by debtors totaled 3,559 million Norwegian Kroner (NOK), while the customer paid 3,035 million NOK in interest and 125 million NOK in fees for payback. This demonstrates that debt repayment is occurring. The income from loan repayments and fresh loans that Lnekassen will acquire from the National Bank are used to finance the new loans each year (SLTF, 2013).

The student loan programme is portrayed as operating effectively. Although the aforementioned loan programmes from various nations appear to work differently, their main goal is helping students pay for higher education is essentially the same. The last case comes from industrialised countries, but the first three credit schemes described were from African nations (developing nations). The political climate and economic foundation of the nation's differ. The first set of nations share similar economies (developing economies), while the second nation has a different economic position (developed economy), which could serve as the basis for having different management and administration of student loan programmes. Despite these variances, all nations share a similar objective, which serves as the starting point for discussion when evaluating the effectiveness of the student loan programme in Tanzania (Mussa, 2015).

3.5.6 Uganda

Johnstone (2004) asserts that Uganda is an exceptional situation that sets it apart from other nations. In Uganda, cost sharing emerged as a response to the severe political and socioeconomic circumstances of the 1970s and 1980s. The parliament did not proclaim that the time was right for cost sharing, nor was there a cabinet paper. In order to diversify its funding sources and lessen reliance on the government purse, Makerere made the independent decision to begin charging fees to private students in 1993. The university also established consultancies, made appropriate use of its space, commercialised its service units, formed limited liability companies and commercial units, and rented out university facilities as additional revenue sources. As a result, Makerere University's revenue increased significantly between 1996 and 1999. Infrastructure, building additional locations, research, and salary increases for academic and non-academic staff were all funded by this money.

Eighty percent of currently admitted students are private, and two thousand out of the ten thousand students are government sponsored. The following issues surfaced during the implementation of these initiatives: In certain faculties at Makerere, privatisation has been successful, but not in others. It has proved challenging in some scientific domains, particularly medicine, but it is successful in others, like as law, commerce, education, and

the humanities. Remarkably, the issue of striking a balance between public and private finances also exists. In order to ensure fairness and high-quality results, the government must play a significant role in planning and overseeing. There are still doubts about these measures' long-term effects (Shen and Ziderman, 2008).

It is still unknown how this will affect research and graduate student quality. The overstretching of the infrastructure is the other issue encountered. Nonetheless, the programme has yielded certain positive outcomes, including enhanced internal efficiency, optimal spatial utilisation, appropriate utilisation of university infrastructure, and the implementation of a semester-based flexible system to minimise waste. The demands of society are taken into consideration when producing graduates (value for money). Still, there is a deficiency of science graduates. Even though more than 80% of the country's population is made up of peasants, only 40% of students come from such backgrounds, leading to a disparity in equity despite the increase in access. Since female students now make about 34% of all enrolled students, there is reduced gender inequality. How long will the communities continue to pay is the question of sustainability. After finishing school, do the graduates have jobs? This led to the idea of introducing student loans for education (Mussa, 2014).

3.5.7 Australia

Most Australian students can apply for an income-dependent loan together with tuition via the Higher Education Contributions Scheme (HECS). The loan pays the entire tuition amount determined by the university up to three bands of government-imposed limitations. A\$4808 (US\$3509) for Band No. 1 (Humanities, Social and Behavioural Sciences, Languages, and Visual and Performing Arts); A\$6849 (US\$4999) for Band No. 2 (Engineering, Science, Computer Science, and Business/Economics); and A\$8018 (US\$5853) for Band No. 3 (Medicine and Law) are the upper limits that were established in 2005. When tuition is paid in full, up to 20% of the total amount is credited against it. Similar to Sweden and the UK, the interest rate is zero real, reflecting the rate of inflation. Income repayments are dependent upon yearly earnings of more than A\$ 30,000

(US\$24,898). Interest rates on yearly salaries above A\$64,999 (US\$47,445) range from 3% to a maximum of 8% (Shen & Zideman, 2008).

The employer collects the overdue repayments as income surtax, or they might be paid in addition to projected or year-end taxes. After reaching a specific age or number of years after the borrowing occurred, there is no forgiveness. Given that each borrower has a separate account and balance due, HECS cannot be considered a true graduate tax, as per the aforementioned definitions. The national tax system's enrollment, however, offers HECS the appearance of a graduate tax and guarantees a very low default rate in addition to a low administrative cost of servicing. For students who are not eligible for HECS, there is an additional loan scheme available. It is collected in the same manner and has no real interest; however, it does not provide in-school (university) or grace period interest subsidies (Chapman, 2008).

3.5.8 United Kingdom

In 1989–1990, the UK launched a modest, traditional student loan system (think mortgages). As the government started to freeze and eventually reduce its once substantial means-tested maintenance subsidies, it implemented a strict "top up" lending programme. However, the project was never taken up by the private sector, and in 1998/99, the government launched a far larger programme to replace the maintenance payments and make room for the introduction of means-tested tuition (World Bank, 2008).

While 75% of the maximum loan amount is available to all students, regardless of family income, most students with maximum loan means tests are normally able to borrow some amount. Loans have the same zero real rate of interest, which is the same as the rate of inflation. The government's Student Loans Company is in charge of loan administration. Repayment is income-dependent and is due in April 2005. The employer deducts it as an income surtax and sends the money to the government treasury. The repayment amount is 9% on marginal income over £15,000 (US\$16,181) (up from £10,000 in April 2005). After 25 years, any debt that is still outstanding will be pardoned (Welsch and Zimmer, 2012).

England, Wales, and Northern Ireland were likely the only countries that did not convert their tuition fees up to £3000 (US\$5700) to an additional income contingent loan obligation in 2006. This meant that what had been a means-tested parental obligation had become an additional student obligation, albeit one that was deferred and repayable income contingent (Johnstone, 2006). England joined Scotland in this conversion.

3.5.9 China

Since their trial inception in six locations in 1999, China's student loan programmes have experienced numerous adjustments. The Government Subsidised Student Loan Scheme (GSSLS), which was updated in 2004, offers poor students (officially recognised as representing 20% of enrolment) student loans up to ¥ 6000 (US\$109) per year. The government pays interest rates during the "in-school years." Following graduation, borrowers are required to pay half of the commercial interest rate; this amount is postponed, but not forgiven, for a maximum of two years during the grace period (Choi, 2014).

The previous four-year repayment schedule, which demanded much too high monthly payments, was replaced by a six-year repayment period. The university, the government, and the bank share the risk and the participating banks distribute the loans. For the GSSLS, cosignatories are not necessary. Additionally, children of wealthier families can apply for the General-Commercial Student Loan Scheme (GSSLS), a non-subsidized student loan programme that requires a parent cosignatory (Welsch and Zimmer, 2012).

China is noted for having a sizable population. With a population of over 1.3 billion, China now accounts for more than 20% of the global population. Without a doubt, China's massive population places a significant strain on the country's educational system, particularly the higher education sector. Furthermore, when higher education becomes more widely available, public demand for it will rise significantly. This indicates that the Chinese higher education system is going to face violent consequences in the future (UNESCO, 2018).

A crucial factor to take into account during the shift from the tuition-free to higher-tuition policies is how to guarantee that students from low-income households would enroll in colleges and universities and how to make sure they can successfully finish their education. This is a problem that affects not just educational justice but also the stability of higher education institutions as well as society at large. As socialism is practiced in China, guaranteeing equal access to education ought to be a top priority for the country's political structure (MOF, 2018).

The Ministry of Finance stated that China has continued to waive interest payments and provide extensions on government-subsidized student loans in an effort to lessen the financial burden and pressure on students to find jobs. China has benefited 3.79 million people by waiving 1.95 billion yuan (US\$282.88 million) in interest thus far, according to a policy implemented last year. A total of 590 million yuan in student loan principal repayments have been postponed, helping 100,000 people (Zhang, 2023).

In 2024, the programme is expected to benefit roughly 4 million college graduates, waive 2.33 billion yuan in interest, and allow for a 5.5-billion-yuan principal repayment to be postponed. According to data, this year's graduation rate from colleges is predicted to surpass the previous record of 11.58 million, marking a rise of 820,000 over the previous year. More than 20 million students from low-income families have received over 400 billion yuan in student loans since China started the subsidized programme in 1999. The annual cap on loans per person has grown over time to 12,000 yuan for junior college and university students and 16,000 yuan for postgraduate students (Zhang, 2023).

3.5.10 Lesotho

In order to create and manage the Loan Bursary Fund (LBF), which is meant to provide funding for higher education for Basotho individuals, both domestically and abroad, the Kingdom of Lesotho government passed the National Manpower Development Council Act (NMDC Act) and the corresponding Loan Bursary Fund Regulations (LBFR) in 1978. Establishing the National Manpower Development Council (NMDC), coordinating and centralising personnel training and development, and accomplishing related goals are the

stated goals of the NMDC Act. A revolving fund from which aid can be provided to Basotho to further their education on a repayment or partial repayment basis is the goal of the LBF, which is established as a special fund under the LBFR (Ouma, 2008).

A study by Nkisi (2020) highlighted that in order to enable the borrower to make repayments, the NMDC must be informed about the borrower's academic progress. Accordingly, reporting must occur as soon as the borrower's studies are completed. In addition, if the borrower finds work, they will still be required to report to the NMDC under this obligation. The purpose of reporting when the borrower finds work is to determine the total amount owing to the government because there are three different ways that the cost of financial assistance can be repaid, as explained below.

Nkisi's (2020) further established borrowers who pursue further education outside of Lesotho are expected to return to the country after graduating and find employment with the government; if this is not the case, they will be responsible for repaying the entire loan bursary amount. Should the borrower choose to work in Lesotho for a parastatal organisation or the private sector instead of the government, they will be required to repay sixty-five percent of the sum approved under the loan bursary agreement. Repayment is then adjusted in accordance to the period served and the remaining period if a borrower who is employed by the government chooses to leave the government and join the private sector or a parastatal organisation during the repayment period.

Field (2020) established that the Lesotho government faces difficulties in the repayment and collection phases of student funding for higher education, among other reasons because the department in charge of overseeing the LBF lacks the necessary number of committed, knowledgeable, and capable employees to carry out this responsibility. Moreover, the agency lacks comprehensive information regarding the debtors who finished their coursework in particular years. However, in certain instances, the department's data is untrustworthy. This could be because, for a particular year or years, the financier's copy of the contract did not include the students' information. As a result, it is impossible to determine whether a student has finished their studies unless the borrower

voluntarily reports their progress. As a result, efforts to monitor the borrower's compliance with its contractual commitments are thwarted. As a former borrower whose contractual amount for a specific academic year was only endorsed in her copy of the loan bursary agreement as a borrower and not in the financier's copy, the author has first-hand knowledge of these issues even though there is no captured information pointing to them. She also worked as a legal officer at the NMDS.

Jalonen & Takala, (2018) in their study revealed that one noteworthy aspect of these loans is that they have no interest, meaning that no matter how long the graduates default on their contractual commitments, there won't be any interest charged on the remaining balance. As a result, no policies are in place to discourage behaviour like this. Graduates who have no intention of continuing their education beyond a diploma or a degree to a postgraduate level could easily default on their financial commitments due to faulty data and lax enforcement. These borrowers are only required to have fulfilled their contractual obligations by repaying their previous higher education debt in the new financing application when they declare their intention to pursue higher education, whether it be from undergraduate to postgraduate or diploma to degree level.

The aforementioned study further revealed that the only requirement for the student loan beneficiaries to be eligible for additional financial aid for their education is to pay off the outstanding debt in full. This legal gap has long been taken advantage of by borrowers, as the applicable statute does not specify a time frame within which the graduate must wait before requesting additional financial aid following loan repayment. As a result, the fund is perpetually dependent on parliamentary appropriations for funding, which negates the purpose of creating this revolving fund, which was to guarantee greater inclusivity or its sustainability.

Nkisi (2020) posits that the LBF's viability has been jeopardised by high default rates and poor recovery rates, even though as a revolving fund it must rely on the repayment of the loans given to graduates in addition to some kind of parliamentary provision for funding. For this reason, funding for higher education is primarily provided by the government.

There are calls for nations to rely on other sources of funding for higher education, which runs counter to Lesotho's complete reliance on the government as the only source of funding for it. It is understood that the government's financial support is getting worse and worse, falling short of meeting the needs of all students, as a result of rising costs per student and rising tertiary participation.

Nkisi (2020) study further established that the sustainability of Lesotho's financing of higher education has been shown to be threatened by a number of problems. These problems include a legal framework that is out of date, low recovery rates, graduates who are unmotivated or have a bad attitude about repaying their contractual debts, a lack of coordinated efforts by the public and private sectors to support recovery efforts, and a lack of private sector involvement in funding higher education. The government currently offers interest-free loans, which is a luxury given the high cost of financing for higher education. In order to encourage more prospective students to enrol in higher education, Lesotho, a developing nation beset by poverty and inequality, cannot afford to keep offering interest-free loans. As a result, interest rate caps should be mandated by law and included in loan bursary agreements that are reached between the government and students.

The recovery amounts should be reasonably close to the loan amount in order to ensure the sustainability of the LBF. This is economically rational, as opposed to the current discounted rate of 80% for students attending foreign universities and 50% for those attending local higher education institutions. It is important to teach graduates the value of paying back their debts as soon as they are able to. This would address the lack of commitment exhibited by borrowers who receive financial assistance but fail to repay it, as well as their entitlement views. It might also help develop an attitude towards repayment (Jalonen & Takala, 2018).

3.6 Overview of Students Loan Performance in General

Cost sharing cannot be conducted fairly, according to the World Bank (2008), without a working programme for student loans that makes money available to all students who

want to borrow for their studies. For instance, Austria-Europe was able to establish cost sharing in public higher education because to the availability of the student loan programme, which allowed them to achieve a 40% increase in enrollment without significantly raising public subsidies. Similar to Woodhall (2007), who found that loans used to pay for private university tuition aided in the region's rapid growth in both demand for and enrollment in private universities.

The three primary stakeholders; students, society, and governments seem to benefit quite a bit from the students' loan programme. Student loans are given with the intention of recovering them so that the programme can support itself. Similar findings were made in Tanzania by Nyahende (2013). Their data suggest that enrollment in higher institutions has increased as a result of the successful implementation of the student loan programme. The subsidized student loan programme in Ghana has a beneficial impact on enrollment, according to Yusif and Yusof (2010).

According to World Bank (2008), several nations have chosen to delay repayment of loans for higher education until after students have graduated, entered the workforce, and begun to make a living. Sadly, a report quoted by the World Bank shows that experiences with loan schemes in some industrial and emerging countries have been unsuccessful thus far.

Additionally, according to the World Bank research, the payback proportions to the loan recovery ratio have not been very substantial because of the heavily subsidized interest rates, high default rates, and high administrative costs. It also points out that, in certain circumstances, the financial results of loan schemes have been so poor that it would be less expensive to replace loans with outright grants. The World Bank noted that even those loan programmes that have largely been successful are fairly modest in scope, serving less than 10% of the student body.

Using the federal student loan programme's experience as an example, it was acknowledged that, despite providing significant benefits, student loan programmes also carry internal risks. These risks can grow as the programme's coverage is expanded to include a wider range of beneficiaries. However, Williams (2018) suggests that student loan

programmes, if properly structured, can ultimately become self-financing through repayment of student loans. However, this situation is different, for example, in Latin America due to high programme growth, repayment defaults, and a failure to index repayment to inflation, which in some cases has effectively converted the loans into grants.

Furthermore, according to World Bank (2008), the Colombian Loan Scheme, the oldest and most effective in all of Latin America, only produced 20% of loanable funds in 1979, in part because the size of total loans increased. World Bank qualms that the educational loans programme started in Brazil in 1976 was abandoned in 1980 due to high yearly rates of inflation and a default rate of more than 50%. Even with severe repayment terms, Wrinkle noted that non-payment of loans in Kenya was as high as 81 percent, which meant that the lender received little money back. Although the interest rate on student loans in Ghana is linked to the price of 182 day Treasury Bills issued by the Bank of Ghana (BoG), students are still required to pay 12% of the interest when it exceeds the tag rate (SLTF, 2010).

Okae-Adjei (2012) also mentions additional difficulties with student loan schemes. He claims that in addition to some deserving students being unable to take advantage of loan programmes due to the difficulty in obtaining a guarantor, late payments and inadequate amounts offered to students is further proof that student loan programmes in Ghana have failed. In a research by Onenet et al. (2015), sustainability difficulties were also identified as basic problems in various African nations, including the difficulty of building data bases and effective loan boards. The validity of cost sharing as a strategy for affecting access to higher education is thus called into question by these difficulties, according to scholars.

Student loans have been widely used all over the world with specific examples of Latin America, Canada, Scandinavia, Japan and some countries in Africa and Asia. They have been successful in increasing enrollment of students in many countries and have enabled poor students to enroll who could not otherwise have afforded higher education. One significant benefit is that many students' loan institutions have been successful in attracting funds from such new sources as commercial banks and business enterprises. Thus, the

important thing to be noted here is that no student loan scheme is self-financing (World Bank, 2008).

If rich nations are finding it difficult to support higher education (Johnstone, 2004), it is much more difficult for developing nations. Education is one of many worthwhile investments in life. According to the human capital theory, higher education enhances productivity, raises the earnings of individuals and contributes to economic growth. The rationale for student borrowing is well known. At the level of individual decision-making, the human capital model views post-secondary education as an investment that yields financial (and non-financial) returns over the lifetime of the individual. Student loans have been widely advocated as a way of financing the private costs of investing in higher education and more than fifty countries now have loan schemes which enable students to borrow from government agencies or commercial banks in order to finance their tuition fees or living expenses, and to repay the loans after graduation (Johnstone, 2010).

Most loan schemes offer government guarantees and some form of interest subsidy, and in many countries students receive financial support through a combination of loans, grants, scholarships or bursaries. Modes of payment also differ from one country to another, but the purpose of all loan schemes is to finance all or part of the costs of education by borrowing while studying, and to repay this, at a later date. The payment might be that of income contingent loan, that is, from the future salary or service loans that are re-paid through public service provision (Chapman, 2002).

A number of developing countries are now seriously considering student loans as a means of financing higher education. The World Bank has advocated loans on grounds of both efficiency and equity and the Commonwealth Secretariat and the World Bank have published guidelines for developing countries considering how to design a student loan programme. There are a number of student loan schemes running in Africa. In Kenya, Malawi, Lesotho, Rwanda, Tanzania, Nigeria and South Africa, the loan schemes have been of mortgage type, while that in Ghana is income contingent (World Bank, 2008).

Similar programmes are run in Australia (income contingent), Sweden (income contingent), Morocco (mortgage), Sri Lanka (mortgage), Philippines (mortgage) and the UK (mortgage). Ghana was one among the countries that established the loan scheme, but only shortly lived because of the political circumstances. Ghana's experience is interesting because it is one of the examples of a government introducing loans, together with fees as a way of reducing the costs of higher education. As such, it was a courageous departure in the field of student loans. Loan programmes elsewhere in the world have tended to lighten the financial contribution of students and their parents to the costs of higher education, but surprisingly Ghana was asking them to pay more (Williams, 2018).

The ultimate goal of cost sharing was to relieve the government of the burden of higher education costs. This would be done by allowing private participation in the delivery of higher education. Loans give potential students from poor families, who would otherwise be denied access to higher education on the grounds of poverty, the chance to invest on their own future with the idea that they would repay when they are able to do so. Cost sharing would only work equitably if there was a functioning student programme that availed all the needy students with funds for their education (World Bank, 2008).

Zideman (2004) carried out a study of the role of student loans in financing higher education which examined experience in both developed and developing countries and proposed a number of reforms designed to improve the effectiveness of loans as a means of cost recovery. Woodhall (2002) maintains that student loans can only help facilitate recovery and improve quality only if they are efficient and well-designed. Though many student loan programmes in Africa may have been well-designed, they generally lack efficiency. She provides certain criteria that student loan programmes should meet while trying to promote equity and efficient cost recovery. These include supply of information on loan terms and conditions, appropriate legal frameworks, efficient loan collection, efficient institutional management, effective financial management, and efficient eligibility requirements.

The experience in Kenya, as in other African countries, shows that student loan schemes are facing considerable problems; however, the government is attempting to solve these problems by improving collection mechanism, rather than abandoning the loan scheme or scapegoat students by setting qualifying criteria which are hindrance to equal loan accessibility among the needy students simply because the funds are not enough. Thus, speaking of efficiency, there is good evidence that students receiving education credit will be more apt to complete their education than those who do not receive credit. The student borrower's credit allows him to finish his or her education, whether he has had to be self-supporting, or to dedicate additional time to it. Assuming responsibility for the cost of the school motivates him to finish his studies as soon as feasible in order to minimize his overall liability and position himself for higher paying jobs (Johnston 2009).

3.7 Legal Obligation on Repayment of Higher Education Loan

There are a number of studies on the legal obligation for repayment of higher education loans. The studies focus on exploring the legal frameworks governing student loans, borrowers' obligations, enforcement mechanisms, and the implications of legal policies on loan repayment behavior. These studies provide valuable insights into the legal obligations for repayment of higher education loans, the effectiveness of enforcement mechanisms, and the implications of legal policies on borrowers' behavior and loan repayment outcomes. They inform policy discussions and initiatives aimed at enhancing the accessibility, affordability, and sustainability of student loan programs.

A study done by World Bank (2009) revealed that student Loans must be effective in order to perform better by boosting student enrollment, having clear and straightforward instructions on the requirements for issuing loans, and recovering the money that has already been disbursed. To secure the availability of funds to relend to other needy students and make the loan fund self-sufficient, this should be urged upon. A student must fill out and sign an agreement form before being approved for a HELB loan. The student is assumed to have entered into a contract with HELB when they sign the agreement form, and as a result, the loan beneficiary is subject to the agreement's stringent terms and

conditions. Student loan defaulters may be encouraged to return their loans on schedule in order to avoid the HELB's punitive actions.

The monthly payments sum cannot be greater than 25% of your basic salary, under the HELB Student Loan Repayment Guidelines 2010/2011. However, a loan recipient can raise payments, which will reduce their balance. There are no further costs when the outstanding debt is paid in full at once. Otieno (2004) argues that loan recoveries have increased over time for a variety of factors, including aggressive public education, the introduction of legal measures mandating borrowers and employers to ensure repayment, and simpler record keeping.

Smith et al. (2017) examined the requirements set forth by law for repaying student loans. This study offers a thorough analysis of global patterns pertaining to the legal requirements for repaying student loans. The study investigates the legislative frameworks controlling student loan repayment and explores the ramifications for borrowers, lenders, and policymakers. It does this by drawing on data from a number of countries, including the United States, United Kingdom, Australia, Canada, and others. Numerous elements are included in the study, including conditions of the loan, default penalties, enforcement procedures, and borrower protections. The study sought to provide guidance for policy discussions and enable cross-national comparisons to pinpoint optimal approaches and opportunities for enhancement in the administration of student loan obligations by integrating ideas from other jurisdictions. Policymakers, educators, and other stakeholders hoping to improve the efficiency and equity of student loan systems around the world may find great value in the research's insights on the legal environment surrounding student loan repayment.

Lee et al. (2020) conducted a study investigating legal frameworks for student loan repayment. Their research explored the legal structures, contractual agreements, and enforcement mechanisms governing student loan repayment in various countries, including the United States, United Kingdom, Australia, Canada, and others. By conducting

comparative analyses of these systems, the study aimed to elucidate the implications of legal frameworks for policy and practice in student loan management.

The analysis undertaken by Lee et al. (2020) delved into the complexities of balancing the protection of borrowers' interests with ensuring the financial sustainability of student loan programs. It examined how different legal structures shape borrowers' obligations and lenders' rights, considering factors such as repayment terms, default consequences, and borrower assistance programs. Through this examination, the study aimed to contribute to the ongoing discourse on student loan policy, regulatory reforms, and institutional practices aimed at promoting equitable access to higher education and fostering responsible borrowing practices.

Overall, Lee et al.'s (2020) research provides valuable insights into the legal dimensions of student loan repayment and offers a comparative perspective on the effectiveness and fairness of student loan systems across different countries. Their findings can inform policymakers, educators, and stakeholders in shaping policies and practices that enhance the efficiency, equity, and sustainability of student loan programs globally.

Hillman (2014) explored the Interplay of Legal Obligations and Borrower Protections in Student Loan Repayment. This study adopted a case study approach to delve into the intricate relationship between legal obligations and borrower protections in the context of student loan repayment. Through the analysis of real-life scenarios and comprehensive investigations, the research illuminates how legal frameworks intricately shape the rights, responsibilities, and repayment avenues available to borrowers across diverse contexts. By scrutinizing a spectrum of cases encompassing instances of loan default, financial hardship, and dispute resolution, the study provides profound insights into the pragmatic ramifications of legal regulations on borrowers' experiences throughout the student loan repayment process. The analysis underscores the multifaceted nature of navigating the legal terrain associated with student loans and emphasizes the pivotal role of borrower protections in ensuring equitable treatment and facilitating access to higher education financing. Employing a case study methodology, this research enriches our comprehension

of the complexities and possibilities inherent in the legal dimensions of student loan repayment, thereby informing policy dialogues directed towards fortifying borrower protections and fostering responsible lending practices. This study furnishes policymakers, educators, and stakeholders with invaluable insights into the tangible implications of legal obligations and borrower protections in the realm of student loan repayment. By offering a nuanced understanding of the legal intricacies surrounding student loans, the research catalyzes endeavors aimed at advancing borrower welfare and enhancing the equity and efficacy of student loan programs.

3.8 Strategies Used in Loan Recovery

Numerous global studies on loan recovery and collection strategies have been conducted. Engede (2015) aimed to determine the functions of different approaches used in debt recovery. The study came to the conclusion that strict follow-up procedures increased the amount recovered from previous recipients of student loans. Engede (2015) agrees with Ogolla (2012) that a bank may effectively manage its debt recovery strategy by implementing appropriate operational methods and having a highly empowered workforce. Additionally, results support the recommendation made by Onen et al. (2015) to employ thoughtful loan collecting practices in order to lower default rates.

Recoveries can be aided by strategically reminding debtors to return their loans. Reminding borrowers repeatedly to make loan payments has been shown to lower default rates (Migwi, 2013). This is in line with the findings of Musyoka (2014), who reported that close credit monitoring and reminders have decreased the number of defaults in Kenyan commercial banks. Rendleman and Weingart (2014) discovered that it is possible to get in touch with guarantors in order to pressure the principal borrower to pay back a loan that has fallen behind.

When lenders made decisions without having a formal record of the borrower's credit history, defaulters first flourished in an environment of information asymmetry. But according to Kenya's Credit Reference Bureau (CRB) laws, third parties are now permitted to access consumer credit histories, exchange data, and participate in credit decision-

making. Lending institutions were not previously permitted to share consumer information, including credit history, but this is now possible thanks to the advent of CRBs, according to Tuwei et al. (2015). To consistently share the information about its defaulters, HELB collaborated with both governmental and non-governmental organisations. The CRBs are one of these, along with professional groups, alumni associations, and external debt collecting firms.

Osoro, Nyolei, Cheruto, and Odhiambo (2015) state that there is a substantial positive correlation between loan recovery and information accuracy. This is in line with Gitahi's (2013) findings that commercial banks typically assess their likelihood of recovering loans before granting them to borrowers. Examining the borrower's credit history as disclosed by other lenders is part of this analysis, which is crucial because loan repayment performance in the past and future are related.

Given less-than-full loans recovery in almost all loans schemes and, in many cases, very heavy losses, government subsidy will remain a continuing feature of student loans schemes as they are presently operated. The widely held view that student loans schemes can act as revolving funds - which, once capitalized, can finance themselves subsequently through repayments from earlier loans, is seen to be a myth. Governments will need to inject funds annually to cover the costs of the built-in loans repayment subsidies and to make up losses from non-repayment leakages. This is the case where the size of the higher education system is stable, but even more so when the system is expanding as is the case in many countries.

However, the financial viability of loans schemes can be improved. Improvement may be achieved either by reducing the levels of built-in subsidies (hidden grants) or by improving the efficiency of loans schemes through containing administration costs and, particularly, in reducing repayment leakages due to default. The researcher noted that the main factor in accounting for the failure to recoup loans disbursements in most schemes is the level of built-in subsidies (hidden grants), rather than default or high administration costs (World Bank, 2010).

A number of studies have examined loans repayment and loans recovery in various country loans schemes. These studies take two forms: individual country studies and comparative studies. However, because these individual studies use somewhat different methodologies, it is difficult to draw any comparative conclusions from an examination of the differing results, across countries. A few comparative studies are available, each relating to a number of country, schemes. Each of the comparative studies employed a common methodology to examine the county loans schemes under scrutiny (World Bank, 2010).

The classic study by Johnstone (2010), which introduced the hidden grant concept, measured the size of the hidden grant in loans schemes in the Federal Republic of Germany, the United States and Sweden. Christensen (2002) compared loans schemes within Latin America and the Caribbean, while Ziderman (2004) reported the results from a comparative study of five loans schemes in South East Asia. However, all of these comparative studies have a limited coverage. Recovery of funds loaned out to university students by the Higher Education Loans Board (HELB) is one of the two main responsibilities of the Board. The other is disbursement of loans. Loans disbursement leans heavily on loan recovery because it is necessary to recover funds so as to be able to lend it to others. Therefore, the key question that comes to mind when one considers the institution's loan recovery portfolio is whether HELB has efficient mechanisms including strategies, in place to assist it in loan recovery. This is a major challenge to the Board.

An estimated 60,000 Kenyan students pursuing university education in foreign universities are also not eligible for HELB loans for the same reasons and yet the HELB Act empowers it to support all Kenyans pursuing higher education within and outside Kenya (Warue, 2013). In addition, HELB is expected to create a Revolving Fund from which it is expected to draw funds for lending to students and eventually cease to rely on support from the Exchequer for additional funding. At the moment, the Board gets Kshs.800 million per annum from the Exchequer and another Kshs.800 million from recoveries. All beneficiaries are required to start repayment after a period of one year on completion of studies, or within such a period as the Board may decide to recall the loan whichever is earlier (Section 15 HELB Act).

Williams (2018) observes that student loans have been widely advocated for, as a way of providing financial support to students, and as a way of sharing the costs of higher education in a manner that is both equitable and efficient. Several economists and other proponents of loans, for example, Warue (2013) argue that education is both a personal and a social investment. A loan programme financed from public funds will enable those who cannot afford to pay tuition fees, or to meet the costs of books and living expenses, to borrow and finance their higher education. The beneficiaries would later repay the loans when they enjoy better job prospects.

The problem of high repayment default may be less tractable. A wide range of measures to reduce repayment default are available for use in various loans schemes. These include the use of loans guarantors, moral suasion (publication of defaulter lists), barring access to further credit if in default and legal action against recalcitrant defaulters. However, it is frequently the case that these measures are not employed. In a number of cases, notably in developing countries; a general atmosphere of non-compliance has been created in which non repayment has become to be regarded as socially acceptable (Walker and Mkwananzi, 2015).

A subject of recent controversy is whether the type of repayments collection mechanism in place can affect the level of repayment default. Specifically, it has been argued strongly that income contingent repayments schemes are likely to ease the problem of repayment default, since an excessive repayment burden is avoided during periods of unemployment and low earnings. However, whatever the other relative merits of income contingent repayment and traditional mortgage loans schemes. Loans schemes are expensive for governments and very often highly subsidized. Given the tightness of public budgets in many countries, governments have a strong interest in containing overall loans scheme costs and, particularly, subsidy levels within appropriate and realistic limits. This will require a careful justification for the current levels of loans subsidies, the development of efficient loans repayment collection procedures and the continuous monitoring of the outcomes of the loan scheme to ensure that it is successfully meeting defined objectives (Ziderman 2004).

3.9 Sustainability of the Student Loan Schemes

In most nations, funding for higher education came mostly from the government. However, as demand for higher education increased without a corresponding rise in many nations' budgets, numerous national governments looked for alternate funding sources, including student loan programmes. A few nations, according to Woodhall (2002), began offering small-scale loans to students pursuing higher education more than 60 or 70 years ago. However, actual student loan systems were first established on a large scale in the 1950s and 1960s, primarily in industrialized and a few developing nations (A. Government-sponsored student loan programmes are already in place in a number of nations around the world. They all share one important trait in common: unlike commercial loans, a significant portion of the total funds expended by the programme's sponsor is frequently not repaid (Shen and Ziderman, 2009).

The necessity of training professionals to replace the aging civil workers in Ghana has served as justification for the government's engagement in subsidizing higher education (Newman, 2013). Additionally, for low-income students who have shown aptitude for advanced learning to gain entry to higher education, state involvement in influencing access to higher education is essential. Cost sharing has benefits, but it also raises the question of ability to pay, which makes the higher education system unfair (Warue, 2013).

As an alternative to paying for higher education now, when students are employed and can afford to do so, Ghana has established a Student Loans Scheme to assist students financially so they can complete their higher education without too many difficulties. Other student loan programmes have fallen short in terms of achieving their goals and maintaining their financial viability (Ziderman, 2004). Some student loan programmes have had general success. Since December 2005, there has been a Students Loan Trust Fund (SLTF). The government is making an attempt to use the SLTF to help students financially, however there are some difficulties with the loan programme.

The key issue that arises frequently is that, in the majority of nations where student loan programmes are in place, there is a disparity between total loan disbursements and total

loan recovery. This is typically explained by two factors: first, the loan programmes are designed with an embedded interest rate subsidy. Second, the schemes' management is inefficient, as evidenced by significant repayment default and high administrative expenses. On the other hand, the subsidy minimizes the anticipated amount that may be accumulated from the loans as it indicates the government's cost-sharing role (Choi, 2014).

Other empirical research studies have uncovered problems that can jeopardize the viability of student loan programmes. Onenet et al. (2015) note that student loan schemes frequently face difficulties such as difficulty in creating credible loan boards, difficulty identifying the right loan beneficiaries, the challenge of effective and efficient disbursement, and the challenge of loan recovery, drawing their empirical evidence from Africa. By using evidence from Ghana, Okae-Adjei (2012) gives a consistent augmentation. According to him, loans are frequently distributed late and do not fulfill the intended purpose for which they were obtained. He continued by stating that guarantors' concerns over beneficiaries' ability to repay loan requirements keep Ghana's student loan programme from being sustainable. Johnstone (2007) offers a thorough examination of the sustainability of the student loan programme, which is consistent with these concerns.

The government must keep the subsidy costs of student loans at lower levels, and the private sector must join with it for a student loan to be financially sustainable (Johnstone, 2007). There are two aspects of financial sustainability that the author explains. The first dimension is affordability, which refers to the availability of public funds and the need for subsidization, or the extent to which public funds are needed to cover losses from (a) borrowers who fulfill their repayment obligation but at an ultimate effective rate of interest that falls short of covering the underlying cost of money plus the cost of administration and servicing, and/or (b) borrowers who fail to fulfill their contractual obligation. The students' loan programme would be more financially viable for developing nations if there was less subsidization because these nations have the steepest cost growth curves, the fewest taxing options, and the most compelling alternative needs competing for the limited public funds (Johnstone, 2007). Additionally, since government budgets for student loans

are viewed as being more complex, the second aspect of financial sustainability is the capacity to access private capital markets.

The amounts originally lent may in theory as well as in practice (as in the U.S. Stafford Loan programme) come primarily or entirely from banks and other private sources of savings, but they may obligate the government to very significant subsidies (in-school interest subsidies and subsidies during repayment as well as serving as a guarantor for loans in default). As a result, what appears to be private loan with no immediate impact on the government budget may not be distinct in terms of correct accounting from a sizeable public expenditure, even though it takes the form of future and contingent liabilities rather than current expenditures (Johnstone, 2007).

On the other hand, a loan that requires little to no subsidization (that is, with a repayment flow sufficient to cover the cost of money plus the cost of administration and servicing) and carries no default risk to the lender (due to sufficient collateral provided by the borrower or a co-signer) could be made directly by the government rather than by a bank or other private lender and could be treated not as an expenditure but as a government investment (World bank, 2009).

Theoretically, removing or at least drastically reducing government subsidies and eliminating the element of risk may guarantee the financial viability of a student loan scheme. If the student loans were originating by banks, government agencies, or even universities and later sold to banks or other entities that make up the private capital market, it would then be simple to tap into that market (Johnstone, 2007).

However, substantial arguments in support of student loans are put forth in other research (Woodhall, 2004, Oketch, 2009, Johnstone, 2004, and Ziderman, 2002), which have conflicting effects on the sustainability of the system. Repayable loans, for instance, are based on both efficiency and equity, according to Woodhall (2004). According to the efficiency justifications, loans will free up more funds to finance the growth of higher education and increase access while putting less pressure on the revenue base and the government budget.

Additionally, the loans will boost students' motivation by educating them about the price of higher education and forcing them to weigh benefits and costs in the context of debt repayment. The equity arguments, which center on costs and benefits, come to the conclusion that since most higher education graduates can anticipate significantly higher lifetime incomes as a result of their education, people who benefit from higher than average earnings shouldn't be supported by taxpayers with average and below average earnings (Warue, 2013).

In addition, Woodhall (2004) said that some who oppose loans contend that higher education is a wise social investment and should be paid for with public money rather than private ones. Loans are criticized as being inefficient for a number of reasons, including the following: 1) the difficulty and high cost of administration, particularly the costs associated with collecting loan repayments; 2) the risk of non-payment if graduates are unable to make payments due to unemployment, low wages, or illness; or if they simply default by refusing to repay, emigrating, or disappearing; and 3) the risk of skewing students' subject or career choices by pressuring them to choose high-earning.

Using lessons gathered from other nations, Woodhall (2004) listed a number of problems that loan programmes all around the world encounter. Obtaining and maintaining adequate financing, securing payments and lowering default, and gaining political support for student loan debt are notable among these difficulties. In low- and middle-income countries like Ghana, student loan programmes have the same drawbacks as those previously discussed. A few of the problems that Johnstone and Marcucci (2010) have noted include the inability to access private funding markets and inadequate design, implementation, and collection.

However, there is always a certain amount of risk involved in borrowing, beyond which it is reasonable to expect that lenders or parent co-signers will cover the cost, and which leaves governments with at least some potential obligation. Since the present amounts of these liabilities are comparable to typical government expenditures, they provide a barrier to financial sustainability, particularly in low-income nations where public budgets are

already under the most pressure and higher education prices are rising at the fastest rates (Johnstone, 2007).

According to Johnstone (2007), a financially sound and effective student loan scheme must meet the following requirements. For a student loan to be successful and sustainable, it must first be widely and easily accessible to all academically qualified students who require a loan to pursue post-secondary studies, without regard to the wealth or credit worthiness of their parents or to their own individual career and earning prospects.

Additionally, student loan programmes must be sufficiently generous to allow students to meet their financial needs without experiencing unacceptable personal hardship when pursuing a higher education or unacceptable parental sacrifice (that is, parents using retirement funds to pay for their children's post-secondary education) (Johnstone, 2007). Loan programmes for students should be lightly subsidized and should be based on need rather than applying a means-testing methodology to loan disbursement. All student loan programmes that meet the aforementioned requirements will, in the majority of cases, require some form of ongoing government support.

However, subsidization that exceeds what is required to secure adequate capitalization and maintain reasonable interest rates (that is, at levels of government borrowing or creditworthy consumer debt) is revenue that, by definition, and like all government expenditures, has an opportunity cost in the forgoing of other competing expenditures, such as more grants, additional capacity, or higher quality of existing higher education institutions (Johnstone, 2007).

The debt should be recoverable (allowing for the least amount of default and other non-repayment options): In general, student loan default rates are rather high. However, a large portion of the high default rate in many nations is related to poor lending practices, particularly by government entities acting as lenders, and is therefore, in theory, correctable through better regulatory frameworks and lending procedures. Lastly, having access to private financing markets. This criterion relates to the availability of private savings, which are evidently less plentiful in really impoverished nations, as well as the

availability of trustworthy financial intermediaries who may direct private savings toward investments that will be beneficial for society and the economy. According to the information above, the inability to access private savings is frequently caused by the high levels of risk associated with student loans, which don't have government guarantees or enough co-signers. This situation is made worse in developing nations that implement poorly designed student loan programmes in government agencies with poor lender practices (Williams, 2018).

Because of this, many low-income nations rely on tax money for both loan subsidies, which are typically enormous, and loan repayment, putting student loans in direct competition with all other demands on the government's budget. In the United States, where banks have long provided the money for the very extensive and primarily government-guaranteed (that is risk free) markets, the challenge of accessing private capital markets does not exist. Actually, U.S. student loan programmes are considerably more dependent on the primary private capital markets than they already are. Pension funds, insurance companies, corporate reserves, and even equity funds buy the notes in bulk from banks and other direct lenders through the secondary markets (Woodhall, 2007).

All of the aforementioned characteristics could affect how stable and sufficient a student loan's financial situation is. In other words, student loans that are minimally subsidized, based on need, and collected are typically able to access private capital markets and are thus offered in sufficient volumes to accomplish the dual aim of increasing both participation and cost-sharing. Such widely accessible student loans are essential to financing higher education (that is, widespread participation and students contributing a share of the fundamental costs of instruction or the costs of student living or both) in many countries (Tangkitvanich and Manasboonphempool, 2010).

At the same time, numerous nations have made fruitless (or briefly successful) attempts to set up student loan programmes that are widely accessible, ample, and financially sound. The government or a public entity is typically the lender. It happens much too frequently that the discounted value of the repayment stream is completely insufficient to compensate

for the cost of the loan, administrative and collection expenses, and losses due to non-repayment or default. Many governments are unable to provide loans in significant numbers or amounts to achieve the combined objectives of fostering actual cost-sharing and participation that are frequently quite high, particularly in developing nations (Johnstone, 2005).

3.10 Success and Failure of Students' Loans in Financing Higher Education

Numerous studies have examined the success and failure of student loans in financing higher education. Johnstone (2006) asserts that the success of student loans in funding higher education depends on the guiding philosophy or ideas around which they are based as well as their alluring appeal. That is to say, some student loan programmes that are intended to pay for higher education are established in many developing countries with unrealistic expectations and are based on dubious concepts and unjustified presumptions (Johnstone, 2006).

According to Johnstone (2006), the main expectations of governments with regard to student loan finances are: large sums of money can be raised quickly; with the graduates' loan repayments, the government can eliminate budgetary allocations for higher education and eventually stop funding it; and higher education can be made self-financing through the use of a revolving fund. All three of the aforementioned hypotheses are based on the premise that the loan recipients will immediately and without protest settle their outstanding debt for any student loans that have already been disbursed.

In actuality, loan borrowers need a good job or a lot of work to pay back the loans that were given to them. Examples of this include using debt collectors' agents, as is the case in Tanzania, and implementing loan payback education campaigns. The ideas do not account for other aspects, like the increasing number of students enrolling in higher education or the acceptable criteria and norms for loan issuing. According to Berlinger (2009), the reason student loans aren't being used to pay for higher education is because of the dependence on the aforementioned implausible and questionable theories.

Richard (2019) asserts that the powerful allure ingrained in student loans is the reason for their success in helping students pay for their higher education. These appeals are predicated on the rise in higher education enrolment, the fulfillment of the requirements and standards for loan issuance, and the retrieval of monies for student loans that have already been disbursed.

According to research by Johnstone and Marcucci (2010), student loans not only improve access to higher education but also, and more importantly, lessen the regressive distribution of public funds. This is because everyone who receives student loans for their education will be responsible for repaying the loans. However, according to Msolla (2007), it has been highly urged that lending guidelines and criteria be suitable since they would ensure that only those who truly need them receive loans, which will help to reduce excessive spending.

Furthermore, it is thought that student loans are reasonable since they seem to offer the borrower the assurance that "you can borrow money when you cannot pay for higher education on your own and repay when you can," so facilitating the recovery of previously awarded student loans. In several nations, student loans have been successful in funding higher education because of a number of variables, including rising enrolment, the presence of accepted standards and criteria for loan giving, and the continuous recovery of the student loans that have already been provided (SLTF, 2013)

The World Bank (2009) reports that numerous countries have increased the number of individuals pursuing higher education by using student loans to finance it, which has resulted in a boom in those countries' economies. For student loans to be successful, more students must enroll in classes, the guidelines and requirements for loan approval must be clear and unambiguous, and recovery of previously granted loans must be demanded in order to guarantee that funds will be available to be provided to additional worthy students.

3.11 Models for Student-Loan Repayment

Several models for student loan repayment have been proposed and implemented to address the challenges of student loan debt and improve the affordability of higher education. These models vary in their structure, eligibility criteria, repayment terms, and forgiveness options. Each model has its advantages and disadvantages, and the most suitable option for borrowers depends on their individual financial circumstances, career goals, and preferences.

3.11.1 Australian model

All borrowers are required to repay a portion of their income through payroll withholding under Australia's existing student loan repayment programme. A payment of 4–8% of income is collected through regular payroll deduction when a borrower meets a minimum income criterion, which is roughly equal to \$50,000 USD. Rather than levying interest, all loans are subject to an upfront fee equal to 25% of the original loan sum. The loan balance is then recalculated every year to account for inflation (Sandy, 2012).

Sandy (2012) further expounds that the Australian model of student loans is characterized by income-contingent repayment, meaning that borrowers repay their loans through the tax system once their income reaches a certain threshold. Repayment rates are based on a percentage of income, with higher earners repaying a higher percentage of their income. Generally, the Australian model of student loans aims to ensure equitable access to higher education by providing financial assistance to eligible students while also promoting responsible borrowing and repayment.

The Australian model offers several benefits to borrowers, including minimal or no payments during periods of low income, a maximum payment of 8% of income, and no additional interest charges in the event of a prolonged loan repayment period. Moreover, in order to be eligible for low or no payments, borrowers do not need to select from a variety of repayment plans, schedule monthly installments, or provide proof of income (Ogolla, 2012).

However, one drawback of the Australian model is that graduates who leave the nation do not repay their loans because payback takes place through tax collection. An estimated 20% of Australian student loan debt will never be repaid, according to a recent analysis by Australia's Grattan Institute, because students either make too little money or leave the nation (Sandy, 2012).

3.11.2 Lumni model

Students who accept loans from Lumni, a social company, promise to repay the lender with a predetermined portion of their future earnings once they graduate. In accordance with the Lumni model, the borrower generally consents to pay 4–8% of their first 10 years' income, depending on the borrower's qualities and the loan amount. There is no interest charged on the loan, and depending on the borrower's income over a ten-year period, the loan may be repaid in full or in part (Nawai, 2010).

In one instance that Lumni gave, a Colombian nursing student borrowed \$8,530 from Lumni and agreed to pay back 14% of his wages over a period of 118 months. He will ultimately have to pay the equivalent of a 17 percent interest rate if he receives the predicted wage for a nurse. However, he may only pay back the remaining amount of the loan or even less, if his final earnings are low—if he remains unemployed for a portion of that time (Nadar, 2011).

One benefit of the Lumni model for students is that the borrower will never be required to pay more than a specific proportion of their wage if they end up in a low-paying career or struggle to obtain employment. The possibility that high-income borrowers will wind up paying what amounts to extremely high interest rates is a drawback, though (Nadar, 2011). One thing to think about is how Lumni calculates payments; is there a salary threshold below which borrowers do not make repayments, or is there an exemption for poverty, for example?

In addition to financial assistance, Lumni may also provide support services to students, such as career counseling, job placement assistance, and financial literacy training. These

services aim to help students succeed academically and professionally, thereby increasing their earning potential and ability to repay the income share agreement. Generally, the Lumni model offers an alternative financing option for education that aligns the interests of students and investors. It provides students with access to funding without incurring traditional debt burdens, while investors have the opportunity to earn returns based on the future income of the students they support. However, it is essential for students to carefully consider the terms and conditions of any income share agreement to ensure they fully understand their obligations and potential outcomes (Nawai, 2010).

3.11.3 Pay as You Earn Model

Pay as You Earn is available to borrowers who obtained loans after 2008; in the event of financial difficulty, they can make monthly payments equal to 10% of their discretionary income. Pay as You Earn allows borrowers to make monthly payments that are equivalent to 10% of their income over 150% of the federal poverty level. After 20 years, any remaining balance is erased. The minimum monthly payment cannot ever be more than what the borrower would have paid under the Standard 10-Year Repayment Plan, similar to income-based repayment. After ten years, borrowers working full-time in the public sector may be eligible for loan forgiveness, similar to income-based repayment (Muyoka, 2014).

In the above example, the borrower with a beginning balance of \$25,000 and 6.8 percent interest would make \$25 monthly installments under Pay as You Earn for the first year of repayment, assuming that the borrower's income is \$22,000. The borrower would only be required to repay \$284 in monthly payments—less than what they would have under the Standard 10-Year Repayment Plan—even if their income increased to \$60,000 (Choi, 2014).

One benefit of Pay as You Earn is that borrowers with low incomes will have lower monthly payments. However, low-income borrowers will still pay slightly less than they would under income-based repayment (\$25 as opposed to \$38 in the case above). After just 20 years, the borrower is also eligible for forgiveness. However, the drawbacks of Pay

as You Earn include the need for borrowers to prove their eligibility each year with proof of income and family size, as well as the requirement to pay taxes on any loan forgiveness that takes place after 20 years (Choi, 2014).

If the monthly payment under PAYE does not cover the interest that accrues on the loans, the government may subsidize a portion of the unpaid interest for up to three consecutive years from the date the borrower begins repaying under PAYE. Largely, the PAYE model provides an option for federal student loan borrowers to make affordable monthly payments based on their income, with the potential for loan forgiveness after 20 years of qualifying payments. It offers relief for borrowers who may be struggling to meet their loan obligations under standard repayment plans and helps ensure that loan repayment remains manageable, even during periods of financial hardship (Muyoka, 2014).

3.11.4 Advanced Learner Loans model

Advanced Learner Loans, or ALLs for short, are tuition fee loans designed to assist students who are 19 years of age or older at the beginning of their course in covering the upfront expenses of regulated Further Education (FE) degrees in England, ranging from Level 3 (equal to two A levels) to Level 6 (similar to an undergraduate degree). Following a realignment of the Adult Education Budget to emphasise on adult learners who needed skills and knowledge to prepare for employment, apprenticeships, or further education, ALLs were extended to people aged 24 and over and to levels 3–4 (Clark, 2019).

The most notable modification to the programme since it was first introduced in 2014 was the expansion of ALLs to Levels 5–6 and individuals aged 19–23 in the academic year 2016–17, which followed a public survey. The projected cost to the government of borrowing to fund the ALLs system is known as the RAB charge. The ALLs model's objectives are to help with the valuation of the current ALLs loan book and to offer projections for financial planning (Clark, 2019).

The estimated RAB fee is highly reliant on projections regarding the future earnings of ALLs borrowers. A micro-simulation model is the ALLs model. Thousands of simulated

borrowers with a range of traits are produced by the software. Every borrower is given a debt, and for the duration of the payback term, their wages are estimated. Subsequently, each borrower is subjected to the repayment criteria in order to project their repayment amounts, specific loan balances, and interest throughout the repayment period (Choi, 2014).

The model calculates future repayment thresholds, interest rates, and discount rates for the ALLs using forecasts from the RPI and assumptions made by the Office for Budget Responsibility (OBR) regarding future average earnings growth (AEI). Additionally, the model updates the debtors' future incomes using the AEI estimates. The Consumer Price Inflation rate (CPI) is used to increase course expenses (Clark, 2019).

Students studying at Level 3 and higher who are at least 19 years old can currently apply for loans. Repayment of the loans exceeds the lower repayment level and is calculated as 9% of pre-tax earnings. The primary repayment terms and conditions of a plan 2 or plan 5 loan product apply to ALL borrowers. Furthermore, a borrower may be eligible to have their existing loan cancelled off in a variety of circumstances. should the supplier decide to stop offering the borrower's course. According to the model, there is a 1 in 600 chance that the borrower will qualify for this (Williams, 2018).

ALLs are income contingent, meaning that the amount owed is determined by the borrower's income and that they only repay the loan if their yearly income exceeds the lower repayment threshold. Calculating loan repayments and interest is based on annual incomes, and determining the RAB charge requires accurate income forecasts over the course of the borrower's working life (Choi, 2014).

For borrowers, income modelling begins in the first fiscal year following course completion. With the exception of the early years of the programme, when it was legally stipulated that the first repayments would not be due until 2016–17, this will typically be the first year they are required to make repayments. Since there are 25 equal quantiles created from the income distribution, each quantile corresponds to 4% of the total income distribution. The maximum level of detail that the LFS could offer while still producing

reliable estimates was taken into account when calculating the number of quantiles (Clark, 2019).

Any outstanding loan balance is written off after 30 years, regardless of how much has been repaid. If the individual dies before the loan is repaid in full, any remaining loan balance will be canceled. The Advanced Learner Loans model aims to make further education and training more accessible to adults by providing financial support for tuition fees. It allows individuals to invest in their education and skills development without having to pay upfront, and repayment is based on their income once they are earning above a certain threshold (Choi, 2014).

3.11.5 Mortgage-style loan model

According to Isamil et al. (2010), certain nations, such as Ghana, run mortgage-style loan model similar to many other lending programmes in both rich and developing nations. This is the exact model employed in Zambia. Under the mortgaged style loan model, a loan is considered to be in default if no payment is made at the end of the repayment period; repayment is due when the borrower has completed the moratorium year; a loan is past due if the fixed monthly payment is not made. Although it is not necessary for students to return their loans during their study term, they are expected to do so within a certain number of years, based on the total quantity of loans taken out. Loan repayment has never been easy for borrowers, and it can be particularly difficult in cases when moral hazard has occurred.

The Mortgage-style loan model, as it pertains to student loans, was primarily utilized in the United Kingdom. Introduced in the 1990s, this model was a characteristic feature of student loans disbursed by the UK government through the Student Loans Company (SLC). However, it is worth noting that other countries may have implemented similar loan repayment structures under different names or frameworks. While the Mortgage-style loan model itself was specific to the UK, the concept of fixed repayment schedules, interest accrual, and loan forgiveness after a certain period has been present in student loan systems in various countries. For example, countries such as the United States, Canada, and

Australia have employed different models of student loan repayment, some of which may share similarities with the Mortgage-style loan model in terms of fixed repayment schedules and interest accrual, although they may differ in other aspects such as income-contingent repayment options. Each country's approach to student loans is shaped by its unique economic, social, and political factors, resulting in variations in loan structures and repayment mechanisms (Clark, 2019).

3.12 Patterns of the student loans repayment

There are many patterns of the student loans repayment, for example, the “Conventional Mortgage-type loan (CML)”, “Income contingent loan (ICL)”, graduates tax, employer tax, social pension, national forgiveness and so on. The CML and ICL are mostly performed right now. Many economists, policy makers and aid office staffs discussed the pros and cons of these two kinds of loan repayments. Different countries choose different repayment manner to improve their student loan efficiency.

3.12.1 Conventional mortgage-type loan (CML) repayment pattern

The Conventional Mortgage-type student loan has been most commonly adopted by many countries. This repayment manner is one of the commercial loan which is called amortization. Its main feature is that during the loan periods the borrower pays off the loan all the principal and interest according to a certain interval. Each paying amount is fixed in every certain time point (Woodhall, 2007).

Borrowers are required to make regular fixed monthly payments throughout the loan term. These payments include both principal and interest components and are calculated to ensure that the loan is fully repaid by the end of the loan term. Conventional mortgage loans are typically amortizing loans, meaning that each monthly payment covers both interest charges and reduces the loan balance (principal). The amortization schedule outlines the allocation of each payment between principal and interest, with the proportion of the payment allocated to interest decreasing over time as the loan balance decreases. Conventional mortgage loans typically have loan terms ranging from 15 to 30

years, although shorter or longer terms may also be available. The loan term determines the duration over which the loan will be repaid and affects the amount of each monthly payment. In the early years of the loan, a larger portion of each monthly payment goes towards paying interest, while a smaller portion is applied to reduce the principal balance. As the loan term progresses, the proportion of the payment allocated to principal increases, leading to a gradual reduction in the outstanding loan balance (Clark, 2019).

One of the key features of conventional mortgage-type loans is the stability of monthly payments. Borrowers benefit from knowing exactly how much they need to pay each month, making budgeting and financial planning more predictable. By making regular monthly payments according to the amortization schedule, borrowers gradually pay down the loan balance over time until it is fully repaid at the end of the loan term. Once the loan is paid off, the borrower no longer owes any money to the lender, and the property becomes fully owned by the borrower. Generally, the conventional mortgage-type loan repayment pattern provides borrowers with a structured and predictable repayment schedule, allowing them to gradually pay down their loan balance over time while enjoying the stability of fixed monthly payments (Choi, 2014).

3.12.2 The CLM repayment condition

In many countries or regions, they have adopted the "traditional mortgage-type" student loan repayment programme to specify the installment method. Amortization condition includes interest rate, repayment period, repayment frequency, each repayment amount and so on. Interest rate is the ratio of the lending amount to the repayment amount, and it is often regulated by lending interest rates of commercial bank, inflation rates or consumer price index etcetera. In many countries, governments usually support interest subsidies for student loans programmes. For example, during the study and the grace period, the interest is exempted, or only considering the inflation, the real interest rate is zero or a fixed rate (Choi, 2014).

Usually total repayment periods include a grace period, repayment period and extend period. The grace period is the interval from graduation to the first repayment beginning

time. Its role is to postpone the first repayment, to provide students with job gaps, thus reduced the initial debt burden. Repayment period is the length of time which the borrowers pay off all principal and interest. The extended period is provided to the borrower who could not fully repay the loan on time and requests to the bank for extending the loan term (Warue, 2013).

The forms of conventional mortgage-type loans are also diversified. Some loans of repayment frequency are monthly, quarterly or annual installments equal payments. Such as the Government Subsidized Student Loan (GSSL) is the quarterly repayment in China. Some student loans are graduated repayment installments which the amount of each repayment increased from 1.5% in the first year and gradually added for the last 13.0% during 15 years such as in Thailand (Ziderman, 2003). In general, repayment conditions are diversified in student loan programme, and it also reflects the student loan characteristics in different countries.

The biggest advantage of amortization method is that borrowers could precisely calculate the repayment capital and interest according to their loan amount and interest rates, so that the graduates clearly know their loans debt burden. In order to avoid loans default, students could determine their own amount of loans. For example, the Direct Student Loan Programme in the United States, assuming that student borrows \$5,000 U.S. dollars, according to the contract his repayment periods are 10 years, so he should repay monthly \$61 and the total principal and interest of \$7,395. At the same time, graduates are also clearly aware of their principal and interest repaid each time point, it can reduce the repayment default caused by their memory errors (SLTF, 2013).

3.12.3 Lender pre-knowing the collect amount

The lenders as well as could calculate and preknow how much they collect, in order to determine invest the project funds in the next year. It makes the student loan programme become the real “opened loan fund” not “unlimited capital investment”. For example, the Student Loan Scholarship in Japan, the ratio of the amount of annual reimbursement loan to the lending increased from 15.6 percent in 1981 to 26.8 percent in 1985, and to 42.6

percent in 1994. In 2006, the recovery proportion of two categories student loan further enhanced. In the Student Loan Scholarship of the first category, the loan repayment amount is 1.718 billion yen, accounting for 63.1 percent in the lending amount. From the overall perspective, the rate of the repayment to the total investment is 29.42 percent. After several years of operation, student loan funds could in theory achieve self-sufficiency (Choi, 2014).

Graduate repayment amount is fixed, and is not relationship to graduates future income. There is no need exactly to track and calculate the private income, which can significantly reduce student loans management costs. View of the above advantages, Professor Johnston and Professor Adrian Ziderman recommend to adopt the CML in developing countries. Professor Johnstone said “More important, a conventional loan with a lower present value of repayments is still fundamentally less expensive to repay, and therefore arguably “better” for the student borrower, than an income contingent loan with a high interest rate and a high present value of the total expected repayment stream, even if the income contingent loan may seem more ‘manageable’” (Johnstone, 2007). Apart from the above advantages, there are also many disadvantages of the CML which could not be overcome by themselves.

The loan eligibility needs to be determined before loan disbursement. Means-test is the most useful method to investigate the economic situation of student family. Knowing the household income of loan applicants is an arduous and difficult work. The deviation of household income survey will result in poor student difficult to obtain loans. On the contrary, students from wealthy families enjoy the loan assistant (Warue, 2013).

The repayment amount of amortization is fixed and unchanging, so the graduate debt burden is contrary with the expected revenues. This repayment method is not sensitive with the graduate future income. With the increasing of working years, the borrower income will be enhanced. However, at an early working stage student personal income is relatively low and his debt burden is high incurred loan Therefore, amortization incurred high risk loan arrears and defaults (Nadar, 2011).

In the case of financial credit system maturing, the graduate appears student loan default, and it will directly affect the borrower's credit rating and credit records, such as housing loans and other consumer goods may be blocked. In addition, since poor students fear of loan defaults, they may abandon the student loan application, then ultimately impact on higher education accessibility. As the CLM have some shortcomings and disadvantages. In 1989, a complete new student loan pattern happened in Austria, and the Australian government performed the Higher Education Contribution Scheme (HECS). Now we introduce the income contingent student loan repayment pattern (SLTF, 2013).

3. 12.4 Income contingent loan (ICL) repayment pattern

Income contingent loan is “the collection of the debt depends on the borrowers’ future levels of income” (Chapman, 2005). It includes ICL with Risk-Pooling, ICL with Risk-Sharing, Graduate Taxes and Human Capital Contract (Chapman, 2005). These repayment patterns supply brand-new approach for the student loan.

The ICL repayment condition generally includes the repayment ratio which is the rate of each repayment amount to the income in correspond period, the income repayment threshold and the longest repayment periods. The repayment ratio is the main factor in the ICL, so the different student loan programmes have the different repayment ratio. Such as the HECS is from 3 to 6 percent, and the student loan in New Zealand is the 10 percent of the total income minus the 15,492 NZD. Some countries have the longest repayment periods which are about 20 years. After the longest repayment periods, the loan could be forgiveness (Marcucci & Johnstone, 2010).

At first, the ICL is universal acquirable. The income contingent loan needs not means-test, there is no applicant eligible. Student could apply this loan according to their study fee. So there is not the applicant identification qualified, many students could obtain the loan. Secondly, no repayment delinquencies and default take place. The ICL repayment amount is the proportion of the graduate’s future expected income, and just only the earning is more than the minimum income criteria, they will start their loan repayment. This does not occur repayment defaults and arrears, nor hurt the borrower's credit reputation. So it

avoids the loan reverse selection and moral hazard. It is the most predominance of the ICL (Warue, 2013).

Thirdly, the ICL have the high collecting efficiency through effective loan management institution. The ICL repayment amount based on the graduate expected income, so high income person could quickly pay off in the short term. At the same time, the government authorized tax institutions, pension insurance institutions and other related departments directly to deduct loan from personal income. So it saves the management costs and increases the efficiency of the loan collection (Williams, 2019).

Like a coin, everything has its two sides. The ICL also have its shortcomings. Now we discuss the disadvantages of the ICL. Firstly, it is very difficult to track the personal precise income in long-term. To determine the individual income is a difficult task, in the absence of effective mechanisms for income reporting and tax conditions, especially in developing countries. At the same time, it is also tight to determine the borrower repayment ratio, whether the income is pre-tax or after-tax. In addition, the low-income graduate repayment periods will normally be 20 years or longer, so loans last their lifetime or even several decades (Kerin, 2012).

Secondly, an efficient loan management and recovery institutions should be matched to the ICL. Implementation of this student loan manner, the loan recovery is usually done by specialized agencies. For example, the Higher Education Contribution Scheme (HECS) in Austria, the universities should provide students with the tax numbers and specific amount of the loan to the tax system of Internal Revenue Department. In Ghana, the social pension insurance fund collects loans. In contrast, in Ethiopia, since the lack of a comprehensive income tax collection agencies and awareness of loan repayment, loan collecting still dependents on the government, so student loans face abortion in Ethiopia (Kerin, 2012).

Thirdly, the repayment amount calculation is complex very much. Since personal income changing with the working experience and the environment factors, the repayment proportion will increase with income enhancing, and they will result in the difference of each repayment amount. The calculation of the repayment amount has become more

complex than the amortization method which is fixed. Particularly in developing countries or economic transition states, the source of income is diversified and fluctuant, it makes difficult to accurately calculate and estimate the amount. The low-income borrowers have the relative long repayment periods, especially their incomes below the repayment threshold, they need not pay off. So the financial institution could not find the loan loss in short-term (Kenayathulla and Tengyue, 2016).

ICLs entail a contractual duty on the part of the bearer to return a predetermined percentage of future profits over a predetermined time frame or until the loan is paid back (Johnstone & Marcucci 2010). All students were eligible to borrow up to £9,000 in fees per year plus a limit of £5,500 for living expenses after the 2012 modifications (BIS, 2011). But over time, these amounts will be compounded at an interest rate that is either RPI inflation plus 3%, or equivalent to RPI inflation, depending on their earnings.

It is true that any tuition price is not the same as the cost of the degree due to the nature of ICLs. Rather than being based on the original cost or the amount borrowed, the overall cost of a degree is determined by future earnings. While the structure of these loans can lead to misinterpretation and deception (Johnstone and Marcucci 2010), they are occasionally viewed as a more equitable response to the criticism of free tuition from classical liberal economics that contends that the rich would disproportionately benefit from higher education.

ICLs and other "cost-sharing" programmes, however, represent more than just a practical solution to the mounting demands of state austerity, higher education investment, and the perceived unfairness of free tuition. Debt serves as a barrier to passive entrance and an inducement to maximise benefits whenever feasible, all stemming from an ideological stance that pushes rational actors to invest in their own "human capital." According to Saunders (2010), the neoliberal imaginary posits that in addition to motivating individuals who are risk averse to maximise the profits from degree-level education, fear of debt should also make people and services more adaptable to the demands of the market.

3.13 Types of interest rates

Compounded interest and simple interest are two methods used to calculate the interest on a student loan or investment over time. The mathematical technique used to calculate the interest amount charged on a loan for the principal amount is known as simple interest (SI). SI is computed by multiplying the number of days between payments by the daily interest rate and the outstanding principle. It implies that simple interest is a set percentage of the loan's principal. The following formula is used to calculate simple interest: principal (P) * daily interest rate (r) * number of days between payments (T) subject to the outstanding interest. The interest is deducted from the principal, and the leftover amount is applied to the remaining loan balance (Ambuehl et al., 2022). The strategy helps early-paying borrowers since they pay less in interest and have more money left over to cover a larger share of the principal amount due.

A benefit of simple interest rate is that, depending on the number of years required for payment, the total amount due will be quite small. Particularly in bank offers, simple interest has a six-day grace period that allows time for repayment. A high interest rate is advantageous to the customer while saving or investing. The borrower will pay more if the interest rate is high, which is a drawback of simple interest. Furthermore, the borrower must make additional payments if the repayment period (in years) is extended. Simple interest is easy to comprehend, and some student financial institutions compute interest using this method. Compound interest follows from here. Similar calculations apply to compound interest, but at the conclusion of each period, the total amount owed is determined and additional interest is applied to both the initial principle and the interest that was accrued during that time (Busch et.al, 2022).

Compound interest, or CI, is a mathematical technique for calculating interest on loans or investments that takes into account both the original principal and the interest that has accrued over time. The principal balance as well as any interest accrued during earlier periods are used to compute compound interest. It is commonly calculated using the year as a foundation, either quarterly, half yearly, or monthly. An interest growth rate that

grows more quickly is the outcome of more extensive computation based on longer periods. It suggests that interest is compounding at this time (Ambuehl et al., 2022).

The quantity of money determined by compound interest is more than that determined by simple interest as the latter solely uses the principal as its sole source of income. Because compound interest adds interest to the principal, a personal loan's interest is increased when interest is computed using this method (Busch et al., 2022). This is because a larger amount of interest is implied by the accumulated interest. P stands for outstanding principal, i for annual interest rate, and n for the number of compounding periods. This formula is used to calculate compound interest: $CI = [P(1+i)^n - P]$.

There are numerous drawbacks to compound interest whether taking out a loan or making credit card payments. More money must be paid than just simple interest, particularly if the interest rate is higher. It is difficult for borrowers who pay in monthly installments due to compound interest. Similar to basic interest, you must pay more interest the longer you wait to make the payment. However, because of compounding, it is worse with compound interest (Busch et.al, 2022).

The principal amount owed on the personal loan serves as the basis for computing both simple and compound interest. Conversely, principal denotes the initial sum of money invested or borrowed (loaned) from the bank. Also, interest on the amount borrowed or saved is calculated using both basic and compound interest. When simple interest is calculated using the loan principal as the basis, it differs from compound interest. Compound interest, on the other hand, is calculated using the principle amount as well as the interest that has accrued during earlier periods—such as half-yearly, quarterly, or even daily (Ambuehl et al., 2022).

In Zambia, when calculating interest rates for the matured student loans, HELSB uses compounded interest rate. Using compounded interest rates for matured student loans is a common practice in many financial systems (HELSB, 2023). This method tends to result in higher total interest payments over the life of the loan compared to simple interest, where interest is only calculated on the principal amount. While it can lead to higher costs

for borrowers, compounded interest is often favored by lenders and institutions as it reflects the time value of money more accurately and helps them mitigate the risk of inflation and default. HELSB's use of compounded interest rates aligns with international financial practices and aims to ensure the sustainability of the student loan program while also covering administrative costs and potential loan defaults. However, borrowers should be aware of how interest is calculated and its implications for their repayment obligations.

Several nations utilize compound interest on student loans as part of their higher education financing systems. Federal student loans in the U.S. typically accrue interest on a compound basis. This means that interest is charged not only on the principal loan amount but also on any accrued interest, which can lead to the loan balance growing significantly over time if not repaid promptly. In the UK, student loans issued by the government typically accrue interest based on the Retail Price Index (RPI) plus a certain percentage, which varies depending on the individual's income. This interest accrues from the moment the loan is taken out and is compounded. Canadian student loans generally accrue compound interest. The interest rate can vary depending on the type of loan and the province in which the borrower resides. In Australia, student loans (HECS-HELP) attract compound interest based on the Consumer Price Index (CPI) once the borrower's income reaches a certain threshold (Busch et.al, 2022).

3.14 Research Gaps in the Reviewed Literature

The studied literature made clear that a variety of factors have a role in loan repayment for higher education. According to Christie and Munro's 2003 research, students from lower-class families frequently lack knowledge about the financial advantages of pursuing a higher education and, as a result, have a poor opinion of loan payback. According to Allen et al. (2007), direct impacts on children, including family discussions and keeping track of allowance, can result in an increase in their knowledge and the development of their values and behaviours. Loan counselling was linked to a lower rate of default, according to Steiner and Teszler's (2005) research. Students who took part in these

programmes had different perspectives on loan repayment, which reduced their risk of defaulting.

From the perspective of the HELSB, studies by Ngali, (2013), Warue and Ngali (2016), describe the difficulties of education loan recovery and the variables causing non-recovery. In this study, the knowledge of the variables influencing loan repayment from the beneficiary perspective will be investigated. The policymakers will be more informed about the adjustments that need to be made in order to minimise the issue of loan non-payback if they have a solid understanding of the elements affecting the loan repayment by students who have graduated.

The reviewed literature, especially those studies that discuss the student loan programme in Tanzania, show that the programmes performance has been examined by putting a strong emphasis on the inside view of how the loan programme is run. This indicates that the majority of the reviewed literatures base their discussions of the internal performance of the loan programme mostly on those who develop and implement policy. Additionally, some of the literature, shows that the loan programme as a component of cost sharing in Tanzania is only marginally working well. However, other material, such as SLTF (2013), shows questions in the programme's success (Ishengoma, 2004).

The performance in regard to the administrative procedures for students to access the study loan has not been addressed in the examined literature on the effectiveness of the loan scheme in Tanzania. The trend of loan recovery has not been discussed in either of these literatures (repayment). Additionally, the evaluated studies' methodology for some reviewed studies are primarily quantitative. The performance is shown in various degrees in other reviewed literatures, notably those covering the student loan programmes in different nations, including performance in application processes, disbursement, and debt recovery. It has been determined from the aforementioned research gaps that it is essential to carry out this study in order to close the gaps using the qualitative methodology in order to examine the performance of the loan programme in Tanzania with a primary focus on loan acquisition procedures and loan recovery structures.

Previous research has so far shown that attitude can determine whether someone will repay their loan. Furthermore, a survey conducted by Abu Bakar et al. (2006) among first-, second-, and third-year undergraduate students at one public university in Malaysia found that, on the whole, students have negative attitudes concerning loan repayment (Ismail et al., 2010). Despite the fact that the study was carried out in Malaysia, it was not rigorously and extensively examined, nor was it thoroughly assessed with regard to students' attitudes about the intention to repay loans in the context of educational loans (Ismail et al., 2010). In summary, a lack of awareness about university loan repayment or default is brought on by students' attitudes and the things that influence their attitudes.

Prior research on student loan debt used a methodological approach that was either primarily quantitative or qualitative, mostly qualitative (Abu Bakar et al., 2006), Baum and O'Malley, 2003. However, was discovered that a few studies on loan defaulters that have been conducted applied both quantitative and qualitative (interviews) methodologies. No other study has combined questionnaire surveys and interviews to collect data and conduct in-depth analysis.

2.15 Summary

This chapter provided an extensive review of the relevant literature for purposes of understanding the perceptions, factors, approaches, performance and implications of student loans recovery for sustainable financing of higher education from both the local and the global perspectives. The chapter's main sections included student loan schemes, the performance of students' loan scheme in selected countries, attitude towards student loan repayment, factors affecting repayment of higher education loan by beneficiaries and legal obligation on repayment of higher education loans. It is clear from the review that although student loans are used as a cost-sharing mechanism to create access to higher education in developed and developing countries like China, Sweden, Tanzania, Norway, and Kenya, there are various modalities in managing these loan schemes. Furthermore, it emerged that little had been written about the repayment of student loans and the long-term viability of the programme, despite some research having been done on financing

higher education in Zambia. Therefore, this study aims to contribute to the body of knowledge while looking at the mechanisms implemented to ensure the long-term viability of the loan programme for the financing of higher education in Zambia. The methodology supporting the study will be discussed in the subsequent chapter.

CHAPTER FOUR

METHODOLOGY

4.0 Overview

The previous chapter reviewed literature that buttressed and guided this study. This chapter presents the research methodology which was used in this study. It encompasses the following; research design, description of the study area, study population, sample size, sampling techniques, methods of data collection, data analysis techniques, reliability and validity testing. O'Leary (2004) describes methodology as the framework which is associated with a particular set of paradigmatic assumptions that you use to conduct research. Similarly, Brown (2006), defines methodology as the philosophical framework within which the research is conducted or the foundation upon which the research is based. Research methodology defines the techniques or procedures that are used to identify and analyse information regarding a specific research topic. The research methodology, therefore, has to do with how a researcher designs their study in a way that allows them to obtain valid and reliable results and meet their research objectives (Voxco, 2022). Methodology also allows readers to evaluate the reliability and validity of a study based on the relevance and effectiveness of the procedures employed.

4.1 Research Paradigm

A research paradigm is a model or approach to research that is considered the standard by a substantial number of researchers in the field based on having been both verified and practiced for a long period of time. It is also referred to as a philosophical framework that your research is based on (Rehman and Alharthi, 2016). Kuhn (1970) further adds that a research paradigm is “the set of common beliefs and agreements shared between scientist about how problems should be understood and addressed”. In life sciences, for instance, the research paradigm is the quantitative methodology, whereas in social sciences, the paradigm is qualitative. So, based on the purpose and need of the study, a researcher need to apply an appropriate paradigm. Of course, a researcher could also choose to do a mixed-methods study. Researchers can ground their inquiries in any number of paradigms.

None is right or wrong, merely more or less useful in particular situation. They each shape the kind of theory created for general understanding. Most of the research paradigms emerge from one of the two of the approaches to research that are positivist approach and interpretivism approach. Every research uses one of the research paradigms to use as a guideline for developing research methodology and to take on the research venture in a manner that is most valid and appropriate (Edi, 2020).

Research paradigms offers a pattern of beliefs and understandings from which the theories and practices of your research project operate. It consists of four elements; ontology, epistemology, methodology, and methods (Antwi, and Hamza, 2015). Research paradigms are important because they form the philosophical basis of a research project. Research paradigms influence how different schools of learning such as the sciences versus the humanities undertake their research. Once a research philosophy has been determined, an appropriate methodology can be chosen. Furthermore, knowledge of the philosophical foundation of your research will increase its quality and improve your performance in any analysis you may have to undergo (Proo, 2022).

As a researcher, the choice of research philosophy is an important step in the planning of your research project as different philosophical traditions have implications for the choice of research method. For instance, positivism is often associated with an approach that tests objective theories through the examination of measurable variables (quantitative methods), whereas interpretivism or constructivism are associated with methods that investigate a topic in a more exploratory fashion without the constraints imposed by the rigid quantitative approach (qualitative methods) (Creswell, 2013). The more recent 'mixed method' approach combines both quantitative and qualitative methods. This combines the strength of the philosophical assumptions and theoretical framework of both quantitative and qualitative approaches to provide a rich understanding of a research problem. Understanding how each of these research terms contributes to your research design will ensure the different components of your study are integrated. This, in turn, will enable you to answer the research question (Arshad, 2024).

This study was grounded in the pragmatic paradigm. Pragmatism is, broadly, a research paradigm that tackles difficult societal problems by fusing qualitative and quantitative approaches. It is an approach that is more closely linked to the pragmatic paradigm and places an emphasis on flexibility and practicality over principles. Research studies utilizing mixed methodologies frequently employ pragmatism. Pragmatism has made it easier for academics to mix qualitative and quantitative approaches in social science research, which has made it a hot topic for scholarly discussion (Scispace, 2023).

As a paradigm for research, pragmatism focuses on finding solutions to real-world problems. It became apparent that this kind of research was best suited for researchers with a practical mindset. Using a pragmatic approach, philosophical dualism is rejected, steering clear of artificial divisions such as those between constructivism and positivism. It is better to use empirical procedures rather than idealistic or rationalistic ones. Pragmatist researchers place a strong emphasis on an investigation's ability to accomplish its goals, with an eye toward results. How closely a decision matches with expected or intended results influences the choice between different versions of reality. Pragmatist researchers emphasize the informational, methodological, and philosophical assumptions that are essential in achieving desired or expected outcomes while planning and carrying out research (Creswell, 2013).

The controversial philosophical discussions on reality and truth depart from pragmatism. Rather, it accepts the possibility of either a singular or numerous realities, contingent upon empirical investigation. Under this paradigm, academics recognise an objective reality that is based on the environment but only available to humans. Pragmatist philosophy's central claim is that reality and knowledge are socially produced constructs shaped by customs and beliefs. Although pragmatists acknowledge that all knowledge is socially created, they argue that some constructs are more in line with personal experiences. The idea that reality can be definitively established is contested by pragmatics, who see reality as a normative construct that is accurate to the extent that it helps people navigate a variety of experiences. Pragmatists believe that truth is a concept that is dependent on personal application and the passage of time rather than being absolute. It is important to note that

pragmatics acknowledge the inseparability of meaning from human experience and context rather than rejecting philosophical reasoning (Arshad, 2024).

This paradigm was used by the researcher because it promotes a flexible and reflective approach to design by emphasising the importance of the research topic in its methodological stance. This paradigm was also chosen because it is predicated on the idea of applying the best techniques to research real-world issues, enabling the utilisation of several data and information sources to address research concerns. This contributes to its suitability for multimethod research, which employs several types of quantitative or qualitative data, and mixed methods research, which gathers and integrates both quantitative and qualitative data within a single study (Creswell 2013).

Pragmatism, which lies between positivism and constructivism, recognises that knowledge can be acquired in a variety of ways and can incorporate both qualitative and quantitative methods. Rigidly adhering to no ontological precepts, the pragmatic researcher chooses methodologies that most effectively address the inquiry, driven by the research questions. The paradigm's emphasis on successfully answering research questions rather than rigorously following a certain method is consistent with a pragmatic approach to mixed-methods research (Arshad, 2024).

When talking about social and behavioural sciences, quantitative researchers believe that any human behaviour can be studied and predicted quantitatively and they believe that behaviour can be explained using a scientific approach to research. While using positivist paradigm in social sciences the researcher controls all the other factors that can ruin his/her research by having their impact. To achieve a controlled environment, the researcher has to conduct the research in a laboratory setting like a scientific experiment, though the human behaviour is difficult to study in a controlled environment, this makes it difficult for the social science researcher to use a positivist paradigm in the study of human behaviour (Dash, 2005).

4.2 Research design

A research design is a systematic plan to study a scientific problem (Tezu, 2019). The design of a study defines the study type (descriptive, correlational, semi-experimental, experimental, review, meta-analytic) and sub-type (descriptive-longitudinal case study), research question, hypotheses, independent and dependent variables, experimental design, and, if applicable, data collection methods and a statistical analysis plan. Research design is the framework that has been created to seek answers to research questions. Basically, the term "research design" refers to how a researcher puts a research study together to answer a question or a set of questions. Research design works as a systematic plan outlining the study, the researchers' methods of compilation, details on how the study will arrive at its conclusions and the limitations of the research. Research design is not limited to a particular type of research and may incorporate both quantitative and qualitative analysis (Editage Insights, 2020).

The embedded design was employed in this study. The Embedded Design is a mixed methods design in which one data set provides a supportive, secondary role in a study based primarily on the other data type (Creswell, Plano Clark, et al., 2003). In an embedded design, you collect and analyze both types of data at the same time, but within a larger quantitative or qualitative design. One type of data is secondary to the other. In this study, the embedded designed was principally based on quantitative methods of data collection and analysis while qualitative techniques provided a supportive role. The premises for this design are that a single data set is not sufficient, that different questions need to be answered, and that each type of question requires different types of data. Researchers use this design when they need to include qualitative or quantitative data to answer a research question within a largely quantitative or qualitative study. This design is particularly useful when a researcher needs to embed a qualitative component within a quantitative design. The justification for using the aforementioned research design is to obtain the opinions of a subset of the population on the subject matter in order for it to be representative of the entire population.

The embedded approach is a nested approach and is used when one type of data (QUAN or QUAL) is most critical to the researcher. This approach is used when different questions require different types of data (qualitative and quantitative). The embedded approach is appropriate when one type of data clearly plays a secondary role and would not be meaningful if not embedded within the primary data set. The embedded approach is also useful when the researcher logistically cannot place equal priority on both types of data or simply has little experience with one of the forms of data. Although the two qualitative methods are time-consuming (that is, for the purposes of conduction, transcription, coding and analysis) (Ismail et al., 2010), combining the two qualitative methods provides advantages in terms of gathering improved instrumentation for quantitative data collection approaches, and also in terms of sharpening the researcher's understanding of findings. This dual approach allows for richer findings than just one comparative analysis (Stokes and Bergin, 2006). Below is the framework of the Embedded Design as used in this study.

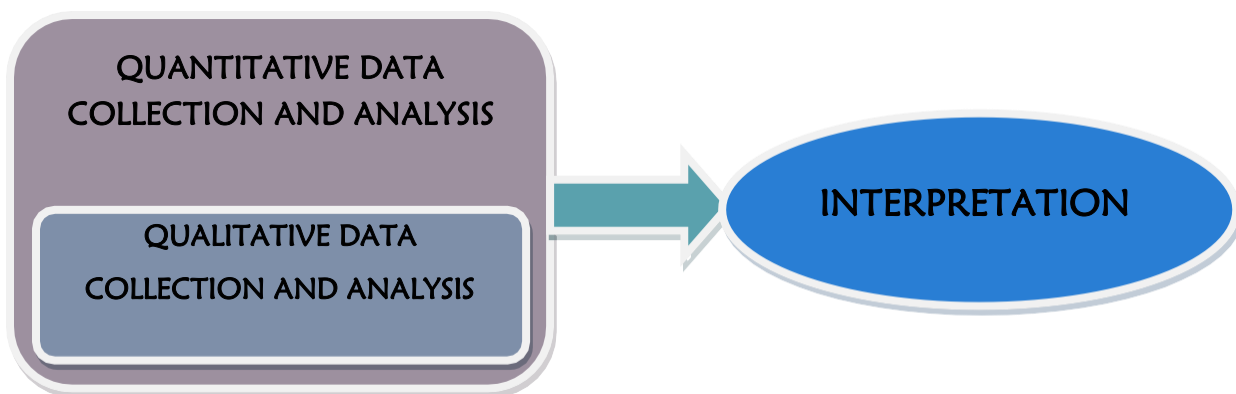


Figure 3.1: The Embedded Design

(Source: Creswell and Plano Clark, 2011)

A mixed methods study should not be undertaken simply because it is possible to collect both numerical and narrative data in relation to a research question. The researcher should consider which methodological approach would be the most appropriate to address his or her specific research questions. Many research questions cannot be fully answered by either quantitative or qualitative methods alone. Mixed methods studies use both qualitative and quantitative components and can be a good approach to more fully explore your research

question. Mixed methods draw on the benefits of each type of research: quantitative research can answer questions about breadth, how many, to what extent, how often while qualitative research can provide depth, answering questions on the why and how (Creswell, 2013).

The researcher opted to use a mixed methods research approach because mixing data sets can give a better understanding of the problem and yield more complete evidence and the investigator gains both depth and breadth. Amalgamating statistics with thematic approaches can help avoid over-reliance on the former and can also capture "soft-core views and experiences" (Jogulu and Pansiri, 2011) and the subjective factors necessary to elucidate complex social situations. It can also strengthen findings – a process known as triangulation. On a more philosophical level, mixed methods research combines paradigms, allowing investigation from both the inductive and deductive perspectives, and consequently enabling researchers to combine theory generation and hypothesis testing within a single study (Jogulu and Pansiri, 2011). Having to use mixed methods also helps researchers to develop their skills, this is particularly important for those at an early stage of their career.

Multiple techniques were used in this investigation to obtain data. Utilizing numerous techniques has the advantage of allowing triangulation to occur. Reviewing and analyzing data from several sources such that a study's conclusions are based on the convergence of that data is known as triangulation. In order to confirm that the data are conveying, several data gathering techniques are used in triangulation. This significantly increases the integrity of conclusions generated from the data (Johnstone, 2004). Triangulation is a term used frequently in the field of social science to describe the idea that by comparing results from two or more distinct research methodologies, a researcher can determine whether or not a particular feature of a phenomenon has been accurately measured (Moran-Ellis et al., 2006).

Similar to every strategy, both techniques have their share of benefits and drawbacks. It is said that qualitative approaches are not scientific, potentially susceptible to the researcher's

own subjective bias, and are not available to review or replication. Comparatively, quantitative methods look for patterns in human behaviour by decomposing the social world into empirical parts known as "variables," which may be quantified (Payne and Payne, 2004). Furthermore, qualitative studies emphasize the specifics of social interaction and the peculiarity of reality that social actors construct, whereas quantitative research focus on verifying theoretical hypotheses and generalizing the results to a larger population (Corbetta, 2003).

Deductive explanatory procedures, which start with a known theory by aiming to offer evidence for or against a pre-specified hypothesis, are the most often used quantitative research methodologies. Accordingly, quantitative research starts with pre-specified objectives that are created with a focus on evaluating preconceived results and is connected to the idea of science as objective truth or fact. With regard to a larger "true" population of interest, numerical estimate and statistical inference from a generalizable sample are used when implementing quantitative approaches. As a result, quantitative research is frequently thought of as a technique for proving causal relationships under predetermined (controlled) circumstances (Bryman and Bell, 2007).

The recommended quantitative research methodology involves working with larger samples and operationalizing concepts to allow measurement. Contrarily, qualitative discoveries are non-numerical, making it impossible to draw conclusions from them using statistical deductions. Notably, qualitative approaches focus on understanding people's motivations for their own behaviour rather than describing statistical patterns (Sekaran and Bougie, 2010).

4.3 Study population

Study population is a subset of the target population from which the sample is actually selected. A population also refers to a group of individuals, items or objects from which samples are taken for measurement (Kombo, 2005). Further, Creswell (2012) defines target population as a group of individuals with some common defining characteristics that the researcher can identify and study. All individuals or objects within a certain population

usually have a common, binding characteristic or trait. Usually, the description of the population and the common binding characteristic of its members are the same. Basically, there are two types of population in research namely target population and accessible population.

Target population refers to the entire group of individuals or objects to which researchers are interested in generalizing the conclusions. The target population usually has varying characteristics and it is also known as the theoretical population. The accessible population is the population in research to which the researchers can apply their conclusions. This population is a subset of the target population and is also known as the study population. It is from the accessible population that researchers draw their samples (Explorable, 2022). An early step in research projects that involve humans consists of composing a clear and detailed definition of the study population. All experimental, observational, and qualitative research designs involving human subjects should define the study population in order to determine the eligibility of individuals for a study. The defined population then will become the basis for applying the research results to other relevant populations. Clearly defining a study population early in the research process also helps assure the overall validity of the study results.

The study population for this study encompassed students from selected public universities in Zambia, who are on the student loan scheme, graduates who were on the loan scheme, staff of the HELSB and Ministry of Education. The researcher only focused on segments (small proportion) of the target population because it is not possible to include the entire population into the study due to constraints of time, man power and financial resources. Currently, Student Loans are given to Undergraduate Students joining University of Zambia, Copperbelt University, Kwame Nkhrumah University, Mukuba University, Mulungushi University, Chalimbana University, Levy Mwanawansa University and Kapasa Makasa University from secondary schools across the country. However, the researcher only drew samples from three (3) universities.

4.4 Study sample

A study sample refers to the selected elements (people or objects) chosen for participation in a study; people are referred to as subjects or participants. In statistics, a sample refers to the observations drawn from a population. Sample size is used in research and defines the number of subjects that should be included within a sample. Having the right sample size is crucial in finding a statistically significant result. The larger the sample size, the more reliable the results; however, larger sample size means more time and money. The sample should be representative of the population to ensure that you can generalise the findings from the research sample to the population as a whole. Creating a sample is an efficient method of conducting research. In most cases, it is impossible or costly and time-consuming to research the whole population. Hence, examining the sample provides insights that the researcher can apply to the entire population. Typically, the population for research is usually enormous. Making an enumeration of the whole population is practically impossible. The sample usually represents a manageable size from the population. Researchers then collect data from the samples in the form of surveys, polls, and questionnaires, and extrapolate this data analysis to the broader community.

In this study, the sample comprised of 1457 students from University of Zambia, Copperbelt University and Mulungushi University, 20 graduates (Beneficiaries of the student loans), 7 staff members of the HELSB and 1 Ministry of Education officer in charge of student loans. The sample for the students was drawn using slovin's formula. Slovin's formula calculates the number of samples required when the population is too large to directly sample every member. Slovin's formula works for simple random sampling. If the population to be sampled has obvious subgroups, Slovin's formula could be applied to each individual group instead of the whole group. The researcher has opted to use Slovin's formula because it allows a researcher to sample the population with a desired degree of accuracy. Slovin's formula gives the researcher an idea of how large the sample size needs to be to ensure a reasonable accuracy of results.

$$n = \frac{N}{1 + Ne^2}$$

Where: n= sample size N= total population e = sampling error

Using this formula the study sample for students at selected universities was calculated as follows:

University of Zambia

Total student population on loan scheme (N) was = 12500

$$n = \frac{12500}{1 + 12500 \times 0.05^2}$$

$$n = 657.1$$

$$n = 657 \text{ students}$$

Copperbelt University

Total student population on loan scheme (N) was = 8000

$$n = \frac{8000}{1 + 8000 \times 0.05^2}$$

$$n = 500.1$$

$$n = 500 \text{ students}$$

Mulungushi University

Total student population on loan scheme (N) was = 3000

$$n = \frac{3000}{1 + 3000 \times 0.05^2}$$

$$n = 300.1$$

$$n = 300 \text{ students}$$

The breakdown of the sample is tabularised in the table below;

Table 4.1: Statistics of Sampled Participants by Province and District

Province	District	University	Students	Graduates	HELSB Staff	Ministry of Education
Lusaka	Lusaka	UNZA	657	10	6	1
Copperbelt	Kitwe	CBU	500	10	-	-

Central	Kabwe	MU	300	-	-	-
Total		3	1457	20	6	1

Calculation of the response rate

$$\text{Response Rate} = \frac{\text{number of respondents who completed the questionnaires}}{\text{Number of respondents who took part in the study}} \times 100\%$$

$$\text{Response Rate} = \frac{1400}{1457} \times 100\%$$

$$\text{Response Rate} = 96.087$$

$$\text{Response Rate} = 96.1\%$$

The researcher had the chance to further explain the study's goal, build rapport, and clear up any ambiguities while presenting the questionnaires, which led to a 96.1% response rate. Additionally, it allowed the researcher the opportunity to assess the seriousness with which the respondents approached the entire exercise, which served as another helpful foundation for the interpretation of data. The researcher believes that the study's results are reflective of the underlying population due to the exceptionally high response rate of 96.1%.

4.5 Sampling techniques

Essentially, sampling consists of obtaining information from only a part of a large group or population so as to infer about the whole population. The object of sampling is thus to secure a sample which will represent the population and reproduce the important characteristics of the population under study as closely as possible. In order to answer the research questions, it is doubtful that researchers should be able to collect data from all cases. Thus, there is a need to select a sample. The entire set of cases from which research sample is drawn is called the population. Since, researchers neither have time nor the

resources to analyse the entire population so they apply sampling technique to reduce the number of cases (Hamed, 2016).

There are so many sampling techniques that are employed in research. In this regard, the researcher used simple random sampling to select respondents from the student populace. Simple random sampling is a sampling procedure in which each possible combination of sampling units out of the population has the same chance of being selected. From theoretical considerations, simple random sampling is the simplest form of sampling and is the basis for many other sampling methods. For simple random sampling to work, researchers must know the total population size. They must also be able to remove all hints of bias as simple random sampling is meant to be a completely unbiased approach to garner responses from a large group. The use of simple random sampling removes all hints of bias. Because individuals who make up the subset of the larger group are chosen at random, each individual in the large population set has the same probability of being selected. In most cases, this creates a balanced subset that carries the greatest potential for representing the larger group as a whole (Cresswell, 2016).

Conversely, members of staff at HELSB and Ministry of Education Headquarters were sampled using purposive sampling. Purposive sampling, also known as judgmental, selective, or subjective sampling, is a form of non-probability sampling in which researchers rely on their own judgment when choosing members of the population to participate in their surveys (Alchemer, 2022). Maxwell (1997:87) further adds that purposive sampling is a 'type of sampling in which particular settings, persons, or events are deliberately selected for the important information they can provide', which is unavailable through other choices. This type of sampling can be very useful in situations when a researcher needs to reach a targeted sample quickly, and where sampling for proportionality is not the main concern. Purposive sampling enables researchers to squeeze a lot of information out of the data that they have collected. This allows researchers to describe the major impact their findings have on the population. Purposive sampling is a popular method used by researchers due to the fact that it is extremely time and cost-effective when compared to other sampling methods.

Specifically, the key informants at HELSB were sampled using expert purposive sampling. According to Laerd (2012), when the research requires collection of data from people with a certain area of expertise, you might utilize this kind of purposive sampling strategy. This knowledge could be useful in identifying potential new areas of interest or providing access to additional participants during the exploratory stage of qualitative research. Alternately, the subject of your research may be a specific area of knowledge, necessitating a narrow emphasis on people with that area of competence. The researcher opted to use this sampling technique because it is principally helpful in cases when there is a dearth of empirical evidence and there is a great deal of uncertainty.

The beneficiaries who had already graduated were sampled using snowball sampling. Snowball sampling, according to Kassiani (2023), is a non-probability sampling technique in which new units are enlisted by existing units to become a member of the sample. Research about people with particular characteristics who would be hard to identify otherwise can benefit from snowball sampling. Snowball sampling, sometimes referred to as chain sampling or network sampling, starts with one or more study participants. Following that, it proceeds based on recommendations from those participants. This procedure is repeated until the desired sample is obtained or a saturation point is reached.

Adi (2022) claims that there are three different types of snowball sampling: linear, exponential non-discriminative, and exponential discriminative. Specifically, in this study, the researcher employed non-discriminative exponential snowball sampling. Adi (2022) adds that in this type of snowball sampling, the initial subject is selected, and he or she subsequently makes numerous referrals. Once there are sufficient individuals for the sample, each subsequent recommendation offers further information for referral, and so on. The initial participant offers numerous suggestions in an exponential non-discriminative snowball sampling. In other words, the researcher finds the first volunteer, who then finds a number of others. All referrals are included in the sample by the researcher. The optimal time to employ this kind of snowball sampling is when you wish to reach a larger sample.

The breakdown of the sampling techniques used to sample the respective respondents is tabularised in the table below;

Table 4.2 Sampling techniques used to sample the respective respondents

S/N	RESPONDENTS	SAMPLING TECHNIQUE USED
1	Students	Simple Random Sampling
2	Graduates	Non-discriminative exponential snowball sampling
3	HELSB Staff (Loan Recovery Officers)	Expert purposive sampling
4	Ministry of Education	Expert purposive sampling

4.6 Data collection instruments

Data collection is the process of gathering and measuring information on variables of interest, in an established systematic fashion that enables one to answer stated research questions, test hypotheses, and evaluate outcomes. The data collection component of research is common to all fields of study including physical and social sciences, humanities, business, etcetera. While methods vary by discipline, the emphasis on ensuring accurate and honest collection remains the same (Most, 2003). Conversely, a Research Instrument is a tool used to collect, measure, and analyze data related to your research interests. A good research instrument is one that has been validated and has proven reliability. It should be one that can collect data in a way that's appropriate to the research question being asked. The research instrument must be able to assist in answering the research aims, objectives and research questions, as well as prove or disprove the hypothesis of the study. It should not have any bias in the way that data is collected and it should be clear as to how the research instrument should be used appropriately.

4.6.1 Questionnaire

In this study, quantitative data was collected using questionnaires which were administered to students. A questionnaire is defined as a set of questions on a topic or group of topics designed to be answered by the respondent. A questionnaire is equally defined as a written instrument used to obtain information from study subjects (Ahmad, 2012). It is regarded as a vehicle used to pose the questions that the researcher wants respondents to answer. A questionnaire has numerous merits most notable among them include no interviewer bias, upholding confidentiality, less time spent on administration, easier questioning of larger numbers of people and is often perceived as more anonymous and may therefore yield more accurate data on sensitive issues. Questionnaires are popular research methods because they offer a fast, efficient and inexpensive means of gathering large amounts of information from sizeable sample volumes. These tools are particularly effective for measuring subject behaviour, preferences, intentions, attitudes and opinions. Their use of open and closed research questions enables researchers to obtain both qualitative and quantitative data, resulting in more comprehensive results.

4.6.2 Interview guide

For the collection of qualitative data, interviews with members of staff at HELSB and Ministry of Education were carried out. Interviews can be defined as a qualitative research technique which involves “conducting intensive individual interviews with a small number of respondents to explore their perspectives on a particular idea, programme or situation (Boyce and Neale, 2006). There are three different types of interviews: structured, semi-structured and unstructured. In this regard, qualitative data will be collected using unstructured interviews which will be guided by an interview guide.

According to Boyce and Neale (2006), an unstructured interview is a type of interview that is non-directive in nature. Here, the interviewer does not rely on a set of standardized questions but adopts spontaneity when gathering relevant information from the respondent in line with the purpose of the interview. In some way, an unstructured interview is similar to an everyday conversation because of its informal and free-flowing

nature. Unstructured interviews adopt a feedback mechanism to direct the course of the conversation in line with the research. The researcher develops new questions based on the responses provided by the interviewee hence, he or she can gather more in-depth and reliable information about the research subject. At the same time, additional questions might be asked during interviews to clarify and/or further expand certain issues.

Boyce and Neale (2006) further posit that interviews have got numerous advantages. Some advantages of interviews include possibilities of collecting detailed information about research questions. Moreover, in this type of primary data collection, the researcher has direct control over the flow of process and has a chance to clarify certain issues during the process if needed. Owing to the numerous merits of interviews, the researcher will use unstructured interviews in order to collect detailed information pertaining to the topic under study. Moreover, semi-structured interviews will enable the researcher to have direct control over the flow of process and the researcher will have a chance to clarify certain issues during the process of data collection.

The researcher was able to ask more questions by using semi-structured interviews rather than receiving in-depth explanations on the subject. The use of individual interviews has various benefits. First of all, they foster a relationship between the participant and the researcher that encourages cooperation between the two (Maree, 2012). They also inspire the researcher to delve deeper into the queries in order to gain more clarity and comprehension. The researcher probed throughout the interview to get more details on a number of topics. This raised the study's credibility and gave rich information on the research.

When participants are unwilling to answer certain questions or provide evasive answers, probes will be employed. Because they enable study participants to talk about their personal issues in a relaxed manner in their own languages and in their own places, the researcher will use semi-structured interviews (Reid et al. 2005; Smith, 2004). In light of the aforementioned, Creswell (2009) asserts that interviews are changeable, flexible, repeating, and successive rather than something you should prepare in advance and save

for later use. Furthermore, according to Bray (2008), using interviews can help researchers learn more about the group they are researching.

4.6.3 Document review

According to a widespread academic view, secondary data is a secondary source that will support the idea of the real study topic or framework (Creswell, 2009). Abiyi et al. (2009) further add that document review can give an expert understanding of the available data and also it is cheap. The gathering and analysis of pertinent papers for research purposes constitutes the process of a document review (Bowen, 2009). Using this technique, a variety of papers with varying formats, types, purposes, and historical developments were reviewed examined. Secondary data for this study was gathered through journal papers, annual reports, annual bulletins, strategic and annual plans and a few books on student debt recovery, among other sources. Reading, reviewing, identifying gaps, providing feedback where necessary, and contrasting various results already made by various scholars in the context of the current study subjects are all parts of the process. The researcher was of the view that when performing research or assessments with the aim of discovering or validating information, document reviews can be a useful resource. Document reviews can be used for more than just research; they can also be used to confirm compliance or guarantee that particular quality requirements are being followed. It is crucial that the documents gathered are precise and pertinent with regard to the subject or objectives, especially when verifying data.

4.6.4 Data collection sheet

The researcher used a data collection sheet to collect data pertaining to the disbursement of loans by HELSB over a specified period of time. A data collection sheet, according to Busayo (2023), is a tool for gathering and organizing data. It is also known as a spreadsheet that facilitates the gathering, processing, and interpretation of data from many data sources. Data collecting sheets are utilized by quantitative researchers to monitor various numerical values during the systematic study. Because they make it easier to collect, document, and arrange various numerical values from the research variables, data

collecting sheets are highly helpful in quantitative research. When conducting a systematic research, using a data gathering sheet makes things easier and more efficient. Filling out and neatly organizing your data is simple when you have a data collecting sheet.

4.7 Data collection procedure and time line

The researcher sought permission from authorities at the selected universities in order to conduct research at the institutions of learning. The researcher also obtained an ethical clearance letter and introductory letters from the Directorate of Research and Graduate Studies (DRGS) at University of Zambia (UNZA) for identification purposes. Based on the set objectives of this study, the researcher developed questionnaires and interview guides which were piloted on a small proportion of the target population. After the pilot test, the instruments were revised and refined in a quest to ensure the collection of valid, reliable and authentic data.

The researcher pre-set the dates for the interviews with the members of staff at HELSB and the questionnaires were administered to the students and graduates with the help of research assistants. The researcher carried out the process of data collection over a period of eight (8) weeks. Before, collecting data from the members of staff, the students and graduates, the researcher expressed clearly the purpose of the study. The researcher limited the content of each question with a single idea to avoid confusion and reduced questions that gave responses of 'yes' or 'no', because they usually give limited information. The researcher did not influence the respondents by asking leading questions and will always ask for clarity from the respondents. Further, the researcher did not assume answers, pass judgements or engage in irrelevant discussions during data collection.

4.8 Data analysis

Marshall and Rossman (1999:150) succinctly describe data analysis as “the process of bringing order, structure and meaning to the mass of collected data”. It is described as a method of dealing with data obtained from a field study or research carried through other means of experiments. Analysis aims at ensuring that information is extracted from the data collected hence helping the researchers to study it and derive conclusions regarding their

subject of study. Broadly speaking, while it does not proceed in linear fashion, it is the activity of making sense of, interpreting and theorizing data that signifies a search for general statements among categories of data (Schwandt, 2007:6). Therefore, one could infer that data analysis requires some sort or form of logic applied to research. In this regard, Best and Khan (2006:354) clearly posit that “the analysis and interpretation of data represent the application of deductive and inductive logic to the research”. In this case, the researcher used both qualitative and quantitative methods of data analysis.

Before the actualisation of data analysis, the data was edited for purposes of scrutinizing and identifying anomalies and subsequently rectify them. Quantitative data was analysed using a prominent Computer Software called Statistical Package for Social Sciences (SPSS) version 22. Further, descriptive statistics was generated in form of frequency tables, modes and means in addition to inferential statistics. Thematic Analysis was used to analyse qualitative data. Thematic Analysis is a method for identifying, analyzing and reporting patterns within data (Braun and Clarke, 2006). The researcher used thematic analysis because it provides a highly flexible approach that can be modified for the needs of many studies, providing a rich and detailed, yet complex account of data (Braun and Clarke, 2006; King, 2004). As thematic analysis does not require detailed theoretical and technological knowledge of other qualitative approaches, it offers a more accessible form of analysis, particularly for those early in their research career.

In essence, data analysis involved breaking down information into meaningful pieces, integrating them, looking for patterns, identifying the important and knowledgeable ones, and deciding what to present. To acquire a quick overview of the results, information analysis and clarification was done concurrently with data collecting from the start of the fieldwork. This allowed the researcher to evaluate the accuracy of the information acquired. But after all of the fieldwork is completed, a thorough analysis was conducted.

The data from the interviews was coded by the researcher. The researcher then read and reread all of the information gathered to become familiar with it. Before coding the data, the researcher additionally listened to each tape recording. The researcher began coding

the data in accordance with the study questions after reading through all of the transcribed scripts. The researcher used Nvivo software to code the data, but only because there is so much labor required. The researcher then organized the data in accordance with the study's objectives, analyze the responses, and look for similarities and discrepancies.

There are two fundamental applicable stages of conducting thematic analysis that Liamputtong (2003) established. A researcher must analyze all of the data transcripts and comprehend the significance of the data before carefully examining the transcripts and evaluating the perspectives of the research participants. This means that there should be a careful examination of all the information that has been gathered to look for comparable connotations, preliminary coding to analyze the information, assembly into codes, and definition of connections within the information. This is the specific procedure the researcher will use because it is pertinent to this research to analyze the data for the study. The presentation of key themes was the final step in the analytic process. These themes were derived from data and judgments made in relation to the study objectives, evaluated literature, and theoretical framework. Finally, findings were replicated, and resulted in the formulation of conclusions and recommendations for the study.

4.9 Validity and reliability

Validity and dependability are typically viewed as two complementary principles in the context of research. However, there are definite distinctions between the two. The amount to which the test measures what it was intended to assess is a general definition of validity (John, 2015). According to John (2015), the existence of a sound correlation between the study's objective and its design, including a justifiable choice of criteria and variables, test measures, and other components, is the foundation for validity. On the other hand, reliability assesses the outcomes of the study rather than its design. According to John (2015), accuracy of measurement, which is assessed by the likelihood that additional or repeated testing will yield the same results and outcomes, is primarily considered as reliability.

The most common definition of reliability states that it assesses how likely it is for repeated trials of an experiment or other process involving measuring processes to provide the same findings (Ferrell, n.d.). In other words, a dependable test or experiment is one that yields repeatable results, with only tiny variances considered acceptable. A completely different idea, test validity considers not only the outcomes of the study but also the general performance and design. Validity, according to Ferrell (n.d.), is "the degree to which the construct measures what it claims to be measuring." As a result, validity refers to the variables' chosen measures and whether or not they are appropriate for the experiment's goal. On the other hand, reliability entails ensuring that the test's measurements are accurate each time it is performed.

The questionnaire was given to at least two professionals, including my principle and co-supervisor, in order to determine the construct validity of the study in this case. This is done in accordance with Amin's (2005) assertion that content and construct validity are determined by expert judgment. The questionnaire's face validity was evaluated according to how well-suited the experts believe it is for measuring the variables. In order to improve the questionnaire overall and get their opinion, the ambiguous items were eliminated.

Pilot testing determined the instruments' dependability. To ensure that the students comprehend the questions in the same way, the identical questionnaire were initially given to a small sample of students who were not be involved in the real study. The obtained correlation coefficient would suggest that the scores are consistent. The Cronbach's Alpha Coefficient were used to evaluate the instruments' dependability. According to Field (2005), a Cronbach's alpha value of greater than or equal to 0.7 is acceptable. It suggests that the equipment is a trustworthy and somewhat good measurement tool.

The purpose of the pilot research was to test the instrument's overall functionality as well as the questions' ability to prevent overlapping categories and incorrect questions. Additionally, piloting might be beneficial for improving the questionnaire's clarity and overall quality as well as for identifying and subsequently avoiding double-barrelled, loaded, and leading questions. A medium-length questionnaire was constructed for this

study in order to collect the necessary data, despite the fact that a brief questionnaire is preferred. In an effort to aid respondents in making hasty selections and enable them to select from a range of options, the questionnaire only contained closed-ended questions.

Prior to the actual data collection, a pilot study of the questionnaire was conducted informally with 10 undergraduate students at the University of Zambia to gauge completion times and identify anomalies. The researcher approached the class and solicited their voluntary participation in answering the questionnaire. After that, the survey was made available, and the data was gathered. Participants were made aware of their rights and given the opportunity to ask any concerns they may have regarding the study. Additionally, they were informed of the study's objectives and expected duration. They received information on the study's voluntary nature and their right to withdraw at any moment. They will be given the assurance that their responses would be kept private. Before returning the completed questionnaires, the researcher at random asked participants to identify any questions that are unclear or challenging to answer.

During the pilot study, semi-structured interviews were conducted to validate the constructs and items that will be taken from the literature as well as to create new items. This results in a set of items that best represent the constructs, giving the researcher more assurance that the current study only concentrated on the most crucial issues at hand. Second, the quantitative survey is beneficial for both better instrumentation and for clarifying the researcher's understanding of the results. In light of this, the depth and complexity of the conclusions reached through the use of qualitative methods complement the breadth of data supplied by the quantitative approaches (Ismail et al., 2010). The quantitative results were cross-checked with structured interviews to determine whether or not a phenomenon's component has been appropriately quantified.

4.10 Credibility and trustworthiness

Trustworthiness is crucial in qualitative research. According to Hittleman and Simon (2006), ensuring that the data gathered is representative is a concern shared by all researchers. The criteria for increasing the legitimacy and trustworthiness of this study's

findings were credibility and trustworthiness. To verify the study's reliability, a number of information-gathering techniques, including semi-structured talks, field notes, and document reviews were used. To get the analyzed data, the responses from all sources will be contrasted. In qualitative research, credibility is the process of building trustworthiness through data analysis and findings to determine whether the study is factual and correct (Denzin and Lincoln, 2011; Patton 2001). Along with employing member checking to review the data, its interpretation, and conclusions, the researcher established a connection with the participants to increase the credibility of the study.

All discussions were recorded and transcribed in order to confirm their veracity (trustworthiness). The viewpoints of the participants were illustrated using excerpts from the transcribed data. To fully understand the results, information from interviews, field notes, and papers were combined. Utilizing a variety of data sources is encouraged by Denzin and Lincoln (2011). In light of the aforementioned, Mutch (2005) asserts that credibility ensures that participant statements are accurate and understood correctly in order to establish the study's credibility. The researcher employed a variety of data collection methods, procedures, and data sources to achieve this. The information was gathered from a variety of participants, including HELSB officials and MoE officials, through interviews, field notes, and documentation. The researcher was helped by the corroboration of the various data sources in order to verify the participants' opinions, gain detailed explanations, and achieve information saturation.

The research also employed member checking. According to Lietz, Langer, and Furman's (2006) perspective, member checking is also used to give participants the opportunity to see the data collected before it is entered into a research account. Members can confirm or contest the accuracy of the report by using member checking to verify the information gleaned from the data analysis. The participants in this study were also given free rein to participate and were asked to be completely honest during the interview procedure. The lengthier stay was necessary in order to establish a connection with them on the ground and gather rich, in-depth information for the research. Longer stays in the field are encouraged by Denzin and Lincoln (2000) to increase the credibility of a study as the

researcher gets to know the participants and develops a relationship with them to gather rich and important data. This was more relevant while speaking with the important informants. Member checking is a great tool for understanding the nature of human situations in all of their rich complexity, according to Babbie (2008).

4.11 Ethical considerations

Ethical considerations in research are a set of principles that guide your research designs and practices. According to Kombo and Tromp (2006) ethical consideration should involve issues such as fully obtaining informed consent from any subject used in the study, explaining the research in advance to the subjects; and ensuring that all subjects participate voluntarily; maintaining confidentiality at all times; and taking all reasonable measures to protect subjects physically and psychologically. Ethical considerations are an unavoidable component of the research process (Bryman, 2004). Informants were given protection from exposure, and anonymity in this study. The researcher took into account all ethical and legal norms. Informed consent, anonymity, confidentiality, and self-determination are only a few of the norms and legal restrictions. Respondents were given enough information about the research in an understandable format to make an informed decision about whether or not to participate in a research study. Respondents also had the freedom to choose whether or not to participate in the study, including the ability to decline participation and withdraw at any time. The respondents' identities were kept anonymous as part of the procedures adopted to ensure compliance with ethical issues. Furthermore, the researcher did not interfere with or contest the responses of respondents during the research. In addition, respondents were asked to give their informed consent.

Potential participants in a study should be able to refuse to participate and/or withdraw from the study at any time without penalty (Creswell, 2013). In this research, participants were given the option to participate, and their right to withdraw will be clearly stated and explained at the moment of contact, in the Participant's Information Sheet, and at the beginning of their participation. They were given the opportunity to ask questions of the researcher, only after which they complete an Informed Consent Form. Potential

participants in a study need to know its aims, the process of their participation and any risks and benefits potentially occurring from said participation. During this research, participants were introduced to the research and its objectives, how their data was managed, the process of their participation and any potential risks or benefits.

Potential participants in a study have a right to anonymity and to decide what information is to be made public. This was ensured by providing participants with a description of how their personal data was anonymised and how the data was managed, in the Participant's Information Sheet and by recording their approval through the Informed Consent Form. Personal data was anonymised after data collection. The researcher abided by the ethical committee's rules on the disclosure of the names of the participants and their institutions throughout this research. In a document that was signed before the interview, participants were promised that they would remain anonymous before, during, and after the study activity. The participants were made aware that only pseudonyms would be used and that their identities were remain hidden. Other identifiable characteristics were removed before data analysis, before publication and storage of the results. This research followed the University's procedures pertaining to data management protocols. Above all, respondents were treated fairly.

4.12 Summary

This chapter described the research methodology selected for the study and the rationale for the choices made has been presented. The research design used for this study was mixed method which used both qualitative and quantitative which is consistent with the type of instruments used to collect data. It explained why each item was used such as the research design, population, sample size, sampling procedure, research instruments, data collection procedure, data analysis and ethical consideration. The next chapter presents the findings of the study. This chapter has described the research design and methods that were used in collecting the required data. To arrive at the required data, an embedded design was employed in order to have the detailed information and analysis. It has also explained that the study comprised of three higher learning institutions. The study population

encompassed students and staff at HELSB. The chapter also revealed that study sample comprised of 1506 study participants sampled using simple random sampling and typical case purposive sampling. As regards, data collection instruments, the researcher employed questionnaires and interviews guides. Pre-test of data collection, data collection procedure and how data were analysed have also been described for easy understanding of how the findings were drawn. The chapter has ended by elaborating validity and reliability issues, including ethical considerations that were adhered to during the study. The next chapter will present the research findings of the study.

CHAPTER FIVE

PRESENTATION OF FINDINGS

5.0 Overview

The previous chapter concentrated on outlining the study's research methods. It gave the reason for choosing a mixed methods strategy, which made use of a number of data collection and analysis techniques. The choice of a study paradigm, the research design, and other fundamental methodological elements were also essential topics covered in the erstwhile chapter. This chapter entirely focused on presenting the findings based on the following research questions;

1. What are the perceptions of beneficiaries towards student loan repayment in Zambia?
2. What modalities are used by Higher Education Loans and Scholarships Board (HELSB) to recover student loans from the beneficiaries in Zambia?
3. What factors are affecting the recovery of student loans at Higher Education Loans and Scholarships Board (HELSB) in Zambia?
4. How is the performance of the student loan recovery scheme in Zambia?
5. What would be an ideal framework that can enhance the recovery of student loans for sustainable financing of higher education in Zambia?

5.1 Demographic Characteristics of Respondents

Demographic characteristics presented and analysed include age of respondents, gender, university attended, school being pursued, year of study and students' current level of study.

5.1.1 Gender of students

The figure below illustrates the gender of respondents who participated in this study. This study encompassed a total 1400 students (respondents), 792 (56.6%) of which were females. Conversely, the males were represented by 608 (43.4%) of the total number of respondents.

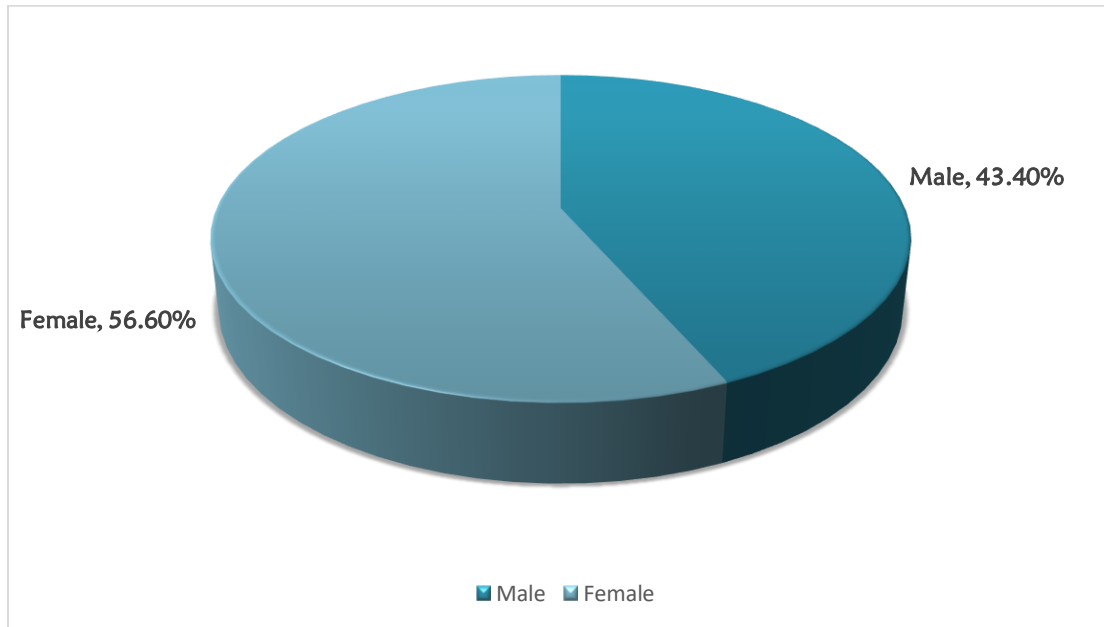


Figure 5.1: Gender of students

Source: Field Data (2023)

5.1.2 Age of students

Age is an important variable in this analysis since it defines the category of respondents investigated. It is also essential, because it gives a fair idea of the age at which the respondents were enrolled into their respective tertiary institutions. Table 4.1 shows the age distribution of respondents. From the table, it can be observed that, majority of the respondents (65.4%) fall within 18-25 age grouping while the remaining proportion were males (34.6%). Further analysis also revealed that the mean age was 21 years while the modal and maximum ages were 22 and 33 years respectively. This gives a fair idea on the age range of students who enter the tertiary level. In this case, it is realised that majority of the students fall under the age grouping of 18-25 years indicating that most of them enroll immediately after completing their secondary education. One's age would inform a student's willingness and ability to access the students' loan as it has a direct link to support systems in relations to sponsor of one's educational needs. Absolutely, age can indeed play a significant role in a student's willingness and ability to access student loans, particularly due to its influence on support systems and financial circumstances.

Table 5.1: Age of students

	Frequency	Percent	Valid Percent	Cumulative Percent
18 to 25 years	916	65.4	65.4	65.4
26 to 33 years	484	34.6	34.6	100.0
Total	1400	100.0	100.0	

Source: Field Data (2023)

5.1.3 University

The table below shows the universities from which the students were selected. According to the information tabulated in the table below, majority of the respondents 519 (37.1%) were students at the University of Zambia. Conversely, 465 (33.2%) of the respondents were students at Copperbelt University. Lastly, the smallest cohort of respondents (416, 29.7%) indicated were students at Mulungushi University.

Table 5.2: University

	University		Valid Percent	Cumulative Percent
	Frequency	Percent		
UNZA	519	37.1	37.1	37.1
CBU	465	33.2	33.2	70.3
MULUNGUSHI	416	29.7	29.7	100.0
Total	1400	100.0	100.0	

Source: Field Data (2023)

5.1.4 Respective schools of respondents

As regards the respective schools of respondents, 36.6 % (513 students) of the respondents were students under the School of Natural Sciences, 32.9% (460 students) of the respondents were students in the School of Education and 30.5% (427 students) of the respondents were students in the School of Humanities and Social Sciences. The aforementioned schools were picked on the basis that they were the principal admitting schools. This information has been illustrated in the figure below.

Table 5.3: Respective schools of respondents

	School		Valid Percent	Cumulative Percent
	Frequency	Percent		
Education	460	32.9	32.9	32.9
Humanities and Social Sciences	427	30.5	30.5	63.4
Natural Sciences	513	36.6	36.6	100.0
Total	1400	100.0	100.0	

Source: Field Data (2023)

5.1.5 Year of study

With reference to the figure 5.2 below, the findings on the year of study of students indicated that 15.7% (220 students) of the respondents were in first year, 16.9% (236 students) of the respondents indicated that there were in second year, 9.9 % (138 students) indicated that they were in third year. 49% (686 students) indicated that they were in fourth year. The fifth years were represented by 3.2% (45 students). Similarly, 3.2% (45 students) indicated that they were in sixth year. The smallest cohort (2.1%) of respondents comprised of 30 seventh year students.

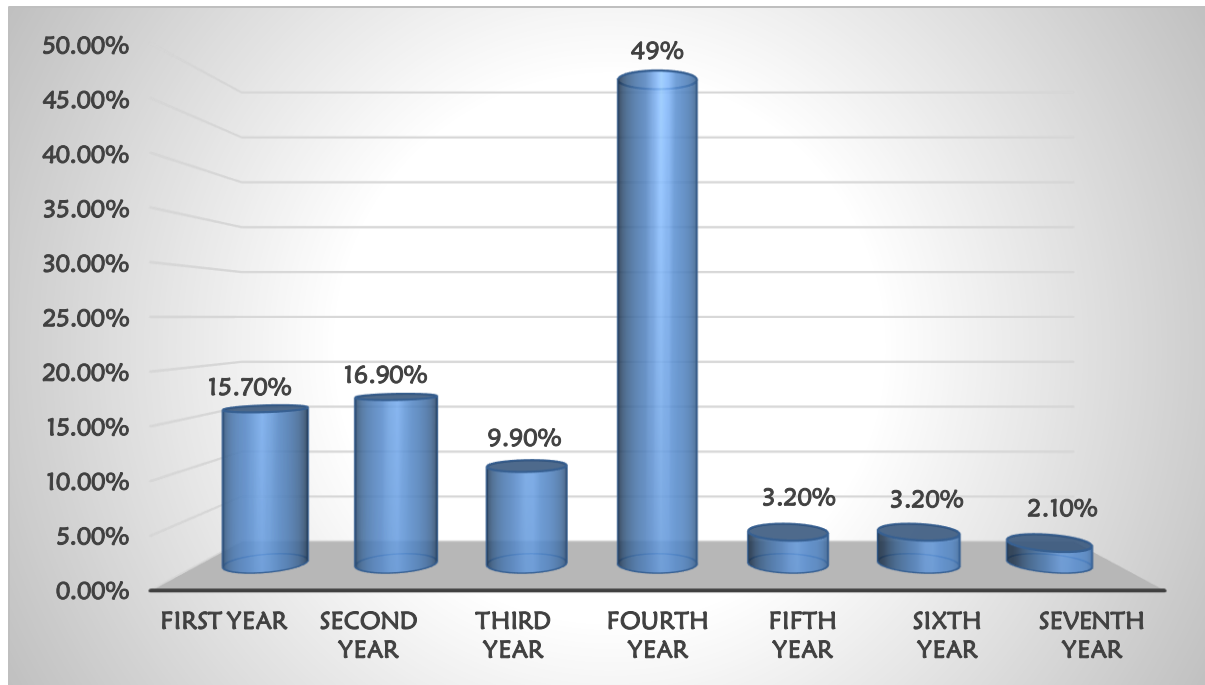


Figure 5.2: Year of study
Source: Field Data (2023)

5.16 Student Loan Coverage

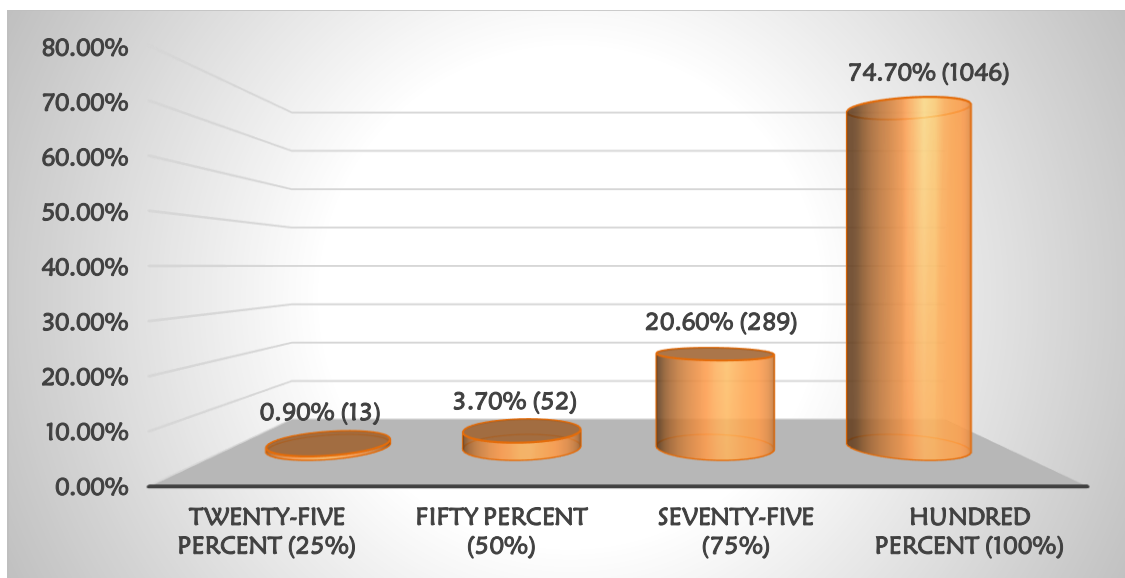


Figure 5.3: Student Loan Coverage
Source: Field Data (2023)

The figure above illustratively indicates the student loan coverage of students who were encompassed in the study. Majority (74.7%) of respondents (1046 students) were awarded a 100% student loan by HELSB. This was preceded by 289 students (20.6%) who pointed out that they were awarded 75% student loan. Congruently, 52 students (3.7%) indicated that they were awarded 50% student loan. The minutest fragment (0.9%) of respondents (13 students) indicated that they were awarded a 25% student loan.

5.2 Beneficiaries' perceptions towards loan repayment

Table 5.4: Beneficiaries' perceptions towards loan repayment

	Frequency	Percent	Valid Percent	Cumulative Percent
The interest rate is too high	687	49.1	49.1	49.1
I will pay my loan in order for the government to continue supporting other needy students	413	29.5	29.5	78.6
Repayment affects savings and investments	70	5.0	5.0	83.6
The income people get is not enough to settle the Loan	130	9.3	9.3	92.9
I will make regular payments to reduce the debt and avoid penalties in the future	57	4.1	4.1	96.9
Repayment of HELSB loan is a must no matter the amount of income received	43	3.1	3.1	100.0
Total	1400	100.0	100.0	

Source: Field Data (2023)

The table above illustrates the perceptions of beneficiaries towards loan repayment. Majority (687) of the respondents (49.1%) indicated that the interest rate is too high. The other cohort (413) of respondents indicated that (29.5%) they will pay their student loans in order for the government to continue supporting other needy students. 5% of the respondents (70 students) were of the view that repayment of student loans affects savings and investments. 9.3% of the respondents (130) avowed that the income people get is not enough to settle the loan. Conversely, 4.1% of the respondents affirmed that they will make regular payments to reduce the debt and avoid penalties in the future. Lastly, the smallest fragment of respondents indicated that repayment of HELSB loan is a must no matter the amount of income received.

Similarly, as regards the beneficiaries' perceptions towards loan repayment, the information presented in the table below shows that interest rate is high. The perception that the interest rate is too high yielded a mean score of 1.44 which is relatively high. The perception that repayment of HELSB loan is a must no matter the amount of income received was marginally higher, with a mean score value of 1.53. The data further indicates that the perception that students will pay back the loan in order for the government to continue supporting other needy students received an average mean score of 1.29 on a rating scale. Conversely, the perception that I will make regular payments to reduce the debt and avoid penalties in the future had a mean score of 1.33. The perception that repayment of student loans affects savings and investments had the lowest mean score of 1.00.

Table 5.5: Mean Scores and Standard deviation for beneficiary's perceptions towards loan

Beneficiaries perceptions towards loan	Mean	N	Std. Deviation
The interest rate is too high	1.44	687	.496
I will pay my loan in order for the government to continue supporting other needy students	1.29	413	.452
Repayment affects savings and investments	1.00	70	.000
The income people get is not enough to settle the Loan	1.18	130	.383

I will make regular payments to reduce the debt and avoid penalties in the future	1.35	57	.481
Repayment of HELSB loan is a must no matter the amount of income received	1.53	43	.505
Total	1.35	1400	.476

Source: Field Data (2023)

5.2.1 Chi-Square Test for the perception of students

Table 5.6: Chi-Square Test for the perception of students

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	28.564 ^a	16	.016
Likelihood Ratio	27.770	8	.027
Linear-by-Linear Association	.463	1	.043
N of Valid Cases	1400		
a. 20 cells (80.0%) have expected count less than 5. The minimum expected count is .11.			

The findings shown in the table above demonstrate that the asymptotic value is 0.016, which is lower than the p-value of 0.05. Therefore, because the asymptotic value or probability value was 0.016, it was inferred that the perceptions of beneficiaries have a statistically significant effect on loan repayment.

5.2.2 Repayment of student loan

In order to further establish the perceptions of beneficiaries towards student loan repayment in Zambia, the students were asked to state whether they have repaid/will pay their student loan dues in order for the government to continue supporting other needy students. They were presented with a 5-point Likert scaling system ranging from “strongly disagree” to “strongly agree.” The result of the survey is presented in the table below as follows:

Table 5.7: Repayment of student loan

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Disagree	212	15.1	15.1	15.1
Disagree	44	3.1	3.1	18.3
Neutral	298	21.3	21.3	39.6
Agree	593	42.4	42.4	81.9
Strongly Agree	253	18.1	18.1	100.0
Total	1400	100.0	100.0	

Source: Field Data (2023)

As represented in the table above, close to half (42.4%) of the respondents agreed. Similarly, 18.1% strongly agreed that they will pay their loan in order for the government to continue supporting other needy students. Additionally, the other cohort of respondents (21.3%) indicated neutral. However, a few of them (3.1%) disagreed and strongly disagreed (15.1%). It can thus be inferred from this information that most of the students are willing to pay their loan in order for the government to continue supporting other needy students.

5.2.3 Repayment of HELSB loan is an obligation

In order to further establish the perceptions of beneficiaries towards student loan repayment in Zambia, the students were asked to state whether they felt that repayment of HELSB student loan is an obligation. They were presented with a 5-point Likert scaling system ranging from “strongly disagree” to “strongly agree.” The result of the survey is presented in the table below as follows:

Table 5.8: Repayment of HELSB loan is an obligation

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Disagree	145	10.4	10.4	10.4
Disagree	180	12.9	12.9	23.2
Neutral	344	24.6	24.6	47.8

Agree	451	32.2	32.2	80.0
Strongly Agree	280	20.0	20.0	100.0
Total	1400	100.0	100.0	

Source: Field Data (2023)

As represented in the table above, majority of the respondents (32.2%) of the respondents agreed. Similarly, 20% strongly agreed that repayment of HELSB is an obligation. Additionally, the other cohort of respondents (24.6%) indicated neutral. However, a few of them (12.9%) disagreed and strongly disagreed (10.4%). It can thus be inferred from this information that majority of the students who took part in this study agreeably stated that repayment of HELSB student loan is an obligation.

5.2.4 Repayment of HELSB loan is a Priority

In order to further establish the perceptions of beneficiaries towards student loan repayment in Zambia, the students were asked to state whether they feel that repayment of HELSB student loan is a priority. They were presented with a 5-point Likert scaling system ranging from “strongly disagree” to “strongly agree.” The result of the survey is presented in the table below as follows:

Table 5.9: Repayment of HELSB loan is a Priority

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Disagree	150	10.7	10.7	10.7
Disagree	204	14.6	14.6	25.3
Neutral	312	22.3	22.3	47.6
Agree	480	34.3	34.3	81.9
Strongly Agree	254	18.1	18.1	100.0
Total	1400	100.0	100.0	

Source: Field Data (2023)

As represented in the table above, majority of the respondents (34.3%) of the respondents agreed that repayment of HELSB is a priority. Similarly, 18.1% strongly agreed that repayment of HELSB is a priority. Additionally, the other cohort of respondents (22.3%)

indicated neutral. However, a few of them (14.6%) disagreed and strongly disagreed (10.7%). It can thus be inferred from this information that majority of the students who took part in this study agreeably stated that repayment of HELSB student loan is a priority.

5.2.5 Repayment of HELSB loan is a must despite the low income

In order to further establish the perceptions of beneficiaries towards student loan repayment in Zambia, the students were asked to state whether they feel that repayment of HELSB loan is a must no matter the amount of income received. They were presented with a 5-point Likert scaling system ranging from “strongly disagree” to “strongly agree.” The result of the survey is presented in the table below as follows:

Table 5.10: Repayment of HELSB loan is a must despite the low income

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Disagree	190	13.6	13.6	13.6
Disagree	283	20.2	20.2	33.8
Neutral	280	20.0	20.0	53.8
Agree	484	34.6	34.6	88.4
Strongly Agree	163	11.6	11.6	100.0
Total	1400	100.0	100.0	

Source: Field Data (2023)

As represented in the table above, majority of the respondents (34.6%) of the respondents agreed that repayment of HELSB loan is a must no matter the amount of income received. Similarly, 11.6% strongly agreed that repayment of HELSB loan is a must no matter the amount of income received. Additionally, the other cohort of respondents (20%) indicated neutral. However, some of the respondents (20.2%) disagreed and strongly disagreed (13.6%). It can thus be inferred from this information that majority of the students who took part in this study agreeably stated that repayment of HELSB student loan is a must no matter the amount of income received.

Regression model for perception of beneficiaries towards loan repayment

Table 5.11: Regression model for perception of beneficiaries towards loan repayment

Model	<i>Unstandardized Coefficients</i>		<i>Standardized Coefficients</i>	T	Sig.
	B	Std. Error	Beta		
(Constant)	1.71	.133		9.125	.000
Loan Repayment	.233	.050	.224	5.261	.000
R	.257				
R Square	.279				
Adjusted R Square	.283				
R Square Change	.289				
F Statistic	36.203				
Sig.	.000				

The adjusted R Square =.279 indicates that loan repayment may be able to sustain higher education financing. This regression model was statistically significant (0.01), demonstrating that the repayment of student loans would, in fact, dependably and favorably contribute to the sustainability of higher education funding in Zambia if it was done effectively.

5.2.6 P-P plot showing beneficiaries perceptions towards loan repayment

The probability–probability plot below shows the beneficiaries perceptions towards loan repayment. The points on this normal probability plot form a nearly linear pattern, which indicates that the normal distribution is a good model for this data set. The normal probability plot shows that the data set is approximately normally distributed and it forms an approximate straight line. The normal probability plot of the residuals is approximately linear supporting the condition that the error terms are normally distributed. The relationship is approximately linear with the exception of one data point. The plot does not indicate that the data is skewed, has shorter or longer tails than expected, or exhibits other departures from normality. Based on the visual look of this graph, it was inferred and confirmed with 95% confidence that the data follows Normal Distribution. In addition, since the P-Value is more than 0.05, the researcher inferred with 95% confidence that the data comes from a Normal Distribution.

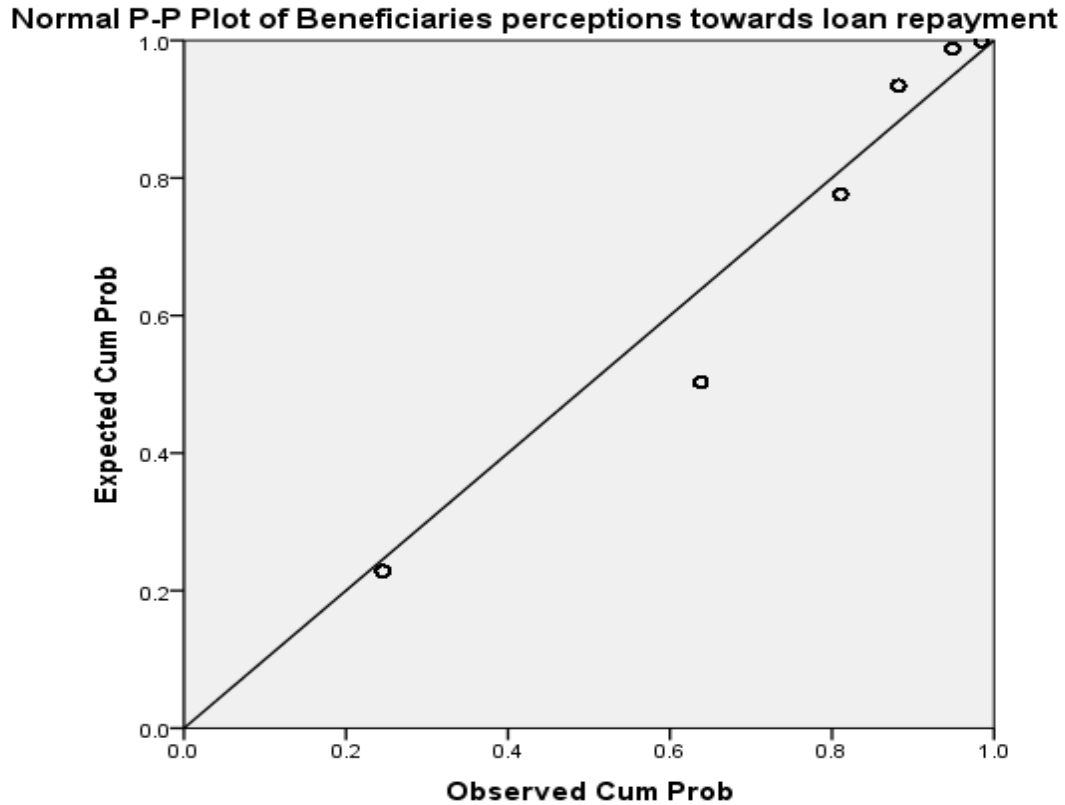


Figure 5.4: P–P plot showing beneficiaries perceptions towards loan repayment

5.2.7 Students perceptions towards the interest rate

The figure below illustrates the perceptions of students towards the interest rate pegged on the acquired student loans. Majority (95.9%) of the students (1343) indicated that the interest rate was relatively high. A smaller fragment of the students (4.1%) indicated that interest rate was not high.

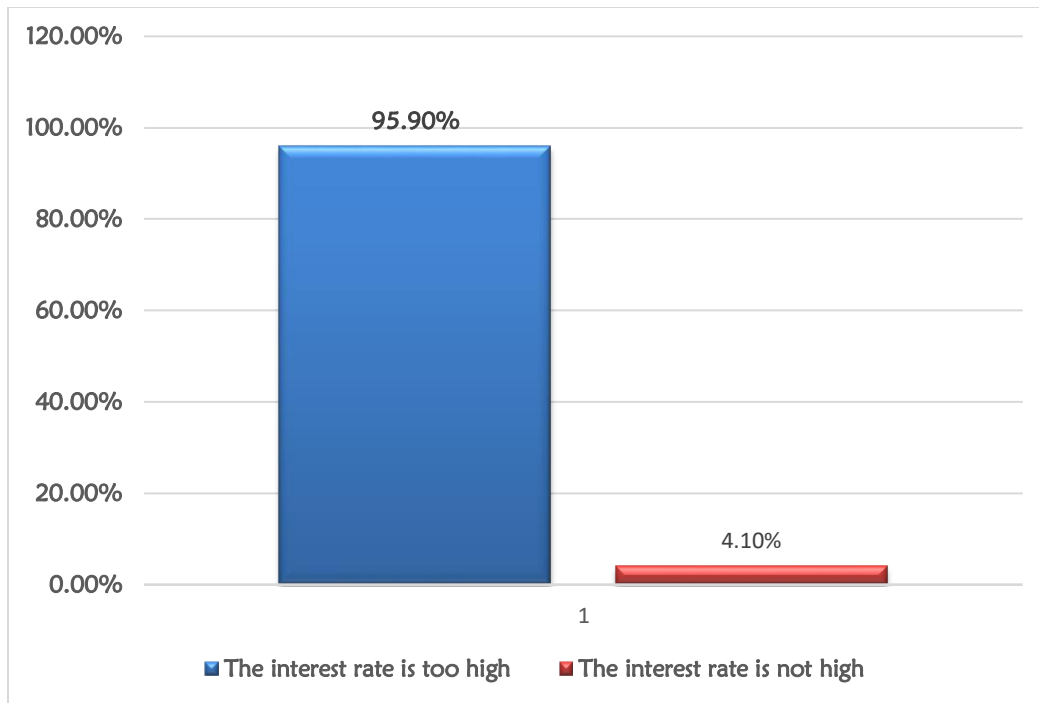


Figure 5.5: Students perceptions towards the interest rate

5.2.8 High interest rate

Majority of the graduates interviewed stressed that the interest rate for the accrued student loans is relatively high. During interviews, one of the graduates pointed out that;

Repayment of student loans is a good thing in that we need to pay back in order to support others that are also are also acquiring and intend to acquire the same education that we got but in as much as we are paying back, it has to be fair to us who are repaying the loans because the interest rate is relatively high. HELSB is deducting a large chunk from my salary as well as the salaries of other beneficiaries without considering how much we get paid on a monthly basis. This is subsequently chocking the just graduates who have just come out of University and are trying to make a life out of themselves. A large chunk of our salaries is going to repaying back the student loan. This makes it very hard for us to sustain our selves, fend for our families and support other people depending on us. Personally, I understand the benefits of paying back but the interest rate is too high (Graduate 1, 24th August, 2023).

In a similar vein, during the interview another graduate stressed out that;

The interest rate is too high. An amount of K1200 is deducted from the K3000 salary that I get each month. I have a family, I pay house rentals, I have bills to pay, I incur transport expenses daily, after the deductions I remain with literally nothing. The money I remain with does not suffice to sustain me. When I was signing up initially, I thought it is a bursary but years later I was told that it is a student loan which must be paid back. There was no prior knowledge about it being a loan. If we had consented, personally, I would not have gone for it. This excellent scheme was designed to be a liberator, not a means of enslaving people through debt. But practically everyone who gains from the method ends up being enslaved by money rather than being free. According to Section 5(2)(h) of the Higher Education Loans and Scholarships Board Act, act number 31 of 2016, the HELSB is required to set up procedures and standards to guarantee equity in the distribution and use of the Fund. The way things are right now, the Act itself has been repealed. The draconian yearly compound interest rate needs to be changed (Graduate 3, 24th August, 2023).

Another beneficiary further ricocheted similar sentiments by averring that;

Repayment of student loans is a good thing but the way we are paying back is very bad. It's like the government is oppressing us. The deductions are not helping me in any way. The Higher Education loans and Scholarships Board is deducting K1753 from my monthly pay of K4000. Considering the high cost of living, this deduction is quite heavy. The interest rate is abnormal and highly exorbitant. HELSB spent more than K100, 000 in the 4 years I studied at the University of Zambia but I have to pay more than K200, 000 within a period of 10 years. The cost of living is quite expensive, the economy is biting more than ever, and those who receive those of us received the student loan suffer from crippling interest rates and loan deductions (Graduate 5, 10th August, 2023).

While restating the importance of student loans and the need to pay back, another beneficiary indicated that the interest rate is high by saying;

Personally, I think the repayment of student loans is well intentioned in that it is the only sustainable way that we can pay for new student loan recipients but the manner in which the deduction is done, it is not very equitable. The way in which they are cutting is not very fair and the interest is high. After the deductions, you have to part away with almost half of your salary and this has proven to be a challenge. I think the deductions should be tied to inflation, HELSB should not be looking to make money off of our repayments. High interests befits the purpose of student loans of empowering people with education so that people can be able to pay back but deducting huge amounts is like a business and I don't think this is right. The deductions are roughly equal to the primary loan amount that someone borrowed and is required to repay. It effectively equates to repaying the debt at a simple interest rate of about 100%. I wonder why the interest rate is exorbitantly high because the government is providing this loan because it values its young people and wants them to prosper, save money, and invest (Graduate 4, 10th August, 2023).

Correspondingly, another beneficiary acknowledged that student loans are crucial in sustaining the student loan scheme but the interest rate is highly exorbitant. In light of this, the beneficiary stressed that;

The introduction of student loans was done in good faith. It was done with the aim of ensuring the sustainability of the scheme as well as increasing the capacity of the government to increase the number of beneficiaries from universities and colleges. However, the interest rate at which we are paying back is highly exorbitant. I earn K4000 per month. When HELSB deducts a huge amount from my salary, it becomes very hard for me to meet all my expenses. When you critically look at the section above of the said agreement that students sign up for, you'll notice that this agreement is not helpful but detrimental to the purpose of having the Loans scheme as a revolving fund to help the high costs of Higher education in our country. One thing I can assure you is that various young people sign up for the Student Loan Scheme because there are no alternatives for the majority poor to access tertiary education and prefer to suffer the financial burdens when in employment. Whilst I understand that the

funds from which students are sponsored are from Tax payers, I also wish to state that the same former students are equal parties when it comes to paying of various taxes (Graduate 9, 24th August, 2023).

In addition, one of the beneficiaries was of the view that there should not be any interest rate attached to the matured student loans. To validate this, the beneficiary pointed out that;

This is supposed to be a revolving fund. What is strange is that there is even interest being charged on recovery. Bursaries that were initially given to some students are now being lumped together with the loan scheme. Bursaries are non-repayable. Salaries are too low in Zambia; government should just recover what they spent. About K90,000 is the principle amount of my loan. My salary is K3, 600 if we deduct other loans from it. It costs K1, 456 per month to pay off the loan. This multiplied by 120 equals K174, 720, therefore I'll have to pay that. The loan I received is double what this is. If I deduct PAYE tax at a rate of 25% from the balance of my salary, which is equal to K900, my net pay is K1, 244. I need to spend K1, 244 to pay my rent, purchase food for the entire month, cover travel expenditures to get to work, and cover every day and unforeseen expenses. The cost of living has increased; for a family of five, it is roughly K8, 000, which translates to K1, 600 for an individual. Now picture someone earning that much while supporting a family with students. Someone leaving with a K2, 500 income leaves with a net pay of K419! Is this a help or a rip-off? Our income is irrelevant to the HELSB; all they care about is taking money out of our accounts each month (Graduate 1, 24th August, 2023).

All the key informants at HELSB equally espoused that most of the beneficiaries strongly felt that the interest rate for the accrued student loans was too high. In light of the foregoing, one of the key informants added that;

Most of the beneficiaries think that the interest is too high. They tend to feel that we are getting more from them. They think that they are being ripped off. The concept of the loan being compounded makes it seem like it's a lot. The beneficiaries do not really get the concept of inflation being factored in. If

HELSB allowed the beneficiaries to only pay back the principal amount, they would have had a positive attitude towards the repayment of student loans. However, some people have responded positively and some have actually paid the loans once off or increased their monthly deductions. When some people learn that if they increase their monthly deductions, the tenure and the interest rate will reduce, they tend to go for that option. Some people would like to go for this option but their resources or monthly earnings cannot suffice or allow (13th February, 2023).

This segment presented the findings pertaining to the perceptions of beneficiaries towards student loan repayment in Zambia. The next segment presented the findings from interviews regarding the modalities put in place by HELSB to recover student loans from the beneficiaries in Zambia.

5.3 Modalities used by HELSB to recover student loans

5.3.1 Retrieving beneficiary records using NAPSA database

The study established that one of the modalities put in place by HELSB to recover student loans from the beneficiaries in Zambia is by retrieving beneficiary records using NAPSA database. In view of the foregoing, the research established that;

36,104 beneficiary records in total were retrieved from the NAPSA database. HELSB had so far engaged 16,051 from the NAPSA records and was engaging the remaining 20,053. This leaves 33,217 beneficiaries from the total 69,321 beneficiaries of HELSB database who may be working in the informal sector and needed to be found. Of the 69,321 beneficiaries, 15,779 were servicing their loans, 53,270 are yet to start repaying while 185 have paid off their loans in full. The National Pension Scheme Authority (NAPSA) records, shows that a total of eighty-seven beneficiaries passed away. The Committee was further informed that matured loan amounts have differing due dates depending on when a beneficiary accessed the student loan and the expiry of their grace period. The legal framework should be strengthened to mandate the HELSB to carry out the function of efficient recovery of loans. Further, HELSB needs to

adapt best practices that have been successfully used by other countries such as Ghana and Kenya to recover loans. The HELSB should also improve on the tracking systems to ensure that former beneficiaries are monitored and that they pay back the loans (Key informant, 8th February, 2023).

Another key informant at Ministry of Education Headquarters added that the HELSB has been student loan beneficiaries through employee engagement with National Pension Scheme Authority (NAPSA). To substantiate this, the key informant affirmed that;

HELSB has captured over 11, 000 employees who benefited from the programme since 2014. This year, 11,876 student loans scheme beneficiaries have been traced through the National Pension Scheme Authority (NAPSA) (Loan Recovery Officer, 7th February, 2023).

5.3.2 Retrieving beneficiary records using ZRA database

The study further established that the other approach put in place by HELSB to recover student loans from the beneficiaries in Zambia is by retrieving beneficiary records using ZRA database. In view of this, one of the key informants added that;

Firstly, we try to find out how much they owe us and where they are working using the ZRA database. When we find out where people are working, we usually send demand letters to their employers or companies. The employers or companies then send the demand letters to their employees. When the employees consent, we start deducting through the payroll system (Loan Recovery Officer, 13th February, 2023).

5.3.3 Tracing beneficiaries and recovering loans through Public Service Management Division (PSMD)

The study established that one of the modalities used by HELSB to recover the loans is by Tracing beneficiaries and recovering loans through PSMD. In light of this, one of the key informants veiled that;

The employer through PSMD facilitates repayment of the loan by simply deducting the loan repayment amount directly from the employee's monthly salary and remitting it to the HESLB (Loan Recovery Officer, 8th February, 2023).

Similarly, another respondent hinted that;

The Loans Board through the Public Service Management Division has been able to trace beneficiaries of the Student Loan Scheme who are currently employed in various Ministries and Departments. Through PSMD, the Board has established that 4,870 beneficiaries of the Loan Scheme were initially employed by Government. Some beneficiaries have, however, left the government due to various reasons which include, deaths, resignations and dismissals (Loan Recovery Officer, 8th February, 2023).

5.3.4 Tracing beneficiaries using Individual employers' payroll systems

The study further established that one of the mechanisms put in place by HELSB to recover student loans from the beneficiaries in Zambia is by tracing beneficiaries using Individual employers' payroll systems. In view of this, one of the key informants revealed that;

A total of 4,100 beneficiaries are employed in the private sector and are thus paying back through the individual employers' payroll systems bringing the total of those paying back through the payroll systems to 10,391 (Loan Recovery Officer, 8th February, 2023).

In addition to the foregoing, another key informant alluded that;

Since the commencement of recoveries in 2018 under the loan recovery programme, the number of institutions remitting on behalf of their employees who benefited from the student loan scheme had been increasing from one institution in 2018 to 13 by the second quarter of 2020 (Loan Recovery Officer, 8th February, 2023).

Another informant pointed out that;

HELSB has partnered with key stakeholders through a memorandum of understanding (MoUs) and other modalities to ensure that the loan recoveries are effective and efficient. These backers include the Zambia Revenue Authority (ZRA), the Ministry of Foreign Affairs and International Co-operation, and, the National Pension Scheme Authority (NAPSA) (Key Informant, 3rd March, 2023).

The modalities used by HELSB to recover student loans from the beneficiaries in Zambia are summarized using the figure below.

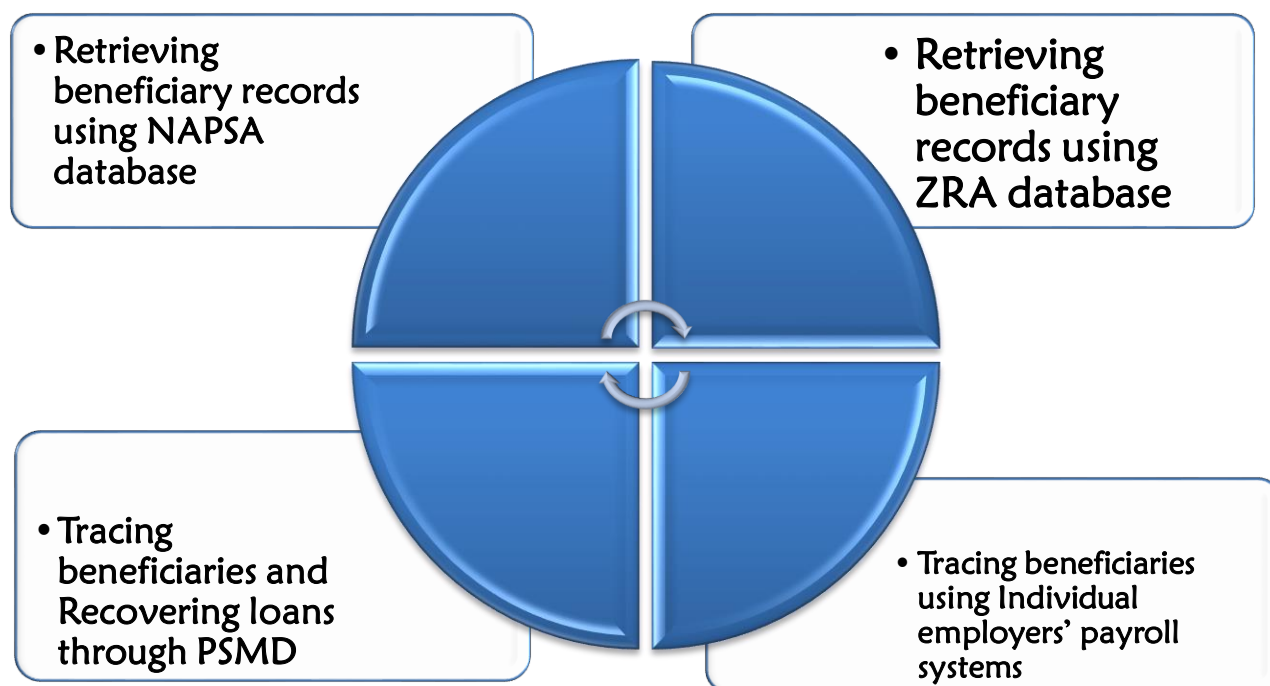


Figure 5.6: Modalities used by HELSB to recover student loans

5.4 Repayment Methods

All the key informants at HELSB alluded to the fact that there are two repayment methods used to recover the matured student loans. One of the key informants stressed that;

A recipient of a loan using the Monthly Deduction Method is required to repay the loan in equal monthly installments at a compound interest rate. A beneficiary's loan repayment begins one year after their studies are finished, or, if the board decides to recall the loan earlier, within that time frame. A beneficiary may, nevertheless, choose to lower the amount owed on their loan

by making voluntary payments either before or after they finish their education (Key Informant, 3rd March, 2023).

In addition to the foregoing, another key informant added that;

The other way of repayment is the offset technique. It is anticipated that a beneficiary using this approach will repay the loan in large installments or pay off the entire sum at a flat interest rate for each repayment. Should a beneficiary choose to return over a longer period of time, the interest will compound at a rate of fifteen percent. In the event that a beneficiary chooses to immediately offset their principle, this interest rate becomes simple interest. Repaying your student loan in Zambia is an important part of the process. After completing your education, beneficiaries are required to start repaying their loan to support the next generation of students. The terms and conditions for loan repayment are outlined by HELSB, and it is essential to understand your obligations fully (Key Informant, 3rd March, 2023).

The two aforementioned repayment methods used to recover the matured student loans are illustrated using the figure below;

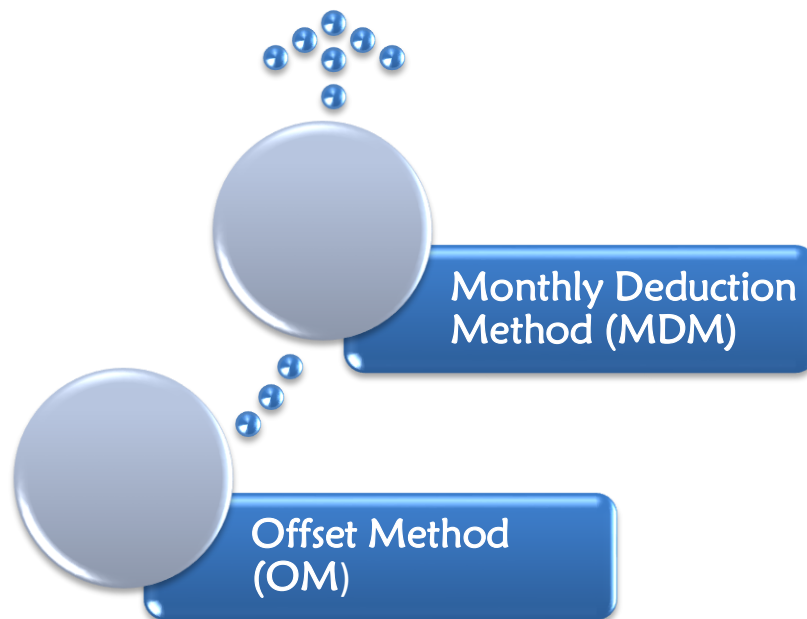


Figure 5.7: Repayment methods

Source: Field Data (2023)

This segment presented the findings pertaining to the modalities put in place by HELSB to recover student loans from the beneficiaries in Zambia. The next segment presented the findings from interviews regarding the factors are affecting the recovery of student loans.

5.5 Factors are affecting the recovery of student loans

5.5.1 Lack of Insurance of Student Loans

The study established that one of the factors affecting the recovery of student loans at HELSB in Zambia was failure or Lack of Insurance of Student Loans. In light of this, it was revealed that;

Higher Education Loans and Scholarships Board did not insure loans against the risk of failure by beneficiaries to repay during the period under review. The failure by the Board to insure student loans between the periods 2004 to March 2021 had resulted into accumulated bad debts in amounts totaling K2, 580,036.34 from seventy-five beneficiaries who had graduated and were employed by the public service and died whilst serving before repaying the student loans. HELSB should insure all student loans against risks as the Board may determine which include death, permanent and total disability as well as mental insanity (Loan Recovery Officer, 5th March, 2023).

In addition to the foregoing, another key informant added that;

These student loans are not insured and that there are a lot of defaults in terms of payment. In the event of these students defaulting, what happens if they are not insured? This is a very serious anomaly and as such, there is need to ensure that all student loans be insured. This is a revolving fund and so, there must be sustainability. In the event of default, the insurance company should be able to sustain those funds (Loan Recovery Officer, 5th March, 2023).

As regards insuring student loans, another key informant stressed that;

In modern countries, whenever one gets a loan, that loan is insured. It is only here in Zambia where people get loans that are not ensured. Some beneficiaries

died and the colossal amount of money that was expected to be recovered from them could have benefited other students. Those students died and we cannot recover the money. They are gone. If these loans were insured, the board would have recovered the money and paid more students. So, when we are dealing with the taxpayers' money, which we are giving the people, we need to take necessary steps to make sure that the money is paid back. There is need to ensure that all the loans that are gotten from HELSB are insured. We do not need to pay a lot of money for insurance. If we can insure our cars and houses, how can we not insure these loans? Once we insure these loans, the money that we will get through insurance will be used to take that poor student to school (Loan Recovery Officer, 5th March, 2023).

5.5.2 Untimely remittances

The study further established that some beneficiaries were not making timely remittances. This has negatively affected the recovery of student loans by HELSB in Zambia. To validate this, one of the informants revealed that;

Some beneficiaries were not remitting expected scheduled payments. The status -quo has the potential to cripple the sustainability of the loans and scholarship fund. All the loans should be pursued to ensure that they are paid back without fail. The Higher Education Loans and Scholarships Board needs to conduct a reconciliation exercise with Payroll Management Establishment Control (PMEC) to normalise deductions for beneficiaries employed in the civil service who were underpaying on the loan (Loan Recovery Officer, 5th March, 2023).

5.5.3 Lack of an Integrated Management Information System

The key informants also highlighted that the other factor affecting the recovery of student loans by HELSB is the lack of an Integrated Management Information System. In light of this, one of the key informants asserted that;

HELSB has not developed an Integrated Management Information System (IMIS) to be linked to public higher learning institutions and other key student loan administration stakeholders. HELSB needs to develop an Integrated

Information Management System. The Board also needs to urgently implement a fully functional Higher Education Student Financing Management Information System to which an automated Means Testing mechanism should be linked to allow for access to critical information about loans and scholarship applicants, and to access student funding (Loan Recovery Officer, 5th March, 2023).

5.5.4 Failure to capture and recover loans from those in the informal sector

The study further established that one of the factors affecting the recovery of student loans by HELSB in Zambia is the failure to capture and recover loans from beneficiaries who are in the informal sector. To substantiate this, one of the key informants added that;

The problem is that the system does not capture those who are in the informal sector. Sometimes the people who are in the informal sector make more money than those in the formal sector. The people in the informal sector use the knowledge they got from the universities 'the degrees', through these loans but they cannot be captured. Someone said that we should use technology to track these students. How can we fail to track these students when they live in this country? We should be able to track them. So, the fact that we do not recover any money from all the students, the burden of paying back is always given to those who pay and this is how we manage to recover the 6 per cent of the money. The money that we give is too much but what is recovered is very little. For any system to be sustainable, the recovery method must at least reach 50 per cent and above. If it is below 20 per cent, basically, that is as good as having no recovery at all. So, there is need to improve on that aspect so that as we recover the money, more students benefit (Loan Recovery Officer, 5th March, 2023).

5.5.5 Lack of an investment policy

The study established that lack of an investment policy has affected the performance of the student loan scheme in Zambia. To substantiate the foregoing, it was revealed that;

HELSB has no investment policy in place to help the institution plan and undertake viable investments. Consequently, the revolving fund has not grown

significantly and therefore, HELSB continues to rely solely on Government funding. This poses the risk that fewer students will access the student loans. HELSB should put in place the investment framework which should document policies like Investment Policy and Resource Mobilisation Policy. These policies should guide investment decisions and management of the Fund assets to grow and sustain the Fund. In addition, HELSB should employ a fund manager and other office holders to spearhead loan recoveries (Key Informant, 6th June, 2023).

Another key informant lamented that;

It is sad that our board has no investment policy. It is very sad and that is why it is important that as we appoint members on these boards. Let us appoint people who have got a business background. We should appoint people who are able to come up with ideas to grow that particular basket. Otherwise, we shall be lamenting year in and year out (Key Informant, 6th June, 2023).

5.5.6 Low salaries

All the key informants at HELSB asserted that the other fact affecting the performance of the student loan scheme in Zambia is low salaries. In view of this, one of the key informants intimated that;

Most of our beneficiaries are not getting good or sustainable salaries, so with the deductions; it just becomes unbearable for them. Most of them usually come and complain that it is unbearable. Due to this, we are forced to reduce to 25% of the basic pay. This in turn increases the repayment tenure of the loan. Essentially, the maximum repayment period of the repayment is ten years so when reduce 25%, our assumption is that as years goes by a person's basic pay is likely to increase. This is just an assumption, it is not a fact (Key Informant, 8th June, 2023).

5.5.7 Lack of employment

All the key informants at HELSB stressed that one of the major challenges that the board is presently grappling with is lack of employment among the beneficiaries. In view of this, one of the informants stressed that;

Obtaining employment shortly after graduation is a hurdle faced by most graduates. Although the majority of graduates eventually find employment that fits their skills, the possibility of extended periods of underemployment and unemployment has an impact on student loan repayment (Key Informant, 8th June, 2023).

Another key informant echoed similar sentimentalities by saying;

In Zambia, unemployment has a detrimental impact on student debt repayment. The rate of unemployment is still high, and although more and more students graduate, there aren't enough job possibilities for them. Today's Zambian youth harbor a tremendous deal of bitterness, and the majority of unemployed people believe that the current administration is to blame for their predicament since they have not given possibilities for bright, energetic, and youthful workers (Key Informant, 8th June, 2023).

In addition to the foregoing, another key informant stressed that;

A good job or official employment are hard to come by for some graduates in Zambia. The repayment of student loans is consequently impacted by this. In order to generate revenue for themselves and the nation, graduates need to be innovative and creative thinkers. It is not appropriate for graduates to passively wait for employment from the government. University graduates are the source of fresh inventions that keep countries advanced. It is imperative for recent graduates to take initiative and try something novel (Key Informant, 6th June, 2023).

Finally, while accentuating the fact that the repayment of student loans is negatively affected by lack of employment among graduates whose loans are due, one of the key informants accentuated that;

Most graduates cannot fail to pay back because they fully know that without the government's support they would have not be able to pursue their studies but the problem is that some of them are not yet formally employed. I hope that hiring managers both in the public and private sectors can start considering people that owe you so that they can pay back their dues. It would also be better for government to recommend the said beneficiaries to the industry only then will they be able to service their loans. I wish government had a way of recommending the beneficiaries to their employees so that they become a priority in order to start settling their loans and this can help to sustain this wonderful programme of student loan (Key Informant, 6th June, 2023).

The factors are affecting the recovery of student loans at HELSB in Zambia are summarized or illustrated using the figure below;

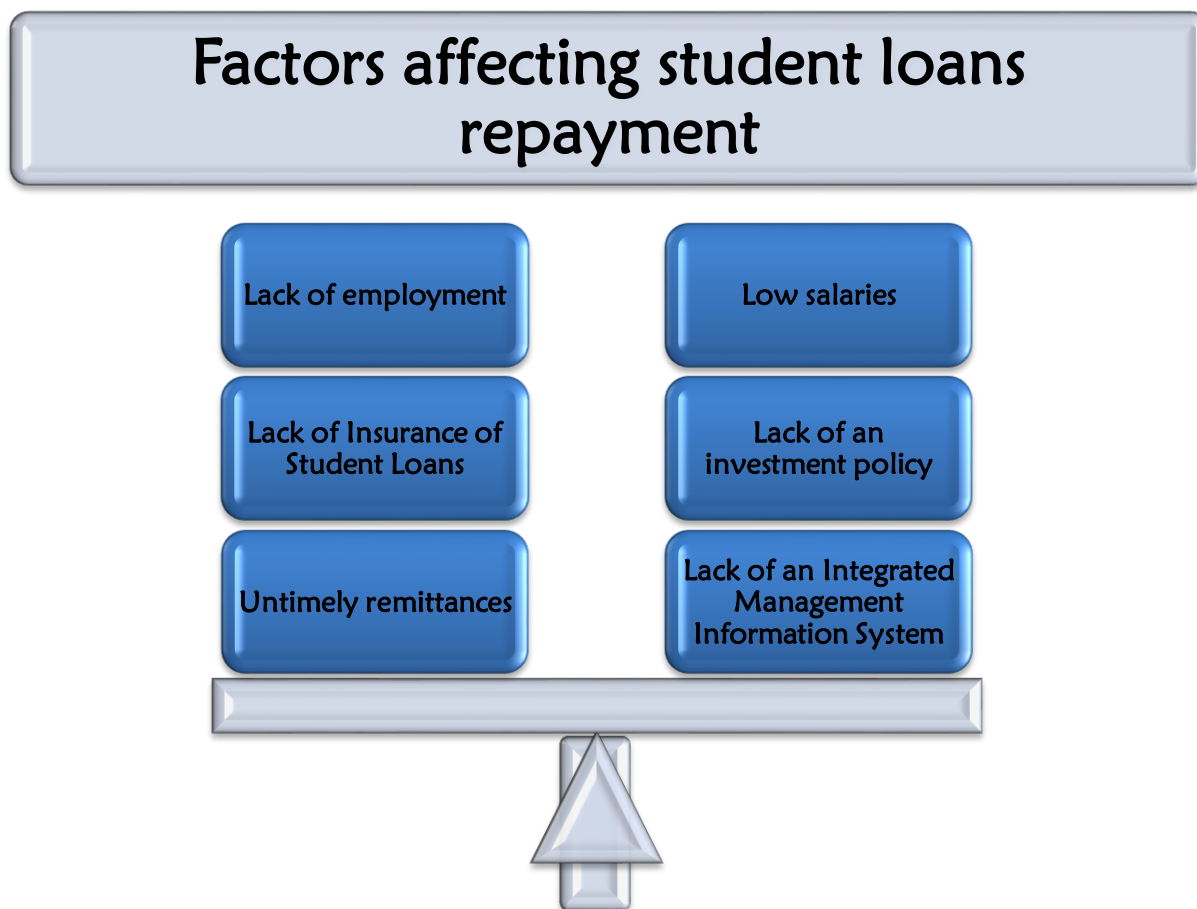


Figure 5.8: Factors affecting loan repayment

Source: Field Data (2023)

This segment presented the findings pertaining to the factors affecting the recovery of student loans. The next segment presented the findings regarding Performance of the student loan recovery scheme in Zambia.

5.6 Performance of the student loan recovery scheme in Zambia

The table below shows that the level of loan recovery has increased exponentially from 2018 to date. The table also illustrates that the HELSB has been meeting the annual targets over the same recovery period. The loan recovery monthly collection has increased from K 8,664,109.96 in the 2018 financial year to an average of K183, 000,000 in 2023 financial year. Principally, an initial amount of K18, 610, 000 was recovered in 2018 from the

beneficiaries whose loans matured. In the year 2019, an amount of K 38,125,723.81 was recovered from the beneficiaries. In the year 2020, a total amount of K 48,421,009.83 was recovered from the beneficiaries. In the year 2021, a total amount of K 104,343,202.20 was recovered from the beneficiaries. In the preceding financial year (2022), a total amount of K 121,042,652.64 was recovered from the beneficiaries. In the 2023 financial year, a total amount of K 188,853,890.85. Loan recoveries have been increasing on a month on month trend. On the odd month that the figure drops, the cause is usually the failure by one of the big employers to remit on time. This is usually corrected in the subsequent month.

Table 5.12: Loan Recoveries by Amount (2018 to 2023)

Month	Y 2018	Y 2019	Y 2020	Y 2021	Y 2022	Y 2023	
January	-	3,052,676.36	5,932,211.06	4,792,203.27	8,963,479.07	13,409,856.76	3
February	-	133,823.94	188,658.53	7,319,192.50	8,653,883.47	14,047,793.90	3
March	-	178,520.12	3,105,285.28	8,288,902.60	9,275,596.26	15,710,982.84	3
April	-	193,168.50	3,033,870.10	14,480,916.84	9,196,503.41	13,791,159.51	4
May	-	6,407,853.96	5,752,154.66	2,909,006.06	9,625,611.60	16,363,023.04	4
June	-	14,809,498.87	601,230.71	8,338,796.03	9,139,619.62	15,531,074.80	4
July	-	443,372.44	6,685,991.96	14,363,722.67	9,456,001.55		3
August	-	247,922.09	1,902,290.54	8,255,829.83	3,682,166.59		1
September	-	3,081,698.53	4,125,046.29	9,207,052.94	14,861,926.48		3
October	2,535,240.74	3,258,041.11	9,214,404.13	8,778,790.96	10,274,008.94		3
November	3,092,489.86	3,278,709.26	2,115,526.97	8,804,723.36	6,389,505.67		2
December	3,036,379.36	3,040,438.63	5,764,339.60	8,804,065.14	21,524,349.98		4
TOTAL	8,664,109.96	38,125,723.81	48,421,009.83	104,343,202.20	121,042,652.64	188,853,890.85	4
	2	9	12	25	30	22	1

Source: HELSB (2023)

Number of beneficiaries remitting

The month on month increase can also be seen in the number of beneficiaries remitting, as per table presented below;

Table 5.13: Number of beneficiaries remitting

Month	Y 2018	Y 2019	Y 2020	Y 2021	Y 2022	Y 2023
January	-	4,025	4,216	7,152	11,166	14,708
February	-	4,037	4,216	10,327	11,480	15,251
March	-	4,112	4,381	10,391	11,491	15,275
April	-	4,112	4,386	10,401	11,817	15,275
May	-	4,112	4,386	10,685	12,156	16,123
June	-	4,112	4,416	10,743	12,233	16,148
July	-	4,112	4,416	10,743	12,240	
August	-	4,115	4,416	10,743	12,481	
September	-	4,118	4,416	10,864	12,585	
October	4,025	4,118	4,416	10,934	12,708	
November	4,025	4,118	4,416	10,942	13,913	
December	4,025	4,216	4,416	11,152	14,499	
Peak	4,025	4,216	4,416	11,152	14,499	16,148

Source: HELSB (2022)

The annual increase can also be seen in the number of beneficiaries remitting as shown in the graph below. The graph illustratively shows that that the number of beneficiaries paying back the loan has been significantly increasing from 2018 to date. In 2018, when the recovery of loans commenced, only 4025 beneficiaries were paying back the loan. However, in 2023, the number of remittances increased to 16, 148.

Loan Recoveries by number of beneficiaries

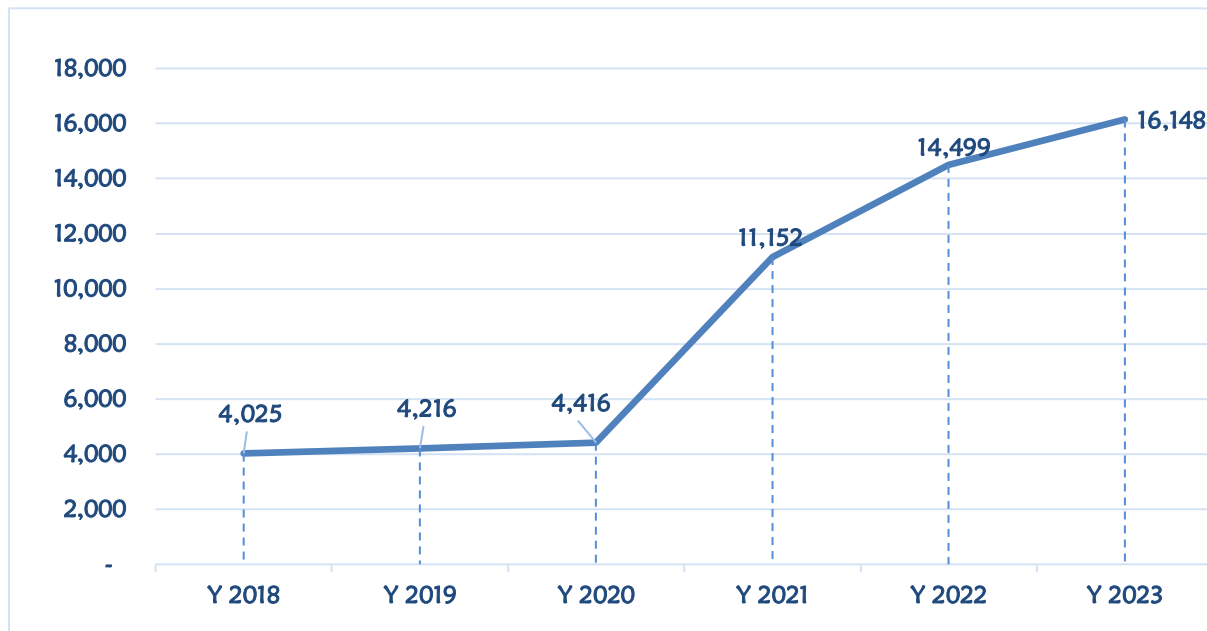


Figure 10: Loan Recoveries by number of beneficiaries

Source: HELSB (2023)

Number of students supported through the Student Loan Scheme since 2004

The figure below shows that over 41,389 students have been supported through the Student Loan Scheme since 2004. Out of this number, about 19,000 disbursed loans have become mature and ready for recovery. Currently, 16,148 are paying back the loan.

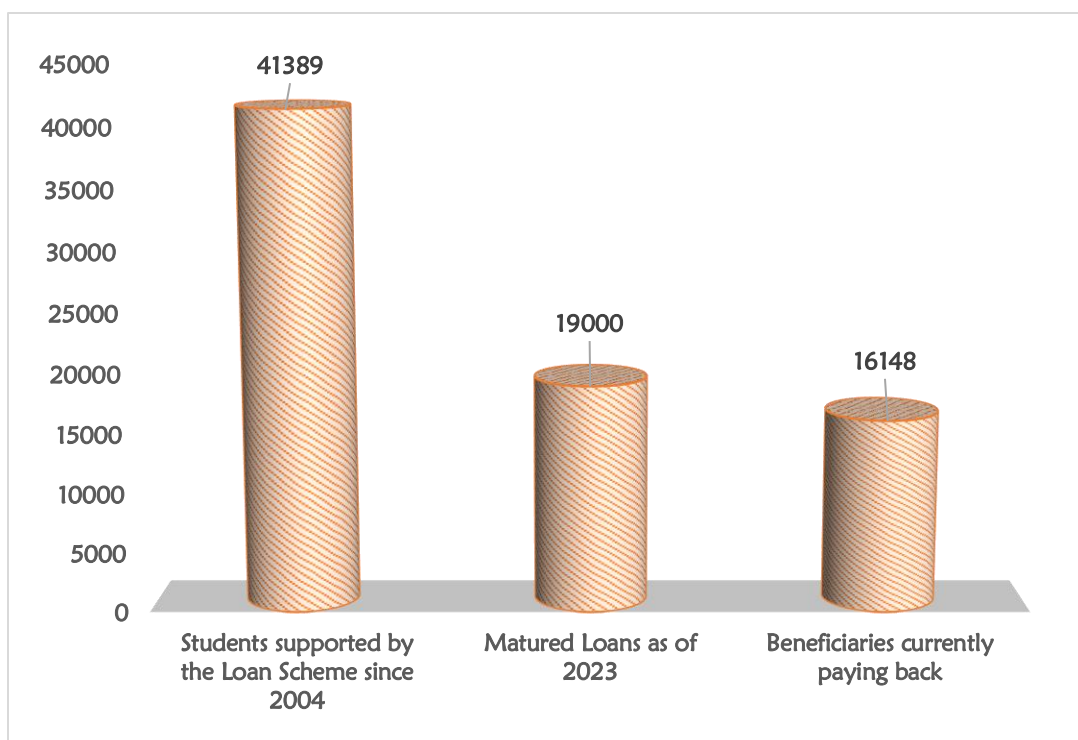


Figure 5.10: Number of students supported through the Student Loan Scheme since 2004

5.6.1 Graphical illustration of the loan recovery trends from 2018 to 2023

The figure below graphically illustrates the loan recovery trends from 2018 to 2023. The trends show that there has been commendable improvement in the recovery of matured student loans. The figure below shows that recovery has improved from 2018 to 2023. The figure further shows that HELSB has been able to meet the annual targets. Recoveries depend exclusively on retrieving or tracing the beneficiaries whose loans have matured. The figure below summarizes the findings.

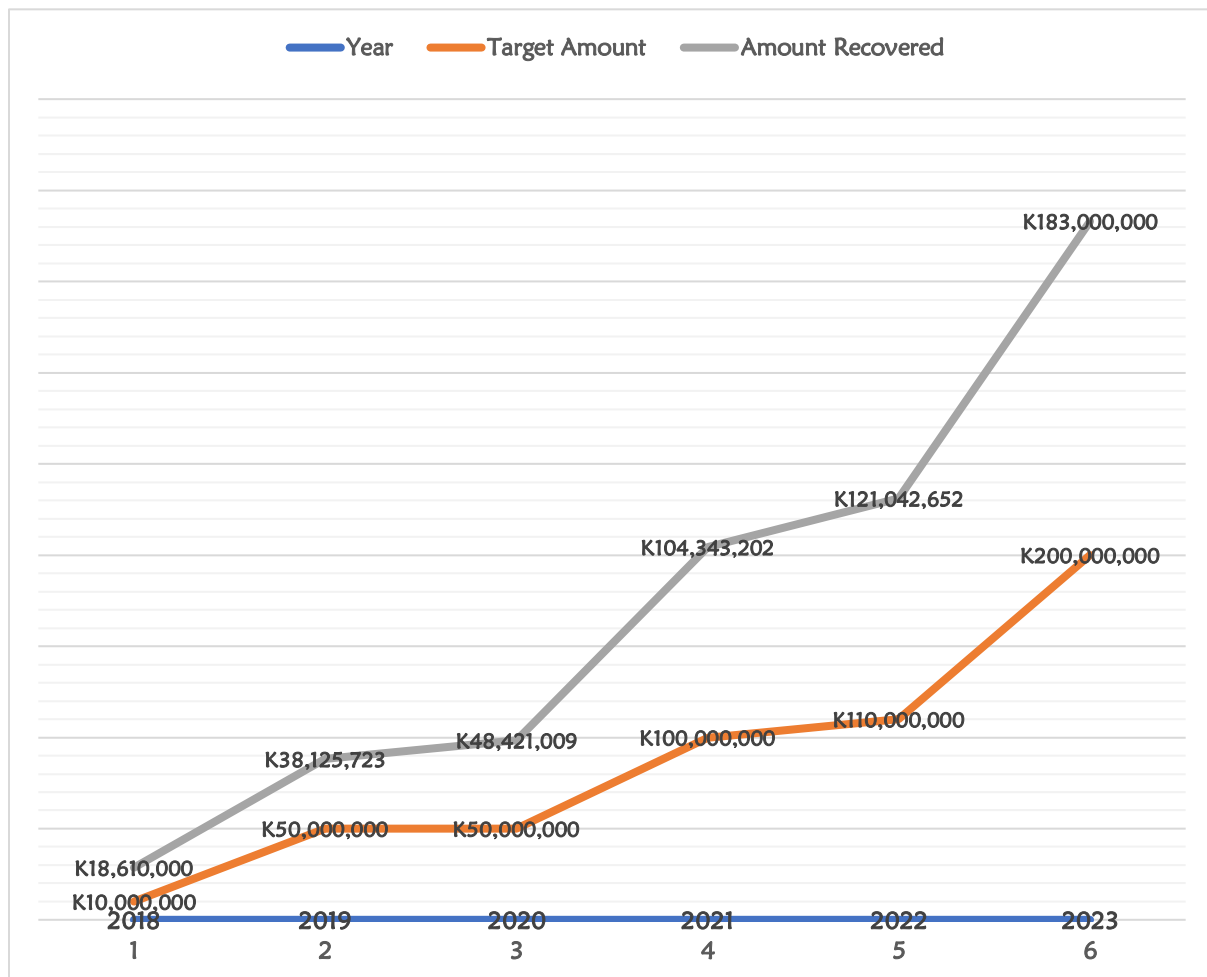


Figure 5.11: Graphical illustration of the loan recovery trends from 2018 to 2023

5.6.2 Increased number of students awarded student loans

Due to increased financial resources brought on by loan recoveries, the student loan scheme has been expanded to five additional public universities namely Mukuba University, Mulungushi University, Chalimbana University, Palabana University, Kwame Nkrumah University, and Kapasa Makasa University. This information is tabularized in the figure below;

Table 5.14: HEIs under Student Loan Scheme

S N	BEGINNING OF 2019	2023
1	University of Zambia	University of Zambia
2	Copperbelt University	Copperbelt University
3	Kapasa Makasa University	Kapasa Makasa University
4		Mukuba University
5		Mulungushi University
6		Kwame Nkrumah University
7		Chalimbana University
8		Palabana University

Source: HELSB (2023)

Number of students awarded student loans Since the commencement of student loan recoveries

Since the commencement of student loan recoveries, the number of students awarded student loans increased by 127% from 4,262 in 2019 to 9,655 in 2021. Consequently, HELSB recorded an increase of 36% of the total number of students supported under the Scheme. The number of students awarded loans increased from 17,444 in 2019 to 23,727 in 2021. There was a further increase in the number of students awarded student loans from 23,727 in 2021 to 24,102 in 2022. The number of students

considerably increased from 24,102 in 2022 to 24,738 in 2023. This information is tabulated in the figure below;

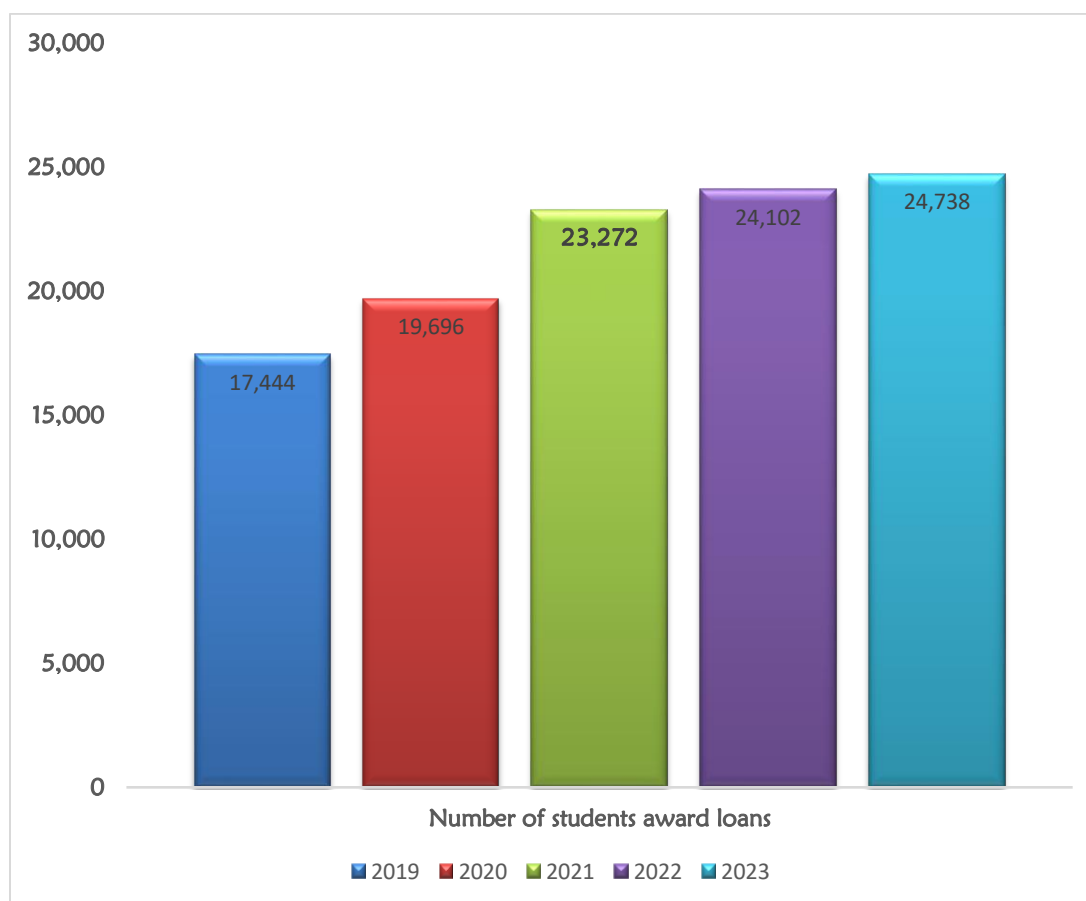


Figure 5.12: Number of students awarded student loans

Source: Field Data (2023)

5.6.3 Increased number of beneficiaries paying the student loan

All the key informants at HELSB pointed out that a greater percentage of recipients are repaying their accrued student loans. In light of this, one of the informants stressed that;

The number of individuals paying off the loan amounts has increased significantly from 2018 to date. Owing to this significant increase, HELSB had expanded the provision of student loans beyond the traditional University of Zambia and the Copperbelt University.

In addition, another informant accentuated that due to the increased number of students paying back, the loan scheme has been extended and expanded to other public universities. To substantiate this, the informant added that;

Due to increased financial resources brought on by loan recoveries, the student loan scheme has been expanded to five additional public universities namely Mukuba University, Mulungushi University, Chalimbana University, Kwame Nkrumah University, and Kapasa Makasa University.

5.6.4 Summary

This chapter presented the results of the study on modalities of the student loans recovery for sustainable financing of higher education in Zambia. The results have been presented in line with the research questions. The next chapter provided an exhaustive discussion of the findings of the study.

CHAPTER SIX

DISCUSSION OF FINDINGS

6.0 Overview

This chapter discusses the findings of the study which examined the modalities of the student loans recovery for sustainable financing of higher education in Zambia. The discussion will be done according to research questions and themes which emerged from the data collected.

6.1 Demographic Characteristics

The Demographic characteristics were presented and analysed in the previous chapter. The demographics presented include age of respondents, gender, university attended, school being pursued, year of study and students' current level of study.

6.1.2 Gender of students

Majority of respondents in this study were females (56.6%). On average more females were awarded student loans as compared to the male counterparts. This finding on the gender of students awarded student loans is in line with Azendongo (2016) who carried out a study on the role of the student's loan scheme in sustaining higher education in Ghana. His study equally established that more females were awarded student loans as compared to the male counter parts.

Based on the aforementioned finding, it can be argued that the government of Zambia invests in girls' economic empowerment through awarding of student loans because it is essential to achieving gender equality. Enabling girls to learn and develop key skills can transform lives, communities and entire countries. In addition, research shows that women's education is linked to health benefits for their children, they are more capable to keep their children healthy, secure and educated (Dutta and Dey, 2019). Indisputably, educating females through student loans can save lives and build stronger families, communities and economies. With an education, girls will understand their rights, have a

greater sense what is needed to support health and wellbeing, and they will have greater opportunities to be employed in a fulfilling way and achieve their full potential.

A woman with an education can get a better job with higher wages and has the effect of addressing gender imbalances in the labour force. Increased levels of education have a greater positive impact on women's wages. According to an International Labor Organization report, "Educating girls has proven to be one of the most important ways of breaking poverty cycles and is likely to have significant impacts on access to formal jobs in the longer term."

Taking the aforementioned into consideration, the Higher Education Loans and Scholarship Board in Zambia's Performance Audit Report of the Auditor General on the Administration of Student Loans and Scholarships states that, in 2022, 49% of the students who received loans were female and 51% of the students who received loans were male. Unfortunately, that meant that male applicants from urban areas particularly those from peri-urban and compound neighborhoods were only given consideration based on merit, and that negatively impacted these applicants (HELSB, 2023).

In addition, applicants from rural areas received fifty-two percent of student loans from HELSB, while applicants from urban districts received forty-eight percent. Based on the residential address provided in application letters and the Student Loan Application Form, applicants are categorized as either rural or urban. Despite the fact that 52% of the recipients came from rural areas, household vulnerability levels, which are also present in urban areas, are not taken into account by the current criteria. Furthermore, it is not confirmed whether the applicant actually resided in a rural region based on the listed residential addresses (NAS, 2023).

In light of the foregoing, Anne (2019) adds that the transformative power of education for girls and their allies cannot be overstated. It is a golden opportunity to tackle the harmful gender stereotypes that hold girls back, and to provide children of all genders with the knowledge they need to make safe and empowered decisions about their own bodies and futures. In addition to improving quality of life, an inclusive education equips young people with the tools they need to develop as active citizens and champions of gender equality. When young people are awarded a student loan by HELSB, they should grab it

with both hands, because there is no greater equalizer than education. Education is the engine that would take Zambia in particular and the African continent in general, on a path to sustainable social and economic development (Anne, 2019).

There is need for impartiality in the manner in which student loans are allocated between males and females. To speed up the process towards a gender just society, government cannot afford to neglect boys in the pursuit of inclusive and equitable quality as they grow. However, society cannot leave our boys behind as they address gender inequality in their communities because there is no competition between boys and girls. The exclusion of boys may cripple the dream to achieve gender equality, which remains a global concern. Some scholars (Warue, 2013) have observed that neglecting boys may also increase the risk that they will raise violent adolescents. It is also important to understand that the efforts concentrated on the girl child are only meant to accelerate, prevent and end all forms of inequality against girls and women which are on the higher side.

However, there is still a high need for quality education financing for schools. Global funders and local investors need to actively play a role in making resources available to build middle and higher secondary schools, at public as well as private sector level. Girls' education should be incentivized by subsidizing school fees or by providing stipends at every level. Awareness of the importance of educating women and girls and the impact it has on family needs to be raised (Raza, 2021).

6.1.3 Age of respondents

According to age profile, the absolute majority of students were aged between 18–25 (916). The other set of respondents were aged between 26 – 33 years. This can be attributed to people in this age group generally undertaking undergraduate degrees. People under 50 years make up the bulk of those who still owe money on their student loans, and it is officially anticipated that they will be responsible for making payments whenever loan recoveries begin. Over the previous years, total student loan debt amounts have been rising significantly for almost all age groups. This could be due to the rising expense of schooling. By the time they start their first professional positions after completing graduate degrees, most of them are in their 30s or younger, heavily indebted from their student

loans, and lack sufficient experience to fully profit from their degrees in terms of income (Rubin, 2023).

Age and gender have an impact on the rate of student loan default, claims Nyahende (2013). Ziderman (2009) presented the loan default outcomes of a comparative analysis of forty-four lending schemes worldwide and nineteen loan schemes in Southeast Asia. All these comparison studies, nevertheless, only cover a small area. In his research study on the factors influencing loan recovery at HELB, Kimani (2011) suggested that using incentives or threats to improve loan repayment would be helpful. In his investigation on the causes of high loan default rates and the degree to which they influence student loan default in Kenya, Kerin (2012) discovered that a number of factors, including the student's age, amount of debt, length of study, and educational institution, had an impact on loan repayment.

From these findings it could be noted that the Zambian government through the Higher Education and Scholarships Board has been according youths the opportunities to acquire higher education locally and internationally through the awarding of student loans at a fixed interest rate. Nonetheless, age remains a barrier to employment among the youths with organizations looking for more experienced older individuals. Youths between the ages of 15-25 are mostly in school but even when they are done with school, organizations feel they lack the experience for what a particular job requires. Many graduating students have to struggle to find work because of the requirements. Some are meant to settle for jobs with poor terms just to get going and build up their experience. Struggling to find employment affects the repayment of the loan as well as the efficacy and sustainability of the students' loan scheme. It is obvious that a higher unemployment rate corresponds with a higher number of students who do not repay their loans after the grace period has elapsed.

Sean (2011) argues that an excessive number of today's graduates are left with a degree but no employment. They are consequently unable to reimburse the money they had invested in obtaining the degree that was meant to enable them to land a decent career. Reducing the unemployment rate is the most effective strategy for lowering the student loan default rate. The government must provide incentives for businesses to hire recent grads. Every

year, hundreds of thousands of recent graduates will miss their student loan payments if the unemployment rate continues to climb as it has over the past three years. High student loan debt loads are extremely stressful because of the severe repercussions of late payments. Nonetheless, a physician in a prosperous practice can easily repay student loans, proving that having a lot of educational debt does not always equate to having trouble paying it back.

6.1.4 University

The findings on the respective universities in which the selected respondents were pursuing their studies indicated that the majority of the respondents 519 (37.1%) were students at the University of Zambia. Conversely, 465 (33.2%) of the respondents indicated that they were students at Copperbelt University. Lastly, the smallest cohort of respondents (416, 29.7%) indicated that they were students at Mulungushi University. Over the years, the Zambian Government has been investing in higher education, in order to promote human capital formation, which is essential for the socio-economic prosperity of the country. This is usually done through the provision of grants and student loans (HELSB, 2023).

At the moment, student loans are provided to secondary school graduates attending undergraduate programmes at UNZA, CBU, KMU, MKU, MU, CHAU, LAMU, PU and KNU. The loans cover project expenses, book and meal allowances, as well as tuition and lodging costs. One year after leaving their educational institutions, the students must pay back their loans (HELSB, 2022). Initially, student loans were only given to students pursuing undergraduate bachelor's degree programmes at UNZA and CBU. However, since the commencement of student loan recoveries, there are now new beneficiaries in the form of students from Mukuba University, Kapasa Makasa University, Chalimbana University, Kwame Nkrumah and Levy Mwanawansa Medical University. According to Makina (2022) although several institutions receive loan money for their beginner students, the University of Zambia receives the biggest allocation due to the fact that has largest student population in Zambia. However, the awarding of a substantial portion of the loans to UNZA students has led to complaints from students at other higher and tertiary education institutions, who are not awarded student loans.

The researcher is of the view that the student loan programme must be extended to students attending private universities because it is intended to give every young person, regardless of social status, access to a loan that is recoverable upon graduation and when the recipient finds employment, whether they are enrolled in public or private universities, colleges, or trades institutes. Zambia can follow suit by doing what has been done in other African countries. For instance, in Kenya, students from chartered private universities benefit from loans disbursed by the Higher Education Loans Board. In Ghana, the Student Loan Trust Fund provides loans to students enrolled at accredited institutions – including private higher education institutions. Lesotho's interest-free Loan Bursary Fund is open to all students who have obtained admission to higher education institutions. Botswana provides student loans and scholarships to privately enrolled students (Clark, 2019).

In Nigeria, private higher education students excluded from the public higher education tax fund can access loans operated by the Nigerian Education Bank. Banks in Namibia avail collateral-based loans for higher education at commercial rates. Mozambique's Provincial Scholarship Fund is dedicated to poor students enrolled in public and private higher education institutions. Meanwhile, in Ethiopia, Malawi, Mauritius, Uganda, and Zimbabwe, government-sponsored student loans are either non-existent or exclude students from private higher education institutions, although recently, the Ethiopian ministry of education started supporting academic staff at private higher education institutions for studies at public institutions – by granting tuition remission (Hawkins, 2017).

Loans made available to institutions – at concessional interest rates – are critical in many ways. The Tanzanian Education Authority encourages the provision of loans and grants to private higher education institutions to meet costs for construction and rehabilitation of educational facilities, purchase educational equipment and develop their human resources. In Mozambique, private higher education institutions are entitled to benefit from the Quality Enhancement and Innovation Fund, which is dedicated to strengthening institutional capacity. In the Ethiopian context, however, special loan arrangements that are common for such sectors as manufacturing and export trade are not yet available to the private higher education sector (Gaitho, 2013).

In Kenya and Tanzania, governments do not provide direct subsidies to private higher education institutions; however, they encourage the private sector to invest in such institutions. Private higher education institutions in Kenya are encouraged to set up auxiliary enterprises that engage in activities such as agriculture, cafeterias, bookstores, clinics, laundry, carpentry and leasing of conference facilities. In Tunisia, government incentives for private higher education institutions include offering grants that cover up to 25% of their total establishment costs and 25% of faculty salaries for a period of 10 years (Engede, 2015).

Engede (2015) further argues that private higher education institutions will grow and may even thrive in the African higher education landscape as the global and regional thirst for higher education continues to surge. It is thus high time to change the discourse on private higher education institutions along with emerging realities, to harness their potential through favorable and progressive policies. Progressive government policies can be instrumental in fostering private higher education institutions as effective partners in national and regional endeavors for social and economic development. Of course, government policy pledges need to be honored to translate intentions into realities – an area where African countries are often cited for falling short.

All the same, African private higher education institutions will find it hard to respond to wider societal expectations without substantial support, both in the form of policies and of real action. Similarly, progressive policies to advance private higher education institutions ought to be meticulously implemented, without hampering the competitive spirit that drives private business.

6.1.5 Respective schools of respondents

The findings revealed that 36.6 % (513 students) of the respondents belonged to the School of Natural Sciences, 32.9% (460 students) of the respondents belonged to the School of Education and 30.5% (427 students) of the respondents belonged to the School of Humanities and Social Sciences. Student loans are awarded to students pursuing bachelor's degree programmes in all the schools at Mukuba University, Kwame Nkrumah University, Chalimbana University, Mulungushi University, Kapasa Makasa, Levy Mwanawansa Medical University, Copperbelt University and University of Zambia.

Both natural and social sciences play crucial roles in advancing human knowledge, addressing global challenges, and promoting sustainable development. However, the prioritization of investment often depends on the specific needs and goals of a society or region. In some contexts, prioritizing investment in natural sciences may be critical for addressing urgent environmental or health-related challenges, such as climate change mitigation, biodiversity conservation, or pandemic preparedness (Kimani, 2011).

In other situations, prioritizing investment in social sciences may be necessary for promoting economic development, reducing inequality, strengthening governance systems, and fostering social cohesion. A balanced approach that recognizes the interdependence of natural and social sciences is often ideal. Integrating insights from both disciplines can lead to more comprehensive solutions to complex problems. Additionally, investment strategies should consider long-term sustainability, inclusivity, and the potential for interdisciplinary collaboration to maximize societal impact (Saluja, 2022).

Owing to the fact that education is not only a precursor to economic development for any country but it is also a social and economic equaliser which enables the have-nots to have a fighting chance of living an economically independent and prospective life. Once the recovery platform is strengthened and sufficient funds have been recovered from beneficiaries graduating from the respective schools, additional loans will be provided for needy students across all public universities.

Given the above, Owusu-Antoh (2019) stressed that the programme of study always has an impact on how loan recipients or borrowers behave when repaying their debts. Additionally, science-based curricula are typically longer than humanities-based programmes in length, and lenders offering them typically earn larger loans than those offering humanities-based programmes. After completing science-based degrees, these debtors accumulated greater debt, which makes sense given their inability to fulfil their responsibilities with ease. Studying a programme that gives borrowers practical skills ensures a source of income, which can affect how they repay their loans.

6.1.6 Student loan coverage

As regards the student loan coverage of students, the study established that majority of students were awarded a 100% student loan by HELSB. Conversely, the other cohort of students were awarded 75%, 50% and 25% student loans singly. In light of the foregoing, HELSB opines that in administering the loan scheme, students are availed four (4) loan options namely; 100% funding level, 75% funding level, 50% funding level and 25% funding level. On average, most students in Zambia are awarded 100% student loans due to their financial incapacities. Practically, a good number of students would be unable to pursue high level studies without adequate support from the government through HELSB. Owing to this, most students at UNZA, CBU and other public universities awarded full sponsorship.

For students with partial sponsorship (75%, 50% and 25% student loans), the balance must be footed by their parents, guardians, well-wishers and the students themselves. This finding is in line with the Performance Audit Report of the Auditor General on the Administration of Student Loans and Scholarships. The audit report disclosed that the funding options available to applicants for student loans consist of 25 percent, 50 percent, 75 percent, and 100 percent, with the basis being the 2004 Policy on Student Loans, Bursaries, and Scholarships. Furthermore, Act No. 31 of 2016 requires the Board to establish the standards for granting student loans. After taking into consideration the lessons learned from the discretionary issuing of fifty percent loans regardless of the applicant's initial request, the Board chose to grant student loans at a percentage indicated by the applicant.

The researcher also established that some individuals from affluent or well to do families are awarded 100% student loans at the expense of financially incapacitated students who are in dire need of full government sponsorship. This insinuates that some students from poor backgrounds or poverty stricken homes are disadvantaged and deprived from accessing higher education. It is illogical to give 100% scholarship or loan to someone whose parents are financially able to pay the tuition fees but fail to give or sponsor a poor boy from a village in a typical remote or rural area. There is therefore need to do a thorough means testing when awarding student loans. Chester (2023) claims that means testing is the process by which student financing institutions determines how much loan

you are eligible for by using the income of your parents, partners, or own household. The type of income they use is dependent upon your age and unique situation. Because of the sliding scale that this employs, students from lower-income families will pay a larger maintenance loan.

To be more precise, means testing is used to exclude students from affluent families who can afford to enroll in and pay for higher education, leaving only those in need of government-subsidized loans. In order to guarantee that loans and grants are awarded to worthy students from low-income families and households so they can pursue higher education, numerous African governments are currently devising "means testing mechanisms" that are specific to the context. These mechanisms ensure that only legitimate households who are incapable of providing for their children's tertiary education are granted the financial means to pursue high-quality higher education in fields that are crucial for individual and national growth. However, the benefits and drawbacks of means testing differ and are contingent upon a nation's economic standing. Additionally, it is asserted that poorly constructed means testing methods incur enormous administrative costs and necessitate the availability of an up-to-date information management system and updated database (Tekleselassie & Johnstone, 2004).

Given the aforementioned, a Tanzanian study conducted by Rugambuka (2008) found that prior to any financial disbursement, the applications received are means-tested in order to determine the loan amount that will be given to each student based on the criteria outlined in the Act that created the loan board. Tuition fees, research expenses, field practical costs, specific faculty requirement expenses, books and stationery costs, food and accommodation charges are among the items. The purpose of the testing is to ensure that the funds are approved for loans to Tanzanian students who have been accepted into higher education institutions and who are needy but capable of meeting their educational costs.

Furthermore, according to Rugambuka (2008), after receiving applications, HELSB subject's students to means testing in order to determine which applicants are in need of loans and how much money should be loaned. Means testing instrument, as it is often known, is the computer programme that HELSB uses to enter the data that students submit

on the HESLB - SLF1 application form. The test results are used to rank the applicants into the following grades: A (100% loan), B (80% loan), C (60% loan), D (40% loan), E (20% loan), and F (0% loan). Thus, the percentage that an application receives is used to determine how much credit they are eligible for, with the exception of meals and housing, where all students receive the same amount.

The researcher is proposing that means-testing is used by the HESLB as a sole instrument for evaluating the ability of students or their families' to pay for higher education. The means testing is considered by the policy makers and policy implementers to be indispensable and argued that it is the only instrument the HESLB has to use in order to properly determine and allocate the loans to students.

In its broadest sense, means-testing's supporters contend that it guarantees that borrowers are, in fact, individuals who genuinely require the loans in order to benefit from a tertiary education. However, most nations where student loans are used claim that the instrument is complex and challenging to apply, with developing nations, especially those in Africa, taking the practice of student loans more seriously (Johnstone, 2010).

The challenge lies in figuring out how to assess a student's and their family's financial capacity in order to establish and confirm how much a family may reasonably be expected to pay for their children's higher education. The intricacies and quandaries surrounding means testing assume greater significance when considering the reliable source of data regarding family assets and incomes. It is imperative that the nation establish a national database that records the assets and income of every individual (Delisle and Holt, 2015).

It is argued that in the absence of reliable sources of data about students and their families' financial situation, means-testing turns into a theoretical rather than useful phenomenon. In actuality, it can lead to unfair student treatment and, on occasion, encourage corrupt behaviour among the participants—that is, the students applying for study loans and the officials administering the test (Johnstone, 2005). The scenario that was previously described is pertinent to Tanzania's lending programme.

The HESLB is using means testing in a very challenging setting in Tanzania, a country where it has been implemented. Tanzania's population is relatively large, the informal sector

accounts for a sizable portion of the country's economic spectrum, and the country lacks both a national identity system and a national database of its citizens' economic resources and abilities. To make matters worse, Tanzania's ICT is still in its infancy. Furthermore, the suspicions of forgeries raised by a few students present another challenge for the HESLB. This is referred to as families' inherent motivations and plenty of possibilities to conceal assets and income from the prying eyes of the authorities by Davis (2019).

When administering means tests in the context described above, HESLB may be purposefully or inadvertently treating the students unfairly, which could lead to unexpected results from the instrument and raise questions about possible corrupt activities. According to cost sharing advocates, unfair treatment goes against the main goals of the loan schemes, which are to give all students equal access to higher education as proposed by Woodhall (2002). Students loans allow potential students from low-income families—who would otherwise be denied higher education due to their poverty—to invest in their own future by giving them financial aid when needed and allowing them to repay it when they can afford to.

In Zambia, the data that students submit on their initial loan application forms is used for the HESLB means-testing. The application forms need to be approved by district-level social welfare officers in order for the information on them to be trusted. It has been contended, meanwhile, that certification or endorsement could pose issues, especially if the parties providing the endorsement have a greater commitment to the student and his family than to the loan programme, and that the certification might amount to little more than a rubber stamp (HESLB, 2023).

Without reliable assessments of family income and assets, means testing is challenging (Johnstone, 2003). This is a major issue in regions without an efficient income tax system or with comparatively significant rural and informal sectors (Ziderman, 2002). This does not imply, however, that using the HESLB in Zambia cannot result in a successful means-testing. It would be feasible if estimations of family financial needs and means are employed, together with enough auditing and fines for underreporting, to provide acceptable compliance levels (Johnstone, 2003).

The HESLB Act supports the same misreporting prevention measures that Johnstone does, but they haven't been implemented yet. Nevertheless, some respondents from all three categories brought up the possibility of misreporting during group discussions and interview sessions. If loans are granted to students in situations where means-testing is either nonexistent or ineffective, there is a significant chance that the targeted students will not receive loans and will not enroll in tertiary education.

If this is the case, Zambia's student loan programme will have failed to fulfil its primary goal of enabling the underprivileged to pursue higher education. Thus, the nation will have lost the information and skills that the impoverished students required to be developed in universities in order to be more productive for the expansion of the nation's economy. The means-testing procedure used by HESLB is, to put it briefly, somewhat inefficient, which raises the likelihood of treating loan applicants unfairly.

The Higher Education Loans and Scholarship Board depends on the government to ensure that the necessary loans are funded, students to provide accurate information, parents to ensure that their children provide accurate information, higher education institutions to shed light on the financial backgrounds of loan applicants in order to expedite the processing of student loans, and donors and philanthropists to support the Board in fulfilling its mission (Ngolovoi, 2008).

6.1.7 Year of study

With respect to the study year, the results show that, among the respondents, 15.7% (220 students) were in their first year, 16.9% (236 students) were in their second year, and 9.9% (138 students) were in their third year. Six eighty-six (686) students, or 49% of the total, said they were in their fourth year. Forty-five students, or 3.2% of the total, were fifth year students. Likewise, 45 students, or 3.2% of the total, said they were in their sixth year. There were thirty seventh-year students in the smallest cohort of responses (2.1%). According to Chirwa (2022), the student loans are offered to students at the University of Zambia (UNZA), Copperbelt University, Kapasa Makasa University, Mulungushi University, Mukuba University, Kwame Nkrumah University, Palabana University and Chalimbana University. Although several institutions receive loan money for their beginner

students, the University of Zambia receives the biggest allocation due to an influx of students.

Student loans are usually offered to first year students who meet the awarding criteria or requirements. According to HELSB, All the applicants living with disabilities are awarded student loans annually. HELSB further indicates that due to budgetary constraints they are unable to award student loans to all eligible applicants every academic year. The researcher is of the view that if the loan scheme becomes more sustainable through timely and efficient loan recoveries, most students will be engrossed by the scheme.

The government should boost the budgetary allocation to student loans and scholarships for more people to access them at both public and private universities in order to increase the number of students receiving the loans. This can be done through the Ministry of Education. To accommodate more potential students, the infrastructure of the public universities now in place needs to be expanded. Embarking on secondary school learners' awareness of the student loans available to help them in their pursuit of higher education is another crucial task for the HELSB.

6.2 Beneficiaries' perceptions towards loan repayment

With respect to beneficiaries' perceptions towards loan repayment, the findings indicate that the interest rate is relatively high. In general, loans with longer repayment terms have higher interest rates because there is a greater risk of the borrower falling behind on their payments over time. Higher interest rates mean paying off loans will cost more. The beneficiaries strappingly believe that the high interest rates have a negative toll on their savings, investments and expenses.

The table below shows the repayment conditions international comparison. The information tabulated below shows that the interest rate levied on student loan repayment in Zambia is high compared to other countries. Therefore, there is need to reduce the interest rate or adjust upwards the period within which the loans can be repaid.

Table 6.1: Repayment conditions international comparison

Countries	Interest during study (%)	Interest during repayment (%)	Grace periods (month)	Repayment periods (year)
Germany	0	0	60	20
Russia	22	22	12	10
Zambia	0	10	12	10
China	0	6.12	0-24	10
Ghana	0	3	60	10
South Africa	0	8.2	12	5
Ethiopia	0	4	0	15
Sweden	0	3.1	0	25
Japan - category 2	0	3.0	0	20
Canada	0	6.75	6	10
England	0	2.7	0	25
USA	3.37	3.37	6	10
Egypt	0	0	0	40
Namibia	13.8	13.8	0	3

Source: Federal Student Aid, Information for Commonwealth supported students

The attitude of the borrower has been found to influence education loan repayment (Bhandary et al. 2023). Several studies have identified the major challenges faced by borrowers in repaying their loans. These challenges include high interest rates (Miller et al. 2019), low repayment capacities (Ganapathy et al. 2019), low levels of awareness (Ganapathy et al. 2019), lack of job opportunities (Dutta and Dey 2019), and the lack of effective loan management systems (Rani 2016). Borrowers with limited financial resources are often unable to repay their loans due to high interest rates, which can make it difficult for them to manage their finances (Chaudhary and Kaur 2018).

After graduation, loans may have a negative impact on other areas of recipients' lives because a notably greater percentage of low-income borrowers' in other countries report delaying the purchase of a car, marriage, and starting a family due to their debt loads (Baum and Mallie, 2002). Concerns have been raised regarding the ways in which student debt prevents students from purchasing homes, cars, starting families, or leaving their parents' house after graduation (Baum, 2002). Zhou and Su (2000) also note that student debtors postponed having children, buying new homes, and making other significant life decisions due to the rising expense of a college degree.

Conversely, a study by Ellen, Bone, and Stuart (1998) shows that borrowers who pay back their student loans with more than 20% of their income are significantly less likely to own cars. However, there is no correlation at lower levels of payment to income, and the average age of this group is two years younger than that of all participants. Put otherwise, there's no evidence that rising student debt-to-income ratios correlate with a lower likelihood of owning a home or a vehicle.

Similarly, multivariate analysis in previous NASLS surveys (Baum and Mallie, 2002) shows that debt amount has no effect on the likelihood of owning a home. On the other hand, for every \$1,000 borrowed in 2002, the likelihood of owning a property fell by a marginal but statistically significant 0.2 percentage points. Put another way, assuming all other factors remained unchanged, an extra \$5,000 in student debt decreased the likelihood of owning a home by roughly 1%. In light of the foregoing, it can be argued that some beneficiaries in Zambia can still invest and buy essential commodities by having alternative sources of income instead of relying on their monthly salaries.

Even though loan repayments put a strain on recipients, student loans can ease the burden on the national budget by allowing for more cost sharing through increases in tuition and other university fees. Student loans provide students the option to shelve debt repayment until after they start receiving the higher incomes that are often awarded to graduates of universities, relieving them of the stress of paying higher tuition fees upfront. Freed resources can be put to better use in socially more important domains, such as basic education, both inside and beyond the education system.

Despite indicating that the interest rate is too high, some beneficiaries stressed that they would pay their student loans in order for the government to continue supporting other needy students. This is highly commendable because it would subsequently enhance the sustainability of the loan scheme. Increased loan repayment may be able to supply more money for university system expansion, which would be necessary to meet the growing demand for tertiary education in Zambia. Subsidized loan programmes, which are aimed at the underprivileged, could increase minority and poor people's access to higher education and promote social fairness. Additionally, loans made available with attractive

terms for studies in specific subjects might result in the release of skilled labor shortages that impede the advancement of the social, economic, and industrial sectors.

In a significant move aimed at easing the financial burden on students, the Zambian government has announced a reduction in interest rates on student loans from 15 per cent to 10 per cent, effective January 2024. The decision to lower the interest rates comes after extensive consultations between the government, facilitated through the Higher Education Loans and Scholarship Board (HELSB), and various stakeholders.

As indicated in the preamble (chapter one), currently, the Ministry of Education, through HELSB, sponsors students at eight public universities, namely Chalimbana University, Copperbelt University, Mulungushi University, Mukuba University, Kwame Nkrumah University, Kapasa Makasa University, Palabana University, and the University of Zambia. Six of these universities benefit from funds recovered from individuals who previously benefited from the student loan scheme. The reduction in interest rates would motivate those who have not yet initiated their repayment to participate actively in the scheme. The government wants to ensure that as many students as possible access the loans, but this can only happen if the people who benefited and are already employed pay back their loans.

According to the findings of this study, there are students who perceive loan payback favorably. This result contrasts with that of Abu Bakar et al. (2006), who found that students' perceptions of loan payback are often negative. Students who agree that payback will benefit other students, that repayment is their duty, and that they will try to make repayments exhibit a positive attitude. Students understand that if they default on their loan after graduating, HELSB will track them down to collect the debt and that legal action would be taken against them. Students do, however, also express their opinions regarding the significance of other matters. For example, they believe that government assistance in securing a well-paying job for themselves should be a priority, and that a commercial bank should be responsible for collecting loan repayments in accordance with bank policies.

Some students in this study stated that they planned to repay their loans after they graduate. As a result, this study has demonstrated that some students have strong incentives to pay after graduation. As an illustration, several students said, "I will find any job after I graduate to pay back student loans," or "I will make repayment because it is my priority."

In essence, students desire to minimize their current debt as well as any future debt in order to spare their parents from any kind of financial hardship.

This study has shown that student perceptions significantly influence their propensity to repay the loan. There are two ways in which the results of this study deviate from earlier research. First, a comparison of the results from perceptions studies conducted in Western nations reveals that earlier research has found a range of relationships between attitudinal characteristics and debt behavior, albeit weak ones (Volkwein & Szelest, 2005). In contrast, the influence of students' attitudes in this study accounts for over 50% of the variance in the intentions construct.

Contrary to a previous study by Abu Bakar et al. (2006), which found that students generally had unfavorable attitudes toward loan payback, this study demonstrates that students generally had positive attitudes toward loan repayment. Furthermore, the numerical results verify that when a favorable attitude among students emerges, as in the case of loan payback, other students will be more inclined to acknowledge that repayment is a duty and will thus endeavor to fulfill it. As per the Ability to Pay Theory, there is a reduced default rate because students fear that legal proceedings may be taken against them if they don't fulfill their payback obligations.

A number of factors, including students' background traits, academic experiences, institutional qualities, and economic circumstances, have been linked to default in previous studies. This result is in line with the findings of another study on attitudes (Warue, 2013), which found that students' attitudes affect their choices and that the most potent way that attitudes affect behavior is during the choice-making process.

The notion that loan repayment will impact quality of life after graduation (also known as perceived quality) is presented differently by various researchers. For instance, Baum & O'Malley (2003) used the term "perceptions on the impact of loan after graduation," whereas Abu Bakar et al. (2006) used the term "perceptions towards loan repayment." "Perceptions that loan repayment will affect quality of life after graduation" is the construct that the researcher used in this study.

In the previous studies (Kimani, 2011; Saluja, 2022), the item of 'loan repayment will affect my decision on the selection of the place to stay' has been found to be important. However, in this study, students indicated that the item has no effect on the attitude as well as on the intention to repay the loan. Therefore, it can be inferred that, students are more concerned with moving from their parents' homes and living on their own following graduation. Some children in Zambia take turns and work together to support and look after their parents, which is an illustration of their culture. This type of arrangement, referred to as "unique family structure" or "take-turn stem families," allows siblings to decide when their parents will move in with them. This is due to the notion that taking care of parents frequently results in frequent and intimate interactions between the children (Jianguo and Rong 2013).

According to Williams (2019), independent households are thought to be markers of the transition to maturity, which lends more credence to this. Being independent, independent, and self-sufficient in many ways is a crucial aspect of growing up in the West. Conversely, in most non-Western societies, however, assuming new interdependencies like marriage and living with parents defines adult status rather than being independent (Schlegel & Barry, 1991). Besides, becoming an adult in non-Western cultures is a societal, not an individual, process. According to Kerin, (2012), a feature of Western society is the great value put on individualism.

According to a study conducted in 2006 by Abu Bakar et al., students are aware of and understand the consequences of the loans they have taken out. However, as the majority of students found the repayment process confusing, the study's findings demonstrate that students' negative opinions of the loan agreement would not significantly impact loan payback and would instead have an impact on their personal lives. This suggests that decision-makers or HELSB should endeavor to reduce the complexity of contract documentation, edit the loan agreement, condense it, or clarify its wording to better suit the comprehension levels of students. Additionally, because the contract agreement is complex, students should have enough time to study and comprehend it.

The degree to which students can put in the effort to comprehend the terms of the agreement before signing it will also determine how they feel about the loan agreement.

In this context, loan agreements are contracts that students must sign in order for the organization to grant them a loan. In the case of educational loans, students who comprehend the terms of the agreement will be aware of the consequences of taking out loans, such as the need to contribute their salary toward loan repayment within a set time frame. Consequently, students who fail to comprehend the terms of the loan agreement or who fail to read it carefully will have an impact on both their repayment obligations and their future lives (HELB, 2014). After carefully reading the loan agreement, some students might decide not to consent to it. However, given their precarious financial situation, it may be claimed that the majority of students in Zambia are unable to decline the chance to apply for a student loan.

Certain recipients of student loans in Zambia consider the loans to be bursaries. If intentional steps are not taken to raise public awareness and educate the public about the advantages and significance of loan repayments, the Board will continue to experience inadequate loan recovery. Collins (2013) notes that Ghana's Student Loans Trust Fund has carried out vigorous information and education efforts on these advantages, which have been quite successful and have resulted in voluntary debt repayments.

There are significant differences across loan programmes in terms of repayment conditions, interest rates, and period of repayment. Sweden has the longest repayment duration, with two years of "grace period" following course completion and a further five years until the student's 50th birthday. This means that many students have 20 years to pay back their loans. Furthermore, certain automatic protections are in place to keep borrowers from experiencing hardship. Repayment can be automatically postponed for a year for anyone whose income is below a certain threshold (Kimani, 2011).

At the age of 65, as well as in the event of a death or permanent incapacity, all outstanding debt is forgiven. In certain exceptional circumstances, a portion of a student's debt may also be forgiven. A portion of the debt for the time spent in upper secondary education, for instance, may be cancelled for a higher education student who has worked (or taken care of a child) for at least four years and has previously obtained a loan to help with the costs of their education. This "insurance element" that the Swedish system has built in is crucial since it lowers default rates because it allows those with very low incomes to

automatically postpone payments. Only roughly 1% of borrowers truly default on their debts; the remaining 10% of borrowers just delay payments (Kenayathulla and Tengyue, 2016).

According to Sweden's repayment calculation method, the 22 yearly payments increase progressively over the repayment period. The entire debt is divided by the payback period to determine the annual payment. An "adjustment index" is used at the end of each year to raise the remaining debt. Therefore, if a debt of S.kr. 84,836 is to be paid back over the course of 20 years, the first year's payment would be S.kr. 4,242. Following the "adjustment", S.kr. 4,378 is the payment for the second year after the remaining S.kr. 83,173 debt is split by 19 (World Bank, 2010).

In some countries, annual payments are fixed throughout the repayment period, and in the United States, graduates with particularly large loans have the option to choose between alternative repayment methods and periods, ranging from 10 to 20 years. In Japan, the interest rate rises during the repayment period, meaning that payments increase as the graduate gets older. These examples teach us that while it is possible to create flexible repayment plans that accommodate changes in debt levels or income levels, doing so will increase the cost of the loan programme to the government if the loans are subsidised. While default, a common issue raised by opponents of student loans, has not proven to be a significant issue in Sweden, it has for certain students in the United States (Kerin, 2012).

The issue has received a lot of media attention, which has contributed to a decline in trust in student loans as a source of funding. However, the US government has actively worked to improve collection practices, which has resulted in a decrease in default rates. As a result, the default problem is currently receiving much more attention, with specific institutions with high default rates being identified, for example. For instance, the share of total outstanding debt that was outstanding on NDSLPL loans that were in default ranged from 14% in private institutions to almost 35% in state two-year colleges (SLTF, 2013).

Students' attitudes vary depending in part on whether loans are seen as an increase or decrease in financial aid and subsidies. Nonetheless, there is no indication of a reluctance to borrow in affluent nations. When the first loan programme was implemented in the USA, "it was widely believed that students would not borrow. Undoubtedly, one of the

reasons was that not many college students had ever been requested or expected to borrow money. Nobody had advertised or advocated loans as a means of funding higher education." However, the "astonishing eagerness of students to borrow" was the response, and it still remains. Loan programmes are well-liked by students, according to surveys conducted in Canada and Sweden, where they are well-established. In Canada, a poll of students revealed that 84% of respondents chose a system that combined loans and grants or loans alone over one that relied solely on grants (Johnstone, 2010).

A comparatively significant burden of roughly 24% of annual income is placed on borrowers by the short four-year payback period and the relatively small wages disparity acquired by graduates. The programme does not operate in a very equitable manner because the likelihood of being granted a loan varies based on the educational institution and is lower for students who are in extreme need. Banks have a tendency to discriminate against students who are more likely to default, such as those from lower-class backgrounds and those enrolling in institutions with less prestige, because they bear the majority of the default risk (UNESCO, 2020).

It could be possible to create policies that encourage a more optimistic outlook about repayment. In certain situations, this might require altering social norms, making it impractical in the near term. However, colleges could be a key player in highlighting the need for payback. In fact, under the Chinese subsidised programme, this is probably going to happen more often; new students enrolling in institutions where the defaulted sum surpasses 20 percent and there are 20 or more defaulters will not be eligible for fresh loans (Choi, 2014).

In order to remind students of their payback commitments, it could be helpful for the loan organisation to stay in touch with them during the borrowing time. To ensure that students do not "forget" their payback commitments during the protracted time before repayment begins, this strategy should be expanded. In order to instill in students, the idea that repayment is an obligation and not something to be avoided, they can be forced to start making little payments while they are in class and during grace periods. These upfront payments would be made in modest amounts (Barr, 2009).

6.3 Modalities used by HELSB to recover student loans

The second objective of this study sought to explore the modalities put in place by HELSB to recover student loans from the beneficiaries in Zambia. The findings of the study revealed that one of the modalities put in place by HELSB to recover student loans from the beneficiaries in Zambia is by retrieving beneficiary records using NAPSA database. According to the findings of the study, 36,104 beneficiary records in total were retrieved from the NAPSA database. HELSB had so far engaged 16,051 beneficiaries from the NAPSA records and was engaging the remaining 20,053. This leaves 33,217 beneficiaries from the total 69,321 beneficiaries of HELSB database who may be working in the informal sector and needed to be found. Of the 69,321 beneficiaries, 15,779 were servicing their loans, 53,270 are yet to start repaying while 185 have paid off their loans in full.

The study findings further revealed that the National Pension Scheme Authority (NAPSA) records, shows that a total of eighty-seven beneficiaries passed away. The Committee was further informed that matured loan amounts have differing due dates depending on when a beneficiary accessed the student loan and the expiry of their grace period. The legal framework should be strengthened to mandate the HELSB to carry out the function of efficient recovery of loans. Further, HELSB needs to adapt best practices that have been successfully used by other countries such as Ghana and Kenya to recover loans. The HELSB should also improve on the tracking systems to ensure that former beneficiaries are monitored and that they pay back the loans (Azedongo, 2016).

Retrieving beneficiary records using ZRA database is the other modality put in place to recover student loans in Zambia by the Higher Education Loans and Scholarships Board. Routinely, HELSB tries to find out how much the beneficiaries (graduates) owe and where they are working using the ZRA database. When the recovery officers find out where people are working, they usually send demand letters to their employers or companies. The employers or companies then send the demand letters to their employees. When the employees consent, HELSB starts making monthly deductions through the payroll system (HELSB, 2023).

The study further established that one of the mechanisms put in place by HELSB to recover student loans from the beneficiaries in Zambia is by tracing beneficiaries using government payroll and Individual employers' payroll systems. The findings revealed that a total of 6,291 are paying back through the government payroll. A total of 4,100 beneficiaries are employed in the private sector and are thus paying back through the individual employers' payroll systems bringing the total of those paying back through the payroll systems to 10,391. Since the commencement of recoveries in 2018 under the loan recovery programme, the number of institutions remitting on behalf of their employees who benefited from the student loan scheme had been increasing from one institution in 2018 to 13 by the second quarter of 2020 (HELSB, 2023).

Contrary to these findings, a study done in Kenya by Engede (2015) that the Kenyan HELB uses grand strategy to strengthen strategically relevant influences coming loan recovery that can sometimes have a high impact on organization situation and have a high impact on organization direction and strategy. HELB has historically pursued long-standing unpaid student loans through a variety of methods. Nevertheless, despite the numerous steps made to improve loan recovery, former college students have shown an odd lack of motivation to pay back their debts. Many years after the HELB Act was passed, which intended to create a self-sustaining, revolving students' fund, the revolving fund is still not self-sustaining. Only 41% of the board's budget can be paid for by the total annual amounts recovered from previous loans; the majority of the funding must be provided by the government through yearly allocations, which results in an excessive reliance on the exchequer.

According to Mbonyinshuti (2023) in Rwanda, the Development Bank of Rwanda is responsible for recovering student debts. In order to continue providing millions of francs in funding to academically deserving students who might require financial assistance for their higher education, the Rwandan government has stepped up its attempts to retrieve study loans from previous recipients. One of the latest initiatives is the implementation of a ministerial decree that establishes fines and penalties for both employers who neglect to take money from employees' salaries as a payment method and study loan recipients who

have not repaid their loans on time. The other mechanism of recovering student loans employed in Rwanda is close engagement with employers. An employer, the order says, repays the employee's study loan by deducting 8% of his or her monthly gross salary, from the time the employee has been appointed. However, a student loan beneficiary willing to repay more than 8% of his or her monthly gross salary, signs a payment contract with the financial institution, the order explained.

A study done by Mbonyinshuti (2023) further revealed that in Rwanda, tight collaboration with companies serves as an additional means of recovering student loans. The ruling stipulates that an employer must withdraw 8% of an employee's gross monthly wage, starting from the date of appointment, in order to repay the study loan. However, the court clarified that a recipient of a student loan who is prepared to repay more than 8% of their gross monthly salary must execute a payment arrangement with the financial institution.

Like Rwanda, Zambia can embrace the strategy of recovering loans through commercial banks. When loans are past due and not repaid, banks start the loan recovery process, which involves taking certain recovery actions to get the money back. The banking laws provide debt collection criteria to ensure prompt loan recovery. Various loan recovery procedures may be used by banks, depending on the cause of the default. They have the option of offering a longer moratorium or using collateral to recover the money (Team, 2023). The Zambian government through HELSB can recover student loans through close collaboration with banks. Through close collaboration with HELSB, banks can deduct the required amounts from their employees (beneficiaries whose loans have matured) on a monthly basis.

The best approach to manage student loans and arrange repayments is a topic of debate in the USA. Some argue that government student loan banks, like those in Sweden and Norway, would be a preferable option. In view of this, Hartman (2015) suggested that student loans be provided by a federal government bank in order to decrease the expenses associated with collecting repayments and to guarantee adequate liquidity. Hartman proposed that a national bank should employ the Internal Revenue Service to act as the collector, stating that "only the IRS could collect this type of loan with minimal costs".

When intermediary agencies such as commercial banks are used for student loan disbursement and collection, it is essential to build adequate incentives into the contractual arrangements between the Student Loan Institution and the Intermediaries, in order to minimize evasion and default. The Student Loan Bureau of Jamaica has experienced serious default and repayment delay problems in 1998 and 1999 (close to 68 percent of all outstanding loans), partly because of the deteriorating economic situation and partly because the commercial banks responsible for loan collection have found it easier to invoke the Government guarantee rather than making sustained collection efforts. The banks have also claimed that the one-time 3.5 percent administrative fee they are paid for each new student loan is insufficient to cover their expenses (World Bank, 2014).

It should come as no surprise that banks handle collection in many situations. Commercial banks are in charge of collecting loan repayments for the three schemes (the Chinese schemes and the Korean MOE plan) in which they supply the loan capital. Borrowers in the Republic of Korea (Government Employees' Scheme) and Hong Kong pay back their loans straight to the central lending organisation. Repayments for loans in the Philippines are made to the decentralised organisation that manages student loans (Choi, 2014).

The effectiveness of schemes involving commercial banks that also provide the loan capital may be expected given the banking system's expertise in these areas. However, banks need to have an incentive to collect as well as a comparative advantage; in the case of schemes where governments act as guarantors against repayment default, the incentive to collect may be weakened, especially in cases involving individuals where collection costs are high (Warue, 2013).

Then, a delicate balance needs to be achieved between the two requirements of delivering a government guarantee against default as a last resort and of supplying incentives for strict collection. It is unclear how effective other self-collection techniques are. In the Philippine Study Now, Pay Later plan, when payback is essentially nonexistent, the failure of self-collection is especially noteworthy. The Commission for Higher Education's Office of Student Services, which oversees a wide range of grant and loan programmes, lacks the personnel and resources necessary to collect repayments; moreover, there is little

motivation to do so because annual grant and loan subventions are legally protected (Walker, and Mkwanaenzi, 2015).

In addition, low repayment rates are a reflection of the mindset of parents and students, who view loans as freebies, which is actually the case in reality. Student loan institutions don't seem to be doing much to change these misconceptions. Due to their institution-based nature, which assigns participating institutions with responsibility for fund management, banking operations, and debt collection, the two new, essentially pilot loan schemes may provide superior outcomes. But their chances of success look slim. There are no signs that the institutions are capable of carrying out these tasks or that they are knowledgeable about them (Warue, 2013).

Successful repayment collection cannot be ensured by strong repayment collection entities alone. Public policy may work to dampen the incentive for those organisations to actively gather data. Private or public banks may be enticed to collect from the government rather than the debtor if loans are fully guaranteed by the government. For this reason, it is best to have a government guarantee that is less than 100%, with commercial banks bearing a modest portion of the risk (like in the Korean loan programme). In a similar vein, lending organisations' over-reliance on government budgetary support may reduce their motivation to pursue delinquent borrowers (as in the case of the Philippine loan scheme); they may also have a tendency to rely exclusively on public funds to provide new loans rather than increasing their efforts to obtain repayment in order to finance loans for new borrowers (SLTF, 2010).

6.5 Repayment Methods

As regards the repayment methods, the study established that there were two repayment methods used to recover the matured student loans. The first repayment method is the Monthly Deduction Method. Repayment of a loan made under the Monthly Deduction Method must be made in equal monthly installments at a compound interest rate. Loan payback for a beneficiary starts a year after the beneficiary's studies are completed, or within that year if the board decides to recall the loan early. However, by making voluntary payments before or after they complete their study, a beneficiary may elect to reduce the amount owing on their loan.

The offset approach is the alternative payback method. When a recipient employs this strategy, it is expected that they will either pay back the loan in significant installments or in full, with a one-time interest rate. Should a beneficiary decide to come back over an extended length of time, fifteen percent interest will compound annually. This interest rate turns into simple interest if a beneficiary decides to instantly offset their principle.

In a similar vein, the Kenyan HELB stated in 2018 that when a beneficiary is being deducted, the monthly installments should not be greater than 25% of the beneficiary's base wage. After they are disbursed, loans to salaried students are supposed to be returned within 48 months. If monthly installments are increased, the beneficiary will be able to pay off the debt much sooner than expected and the repayment period will be shortened. One must return all loans simultaneously if they have benefited from the student loan scheme and the loans are still in effect (HELB, 2018).

HELB (2018) further indicated that beneficiaries whose loans have matured can give authority to HELB to make monthly debits or lump-sum payments directly from your bank account or credit card. This is done by signing the Credit Card Authorization Form (download from HELB website) and forwarding the same to HELB. In the event of an overpayment in your loan, you may apply for a refund or donate the overpayment towards a fund that will be used to assist another needy student.

Another study done by Anna (2023) is in unison with the findings of this study. The aforementioned study revealed that in the US, on the standard student loan repayment plan, a beneficiary has to make equal monthly payments for 10 years. If a beneficiary can afford the standard plan, they will pay less in interest and pay off their loans faster than they would on other centralized repayment plans.

Anna (2023) further revealed that income-driven repayment is the other repayment method used USA. Income-driven plans let one pay back the loan over a longer period of time—20 or 25 years, depending on what kind of debt you have—by setting monthly payments between 10% and 20% of an individual's discretionary income. If one is unemployed or underemployed, payments can be as little as \$0 and can vary annually. Whether or not you should choose an income-driven repayment plan hinges on several factors, including what one is earning now and their future earning potential. Some

students will enter the workforce immediately with a high-paying job, while others will work their way up. Other variables that come into play when making this decision include the amount of debt you owe and whether you plan to go back to school for a graduate degree at some point.

Chapman (2006) proposed income contingent loan repayment schemes as a much needed reform in the funding of higher education. Compared to mortgage-based loan repayment programmes, he discovered that income contingent schemes favourably boost education loan payback. Chapman evaluated the various income contingent loan repayment systems in Yale, Sweden, Australia, Sweden, New Zealand, and the Republic of South Korea. When compared to mortgage-style repayments, borrowing is viewed as less risky and lessens the impact of loan aversion by participants in the income contingent loan repayment technique (Boatman et al. 2022).

When it comes to repayment methods, income-contingent techniques are less stressful for borrowers than mortgage-based ones (Barr et al. 2019; Cai et al. 2019; Chapman and Dearden, 2017). Through a reduction in the repayment load on borrowers, income contingent schemes were preferred over mortgage-based schemes in the context of Brazil (Dearden and Nascimento, 2019) and Ireland (Chapman and Doris, 2019).

In contrast to the loan repayment options found in Zambia, Anna (2023) demonstrated that students in the United States can take advantage of graduated student loan repayment plans. As a beneficiary, if you have a high income but would prefer smaller payments, a graduated plan might be a good fit for you. Graduated repayment lowers your payments initially, maybe as little as the interest you pay on your loan, then raises them every two years to pay it off in ten years. A beneficiary might initially pay less under a graduated repayment plan than under an income-driven plan if your income is high relative to your debt. In the short run, this could free up funds for other objectives, such as a down payment on a house, without incurring the same interest costs as an income-driven strategy. Compared to a conventional repayment plan, you would still pay higher interest. On the graded plan, the size of the initial payments may eventually triple. If they decide to go with this arrangement, beneficiaries must be sure they can afford the higher payments. If beneficiaries can afford it, it is generally advisable to go with the basic plan.

The researcher is of the view that If a person has an outstanding student loan debt, he or she must spend some time learning about the methods or alternatives for repayment. This should ideally be completed prior to graduation so that you can choose which repayment method to begin with. If you have selected an income-driven plan, it is imperative to review your financial situation annually to determine whether there is a better repayment alternative that would save interest.

Income-contingent loan programmes, often known as graduate taxes, are being adopted by an increasing number of nations. The Higher Education Loan Program (HELP) in Australia is a well-known income-contingent loan scheme where repayments are based on income and adjusted annually. The UK's income-contingent repayment plan, introduced in 1998, requires borrowers to repay their loans based on their income level, with any remaining balance forgiven after a set period (Shriner, 2014). Under these programmes, loan repayments are set at a percentage of the graduate's yearly income. Such methods can theoretically achieve a better balance between effective cost recovery and borrower risk, despite the little experience to date. Since loan recovery is handled through already-existing collection systems, such as the social security or income tax administration, administration is typically easier and less expensive under such schemes. Since graduates' payments are directly correlated with their income, income-contingent loans are likewise more egalitarian and fully satisfy the ability-to-pay principle. For instance, Sweden's student support programme reduces the likelihood of student default by capping repayments at 4% of post-graduation income (Williams, 2019).

A similar initiative, which is funded by the national social security system, has been introduced in Ghana. Australia uses the tax system to collect payments for income-linked loans. Depending on how much a graduate makes, the repayment rate is two, three, or four percent of their taxable income. In Australia, cost-sharing, which accounts for up to 20 percent of unit expenses in public higher education, has made it possible to add student enrollment by 30 percent in a few years without having to significantly increase public subsidies. This achievement has been made possible by the establishment of a comprehensive student loan programme. New Zealand has instituted a comparable system. Parents in Singapore have access to educational loans from the National Social Security and

Pension Fund, which they can pay back together with their regular contributions made to the Fund out of their take-home earnings (Azedongo, 2016).

It might be harder to solve the issue of poor student loan repayment. Various lending schemes can make use of a broad range of strategies to lower payback default rates. These include the employment of loan guarantors, the posting of defaulter lists as a kind of moral suasion, denying further credit if in default, and taking legal action against chronic defaulters. It is often the case, though, that these precautions are not taken. A pervasive climate of noncompliance has been established in certain instances, most notably in poor nations, where nonrepayment has come to be seen as socially acceptable (Warue, 2013).

6.6 Factors affecting the recovery of student loans

The third objective sought to establish the factors affecting the recovery of student loans in Zambia. The factors are presented thematically as follows;

6.6.1 Lack of Insurance of Student Loans

The study established that one of the factors affecting the recovery of student loans at HELSB in Zambia was failure or Lack of Insurance of Student Loans. Given this, it was discovered that HELSB had not provided loan insurance against the possibility that recipients may default on their payments throughout the review period. 75 beneficiaries who had graduated and were employed by the public service but passed away while serving before repaying their student loans had accumulated bad debts totaling K2, 580,036.34 as a result of the Board's failure to insure student loans between the years 2004 and March 2021.

Numerous students on the local terrain are experiencing payment failures, and these student loans are not insured. Because of this extremely significant oddity, it is imperative that all student loans be insured. Sustainability is required because this is a revolving fund. The insurance firm should have enough money to cover those losses in case of default. In contemporary nations, all student loans are insured. However, this is not the case in Zambia. If the loans were insured, other students could have benefited from the enormous sum of money that was anticipated to be retrieved from those beneficiaries who passed away.

To ensure that the money is repaid, HELSB must take the required actions. It is imperative to guarantee that every loan obtained is insured. Every student loan needs to be insured against potential risks identified by the Board, including death, mental lunacy, and total and permanent incapacity. HELSB needs to insure the loans because loan insurance considerably reduces the educational debt's financial risk. In the event that circumstances worsen and the loan applicant is unable to repay the loan balance, it offers the essential safety net. When HELSB insures the loans, the proceeds from the insurance will be utilized to fund the impoverished student's tuition fees.

According to Mujani et al. (2016), there should be government-backed insurance coverage for the loans. Additionally, "loan systems with income-contingent repayments address risk and uncertainty faced by individuals by providing insurance against inability to repay" (Organisation for Economic Co-operation Development, 2008, p.1) was suggested in the report on Financial Support for Students in Tertiary Education.

Berlinger and Gönczi (2009) proposed in a related study that income-contingent loan repayment might facilitate loan payback for students who work in lower-paying occupations. Adoption of income-contingent loan schemes is a common alternative that helps prevent default and even lowers repayment problems, according to Armstrong and Chapman (2011).

Conversely, Nyahende (2013) proposed that a sufficient legal framework would guarantee efficient debt recovery. Furthermore, according to Johnstone (2004) (quoted in Shakeela, 2010), one strategy to lower recovery default is to increase the repayment procedure's flexibility. Therefore, a legal framework, flexible repayment terms, income contingency, and insurance are required to guarantee full repayment.

In light of the foregoing, a study done by Choi (2014) reasoned that some lending institutional factors related to risk management structures put in place by lending institutions were to blame for loan defaults. These institutions factors include laid-back procedures used in credit risk management. Negligence in monitoring loan defaults, insider loans, unaggressive credit collection methods and lack of trained personnel manning these institutions. When loans are not performing the quality of assets decays and can affect the asset base of a bank and affect the banks' ability to lend further (Choi, 2014).

Furrow (2005) offers a unique perspective on integrity, seeing it as “the extent to which our various commitments form a harmonious, intact whole”. On this view, clarity lies between the diversity of commitments each person has made and their mutual consistency. By pointing out that having integrity means being able to live an integrated account, the author further develops the idea of integrity. The Kenyan Constitution touches on issues of honesty and leadership for public servants. Public officials must be investigated to determine if they are qualified to hold office. Holders of public posts must be free of any anticorruption violations, criminal convictions, and other government requirements that may be brought as part of integrity compliance, according to the constitution. One of the conditions for integrity clearance is repayment of student loans, and some businesses have utilised this criterion to assess the fitness of various applicants for employment.

6.6.2 Untimely remittances

The other factor affecting loan repayment is untimely remittances. The study established that some beneficiaries were not making timely remittances. This has negatively affected the recovery of student loans by HELSB in Zambia. The status -quo has the potential to cripple the sustainability of the loans and scholarship fund. All the loans should be pursued to ensure that they are paid back without fail. HELSB needs to conduct a reconciliation exercise with Payroll Management Establishment Control to normalise deductions for beneficiaries employed in the civil service who are underpaying on the loan.

Beneficiaries of student loans must handle education loan debt wisely and make timely repayments in order for the student loan scheme to be successful overall. Beneficiaries must be aware of their rights and obligations as borrowers in order to manage the repayment of the student loans amicably and timely. Furthermore, whether or not you are employed, whether or not you finished your school, or whether or not you are happy with your education, you, as a student loan borrower, are required to pay back debts in accordance with the conditions of the loan agreement.

The researcher is of the view that one of the biggest obstacles to supporting the study of other needy students is the untimely remittance or non-repayment of loans by beneficiaries whose loans have matured and due for repayment. The entire quantity of loans accessible to current students is contingent upon the repayment obligations of former students. Many

loan applicants in Zambia are unable to receive the loans intended to help them pay for their educational expenditures as a result of loan recovery not being possible, which makes the education fund unsustainable.

This finding is supported by Msigwa (2016) who argues that untimely remittances can indeed have a significant impact on student loan schemes. When payments are delayed or irregular, it can disrupt the financial stability of the scheme and hinder its ability to fulfill its intended purpose effectively. Student loan schemes rely on a steady stream of payments from borrowers to fund new loans and cover administrative costs. Untimely remittances can create financial instability, making it difficult for the scheme to operate efficiently. Delays in remittances can cause cash flow problems for the student loan scheme. Without a consistent flow of funds, the scheme may struggle to meet its financial obligations, such as paying staff salaries or servicing its own debts.

Similarly, Holden & Biddle (2017) adds that untimely remittances can also have a direct impact on borrowers. Late payments may result in additional fees or penalties, increasing the overall cost of borrowing for students. Moreover, if the scheme is unable to provide loans in a timely manner due to financial constraints, it could hinder students' access to higher education. Student loan schemes often rely on borrowing money themselves to finance loans. If remittances are delayed, it can affect the scheme's ability to repay its own debts, potentially leading to credit rating downgrades or higher borrowing costs in the future. Additionally, consistent delays in remittances can damage the reputation of the student loan scheme. Borrowers may lose trust in the scheme's ability to manage their loans responsibly, which could make it more difficult for the scheme to attract new borrowers or secure funding in the future.

To mitigate these issues, Dey (2018) proposes that it is essential for student loan schemes to have robust systems in place for monitoring and managing remittances. This may include implementing automated payment reminders, enforcing penalties for late payments, and maintaining adequate reserves to cover short-term cash flow fluctuations. Additionally, fostering transparent communication with borrowers about the importance of timely payments can help encourage compliance and minimize the impact of untimely remittances on the overall scheme.

6.6.3 Lack of an Integrated Management Information System

The study further established that the other factor affecting the recovery of student loans by HELSB is the lack of an Integrated Management Information System. HELSB has not developed an Integrated Management Information System (IMIS) to be linked to public higher learning institutions and other key student loan administration stakeholders. HELSB needs to develop an Integrated Information Management System. The Board also needs to urgently implement a fully functional Higher Education Student Financing Management Information System to which an automated Means Testing mechanism should be linked to allow for access to critical information about loans and scholarship applicants, and to access student funding.

Drew (2023) asserts that systems integration is essential to the success of any enterprise. It enhances an organization's internal workflow and marketing chances by guaranteeing continuous data connectivity and lowering error propensity. To put it briefly, system integration is an excellent strategy for maintaining an institutions competitiveness. It will support an institution in better managing procedures and satisfying the needs of the clients. It also enables institutions to examine potential mistakes and obstacles. Accurate data collection is nearly hard to achieve without automation.

According to Chesla (2004), as integrated management information and other technologies become more prevalent, a new set of fundamental needs confidentiality, integrity, availability, and accessibility become more pressing. Chesla (2004) further adds that the integration of management information has enhanced service speed and efficiency, which has influenced the type of services offered to clients. Confidentiality, integrity, availability, and system access are elements that improve system performance, according to McCumber (2005), and these factors are well-maintained in IMISs.

Additionally, IMIS is now considered a significant functional area of any corporate organisation, just like marketing, finance, production, and human resources are, and it has become an essential part of any successful enterprise. As a result, it is crucial to comprehend information systems, just like any other business functional area. MIS is crucial since knowledge on the tasks that need to be completed is a must for all firms. IMIS is a tool for

problem-solving and for opening doors to improve quality, productivity, and system automation (Tariq, 2015).

Research on integrated management information systems has shown through empirical evidence that investments in IMIS improve company productivity, consumer welfare, and competitive advantage. Additionally, additional research has demonstrated that the implementation of IMIS improves a company's management capacities and managerial skills related to acquisition management. These factors have a substantial effect on the performance of the organisation (Johansson, 2002). HELSB therefore needs to develop an IMIS.

6.6.4 Failure to capture and recover loans from those in the informal sector

The study further established that one of the factors affecting the recovery of student loans by HELSB is the failure to capture and recover loans from beneficiaries who are in the informal sector. The problem is that the system does not capture those who are in the informal sector. Sometimes the people who are in the informal sector make more money than those in the formal sector. The people in the informal sector use the knowledge they got from the universities 'the degrees', through these loans but they cannot be captured. The money that government uses to finance the loan scheme is too much but what is recovered is very little. For any system to be sustainable, the recovery method must at least reach 50 per cent and above. If it is below 20 per cent, basically, that is as good as having no recovery at all. So, there is need to improve on that aspect so that as HELSB recover the money, more students will benefit.

The recoveries show employment patterns, the low recoveries from other sectors indicate challenges in reaching private sector workers. Some beneficiaries, are self-employed while others are employed by nongovernmental organisations and some are very mobile since they constantly change employment or are stationed in remote areas of the nation or even in neighbouring nations. Though they are limited in number, workers at diplomatic posts are equally hard to contact because their employers aren't legally required to follow the HELSB Act's or any other law's requirements.

The challenge of capturing and recovering student loans from individuals in the informal sector is indeed a complex issue. The informal sector typically consists of economic activities that are not regulated or monitored by the government, making it difficult for traditional loan recovery mechanisms to be effective. Building partnerships with informal associations or community organizations could help facilitate loan recovery efforts by leveraging existing social networks and trust relationships within the informal sector. Largely, addressing the challenge of capturing and recovering student loans from the informal sector will require a multi-faceted approach that takes into account the unique characteristics and challenges of this sector.

This result is consistent with the argument made by Owusu-Antoh (2019) that it can be difficult to track down and trace certain borrowers when their loan payments are due since there is a lack of accurate and trustworthy data on them, especially those who leave school and enter the unofficial sector. This has inevitably made it necessary to provide other methods of applicant identification and verification in order to speed up debt recovery and connect with departed borrowers.

6.6.5 Lack of an investment policy

The study also established that lack of an investment policy has affected the performance of the student loan scheme in Zambia. HELSB has no investment policy in place to help the institution plan and undertake viable investments. Consequently, the revolving fund has not grown significantly and therefore, HELSB continues to rely solely on Government funding. This poses the risk that fewer students will access the student loans. HELSB should put in place the investment framework which should document policies like Investment Policy and Resource Mobilisation Policy. These policies should guide investment decisions and management of the Fund assets to grow and sustain the Fund.

An Investment policy can be instrumental to achieving HELSB's vision and mission, and for it to be effective, it needs to be aligned with investment strategy (a high-level strategic plan for achieving the investment objectives). A policy for investments should specify the goals of the investments, provide detailed instructions for the investment procedures, and specify the performance criteria to be used. For the Zambian loans scheme to be sustainable and

profitable, borrowed money must be invested for profitable ventures and the extra revenue earned must be utilised to pay back the loans.

Any kind of firm, regardless of size or scope, needs to have an investment policy in the current uncertain economic climate. An investment policy lays out the guidelines for using public funds for investments. It also specifies the goals of the programme, the portfolio's limitations, the management and oversight procedures, and preferences or risk tolerance. In terms of investment principles and priorities, the document itself acts as a communication tool for staff, board members, the general public, rating agencies, bondholders, and any other stakeholders. An investment policy is the most crucial component of a public funds investment programme because it improves decision-making and shows a dedication to the fiduciary management of public money (Clark, 2019).

6.6.6 Low salaries

All the key informants at HELSB asserted that the other factor affecting the performance of the student loan scheme in Zambia is low salaries. Most of the beneficiaries are not getting good or sustainable salaries, so with the deductions, it just becomes unbearable for them. In line with the findings of this study, a study conducted by Woo (2002) established that the students who fail to make timely student loan repayment because their personal income is insufficient to cover their payments. As post-graduation or departure wages rise, the likelihood of default declines. As students near graduation, their costs rise which also implies that they can put off paying back these short-term debts until they are more financially secure. According to Schwarts and Finnie (2002), students who owed more money had more trouble repaying their loans, regardless of whether they were in default, and when their monthly debt payments exceeded 8% of their income, the debt was deemed unmanageable.

A substantial number of workers with relatively low student loan balances grapple with repayment challenges due to low-income work. Given this reality, it is not surprising that student loan holders are more prone to financial distress. Individuals with student loan debt have a higher likelihood of facing financial hardship, including late payments, credit denial, and foreclosure, especially if they did not complete a degree. Income growth for these families is minimal, while some degree completers experience an increase in their

pay. Student loans, while crucial for social mobility among the younger generation, carry a lasting economic burden that distinguishes them from other debt types. This impact is attributed to its ineligibility for bankruptcy discharge, making it particularly enduring and impactful on credit and financial health (Rugambuka, 2008).

The impact of student loan debt on low-wage workers is profound and multifaceted. It exacerbates existing disparities in wealth and education. While education has long been seen as a pathway to economic mobility and racial equality, the rising cost of education, coupled with the enduring burden of student debt, has created significant obstacles for many low-income individuals. The burden of student loan debt lasts for a large portion of many borrowers' working-age lifetime and affects their financial health. It also limits their ability to invest in opportunities that could improve prospects for themselves and their children (Warue, 2013).

There is little doubt that the student loan programme offers a number of advantages, particularly for individuals whose options would otherwise be restricted. Still, many people have doubts about the financial load that young people bear. The transitional period between university and adulthood is a turbulent and intensely emotional one (Saluja, 2022). Loans and establishing an independent lifestyle eventually cause financial strain because some young people are not able to handle the burden and anxiety associated with student loans.

6.6.7 Lack of employment

All the key informants at HELSB stressed that one of the major challenges that the board is presently grappling with is lack of employment among the beneficiaries. In Zambia, finding employment shortly after graduation is a hurdle faced by most graduates. Although the majority of graduates eventually find employment that fits their skills, the possibility of extended periods of underemployment and unemployment has an impact on student loan repayment. The rate of unemployment is still high, and although more and more students graduate, there aren't enough job possibilities for them.

Recovery attempts are seriously hampered by Zambia's high unemployment rate because not enough jobs are being created by the country's economy to allow for repayments from

the employed. Today's Zambian youth harbor a tremendous deal of animosity, and the majority of unemployed people believe that the government is to blame for their predicament since they have not given possibilities for bright, energetic, and youthful workers. In order to generate revenue for themselves and the nation, graduates need to be innovative and creative thinkers. It is not appropriate for graduates to passively wait for employment from the government. University graduates are the source of fresh inventions that keep countries advanced. It is imperative for recent graduates to take initiative and try something novel.

These results are consistent with prior reviewed literature (Choi, 2014; Williams, 2018). Woo (2002) found that a large number of graduates who are still unemployed raise the likelihood of loan default, while some who have secured employment are eager to repay their debts immediately. The main cause of loan repayment default is the inability to make payments due to unemployment or other unanticipated financial difficulties. Several empirical studies have demonstrated a strong relationship between low income and unemployment among students, and default may also be impacted by incapacity, illness, or death.

In a similar vein, defaulters were asked to rank the significance of several post-university factors in a study on borrowers who had graduated. These factors included low income, unemployment, the existence of other loans that required greater repayment, dissatisfaction with the educational programme, and underlying personal issues. According to Dynarski (2003), unemployment and insufficient funds were cited as the primary or somewhat relevant reasons for default by borrowers in proprietary institutions (83%) and two-year schools (74%).

In addition, the findings of this study regarding unemployment are supported by a number of empirical research that have shown a significant correlation between student loan default and unemployment and low incomes. Default may also be impacted by inability to make payments because of illness, incapacity, or death. Education increases a person's chances of landing better positions with high salaries, therefore investing in education today will provide bigger rewards later on (Palacio, 2002). A person's ability to repay their

student loan obligations depends on their ability to borrow money to pursue a degree, which boosts their employment prospects (Dell, 2011).

This finding is further supported by Dynarski (2003) who equally established that unemployment and lack of income were very important or somewhat important causes for defaulting for about 83 percent of proprietary school borrowers and 74 percent of two-year school borrowers. Unemployment subsequently leads to self-employment for the majority of graduates. Since HELSB is unable to track some individuals, self-employed graduates' positive impression of payback rests more on their willingness to repay the money.

The aforementioned factors demonstrate that there are significant issues with student loan programmes. Nevertheless, rather than giving up on the programme or using students as victims by imposing qualifying requirements that prevent all needy students from having equal access to loans due to insufficient funding, the government is trying to address these issues by strengthening the student loans collection mechanisms (National Assembly of Zambia, 2023).

Studies reveal that low recovery and repayment rates plague nearly every student loan programme in Africa. It is difficult for many loan programmes in Africa to collect student loans at full cost, as Otieno (2004) contends. All things considered, these programmes are not very good at tracking loan receivers when it comes to highly qualified personnel and cutting edge ICT. In certain nations, recipients of student loans mistake their loans for government grants because they believe that higher education should be free, and thus causes their loan repayments to be severely disrupted. In a research conducted in 2006, Ishengoma, for instance, examined how students felt about cost sharing through loans and found that they were unlikely to return their HESLB loans because they believed that higher education was a fundamental entitlement that the government should fund. Tanzania has experienced mild resistance to loan repayment as a result.

Top administrators, supervisors, and staff members of the majority of student loan programmes lack formal training in fields related to student funding, as demonstrated by observation and documentation proof. For instance, in one of the aforementioned nations, the longest-serving senior administrator of a student loan programme holds linguistics

training. The head of the HESLB's board of directors and chief executive officer are appointed by the president of Tanzania (Chatema, 2014). This suggests having little autonomy in decision-making and being susceptible to political pressure and manipulation to make choices that benefit the status quo or the governing party. Although the researcher believes that professional training in loan scheme management and related fields is a requirement for any successful and long-lasting student loan programme globally, this is not to say that it guarantees effective operation. The Zambia government needs to ensure that all members of staff at HELSB are trained in fields related to student funding and student loans.

All in all, the difficulties faced by the HESLB in Zambia are not particular. Kenya, Ghana, Mauritius, and South Africa face comparable difficulties with their student loan programmes. Poor loan collection rates, primarily as a result of a lack of effective debt recovery methods and shoddy legal frameworks, and limited funding as a result of reliance on the government are examples of intersecting difficulties. One of the issues facing student loan programmes in Africa has been recognised as corruption. Corruption is indeed a significant issue facing student loan programs in Africa, as it is in many other sectors. Funds allocated for student loans may be siphoned off by corrupt officials for personal gain, rather than being disbursed to eligible students. Even without malicious intent, corruption can occur due to mismanagement of funds, lack of transparency, or ineffective oversight mechanisms within the administration of student loan programs. Addressing corruption in student loan programs requires comprehensive efforts to strengthen accountability, transparency, and oversight. By addressing corruption within student loan programs, African countries can help ensure that these programs fulfill their intended purpose of expanding access to education and promoting social and economic development (Saluja, 2022).

6.7 Performance of the student loan recovery scheme in Zambia

The fourth objective sought to evaluate the performance of the student loan recovery scheme in Zambia. The findings revealed that the level of loan recovery has increased exponentially from 2018 to date. The average monthly collection for loan recovery has increased from K 8,664,109.96 in the 2018 fiscal year to K183, 000,000 in the 2023 fiscal

year. HELSB has been meeting the annual targets over the same recovery period. This can be attributed to the number of beneficiaries paying back the loan which has increased significantly from 2018 to date. Owing to this significant increase, HELSB had expanded the provision of student loans beyond the traditional University of Zambia and the Copperbelt University. Due to increased financial resources brought on by loan recoveries, the student loan scheme has been expanded to five additional public universities namely Mukuba University, Mulungushi University, Chalimbana University, Kwame Nkrumah University, and Kapasa Makasa University.

It is important that HELSB works harder to ensure that more recoveries are made as this will guarantee more students to access loans. Student loans play a vital role in making higher education accessible to students from all backgrounds and income levels, and in providing aspirants with the necessary tools to pursue rewarding career opportunities. It is an investment that is well worth the cost in the long run, as it provides many benefits that will help in both education and career. Student loans provide access to educational opportunities that may otherwise be financially out of reach. They can cover tuition fees, books, supplies, and other educational expenses, allowing students to focus on their studies without worrying about immediate financial constraints.

These findings are supported by Saluja (2022) who indicated that the repayment of student loans helps other students to complete their education even if they are unable to afford it at present. By keeping in consideration the future earning potential of an educated individual, it helps them live up to their true potential. Apart from purely economic reasons, there are multiple benefits associated with education Loans, making them the apt choice for funding education.

Additionally, Woodhall (2007) avows that evaluations of educational credit in Latin America show that student loans have been successful in increasing enrollments in many countries and have enabled poor students to enroll who could not otherwise have afforded higher education. One significant benefit is that many student loan institutions have been successful in attracting funds from such new sources as commercial banks and business enterprises. However, no student loan scheme is self-financing and because of the extent of interest subsidies and long repayment periods, student loan programmes will continue

to need regular injections of capital from government and other sources. As a cost-recovery mechanism, student loans do not provide immediate savings (Chihombori, 2013). Nevertheless, in the long run, student loans would provide a significant source of funds for higher education. The introduction of student loans will make bigger impact if it is accompanied by other changes, such as increases in tuition fees and reduction in costs.

It was determined that student loans were beneficial since every participant said the programme helped them to pursue higher education. Additionally, some participants said the loan programme should continue and that they would suggest it to others. This finding is supported by Nyahende (2013) who expounded that the loan programme assisted students from low-income households with their financial burdens even in other nations like the UK and Tanzania. Similarly, Gayardon & Brajkovic (2019) noted that loan programmes contributed to a rise in low-income groups' enrollment and attainment. According to Nyahemende (2013), the loan programme in Tanzania made it easier for students from lower-income backgrounds to enroll in tertiary institutions and contributed to the development of "social justice and equity." Therefore, the loan programme must continue.

According to the study, whether or not student loan programmes can ever become completely self-financing depends heavily on the repayment of student loans. Due to government commitments to write off loans if students are unable to repay due to death, illness, financial hardship, or default, as well as the policy of charging students less than commercial interest rates, many governments acknowledge that they will not. The sum paid to the government for processing loan claims to lenders under the guarantee is around three times the direct costs of giving non-repayable help in the form of interest subsidies. The issue is not in offering both types of help, but rather in how they are intertwined, making it challenging to assess the exact cost of borrowing and the amount of non-repayable aid being given in specific situations. Repayable and non-repayable components, for instance, may be maintained apart so that students were made fully aware of the interest payments being made on their behalf (Chihombori, 2013).

If the amount of money being spent on loan guarantees vs non-repayable aid (interest subsidies) was more transparent, it would be easier to review and assess government

policies and programmes. Due to the fact that many schemes expanded so quickly in the 1970s that current loan repayment levels only cover a small share of total lending, it is challenging to determine with accuracy the percentage of loan capital that will ultimately be recovered from loan repayments (Cohen-Cole, 2016).

For instance, in Sweden, where students have until they turn fifty to pay back their debts, the total sum of new student loans in 1980–1981 was barely covered by repayments in 1981. This is due to the fact that most students have 20 years to pay back their loans, are automatically eligible to defer repayment if their income drops below a certain threshold, and have an annual "adjustment index" that is lower than inflation or market interest rates. As a result, it will take the government a very long time to collect the debt (Cohen-Cole, 2016).

It is also foreseeable that current repayments will only cover a small percentage of overall debt due to the rapid increase in student loan volume. Nonetheless, it is evident that over time, a loan system places a far smaller strain on public coffers than a grant one. This may be interpreted as a way to save taxes or as a way to reallocate government funding.

In the event that student loan systems are not self-financing, recapitalization of the loan fund will be necessary eventually. Additionally, because the repayment time is lengthy, additional money will be required before the loan repayments have accrued. In Sweden, the government not only provides the money but also guarantees the loans and covers the administrative expenses when they are given by a government agency (Cohen-Cole, 2016). Zambia, along with other developing nations, should learn that student loan programmes do not have to be fully financed by the government.

UNESCO (2020) adds that the record of success, particularly for loans schemes in developing countries, has been mixed. While some schemes have proved to be broadly successful, the outcomes of loans schemes have frequently been disappointing, both in terms of meeting set objectives and in terms of financial sustainability. Where schemes have been less than successful, the lack of success has stemmed from weaknesses in the process (administrative deficiencies, excessive default or poor targeting) or the causes were in-built and, in particular, related to excessively generous loan conditions and high subsidies.

Considering the aforementioned, Otieno (2004) found that the low loan payback rate and inadequate programme management contributed to the underwhelming performance of the Kenyan loan plan. Numerous reasons have been cited for the initiative's failure. First of all, it did not take proactive steps to keep itself from defaulting, which made debt recovery difficult. Since it was a Ministry of Education department, its staff members lacked the necessary training. But in 1995, a parliamentary legislation created the Higher Education Loans Board to provide efficient debt management and a recovery mechanism, resolving the legal concerns.

Kenya's HELB is severely underfunded and dependent on government assistance. However, documentary data shows that because loan recipients have a strong return culture, the Kenyan HELB is performing far better in terms of debt collection than other student loan programmes in the East African region. This is because of the nation's long history of being associated with capitalism, which emphasises individual accountability for one's own well-being as opposed to giving it up to the government. Due to growing student enrollment, insufficient funding, and other issues, the HELB is not operating at full capacity, despite its comparatively good debt recovery record. From 195,428 in 2012 to 276,349 in 2015, state university enrollment climbed by 41%. The total number of students enrolled rose by almost 35%, from 240,551 in 2012 to 324,560 in 2014 (Nganga, 2014).

The Higher Education Loans Board (HELB) in Kenya has made significant efforts to establish loan recovery plans that guarantee timely loan repayment. Data exchange with essential partners including NSSF, KRA, KPLC, NHIF, and CRB is one of these tactics (Ngolovoi, 2006). Since 2010, HELB has imposed penalties on non-performing accounts. Evidence, however, indicates that a significant portion of these loans are still unpaid despite HELB's best efforts to guarantee that all loans are repaid on schedule.

According to data from HELB's 2013 report, only one in six past borrowers are now making their loan payments, placing a burden on the board and indicating a difficulty in approving loan applications for a large number of students. Otieno (2004) states that the Revolving Fund is no longer sustainable, and HELB must continue to rely on government funding allocations to support higher education. Government allocations have been declining

because of the nation's limited resources. For educational fairness to succeed, a workable and long-term plan for funding tertiary education must be established.

6.8 Ideal framework that would enhance the recovery of student loans for sustainable financing of higher education in Zambia

The last of objective sought to propose an ideal framework that would enhance the recovery of student loans for sustainable financing of higher education in Zambia. The fundamental structure of something is called a framework. It is a body of reasoning or evidence that backs up a claim. A framework is, in general, a physical or conceptual structure meant to support or direct the construction of something that enlarges the structure into something functional. A framework provides a set of ideas or facts generated through research and immersion for a project or programme. Developing an ideal framework to enhance the recovery of student loans for sustainable financing of higher education in Zambia requires a comprehensive approach that addresses various factors contributing to loan recovery challenges. By adopting a holistic framework that incorporates key elements, Zambia can strengthen its student loan program and improve the recovery of loans for sustainable financing of higher education, thereby expanding access to quality education and fostering socioeconomic development. The proposed framework is illustrated using the figure below;

Proposed framework

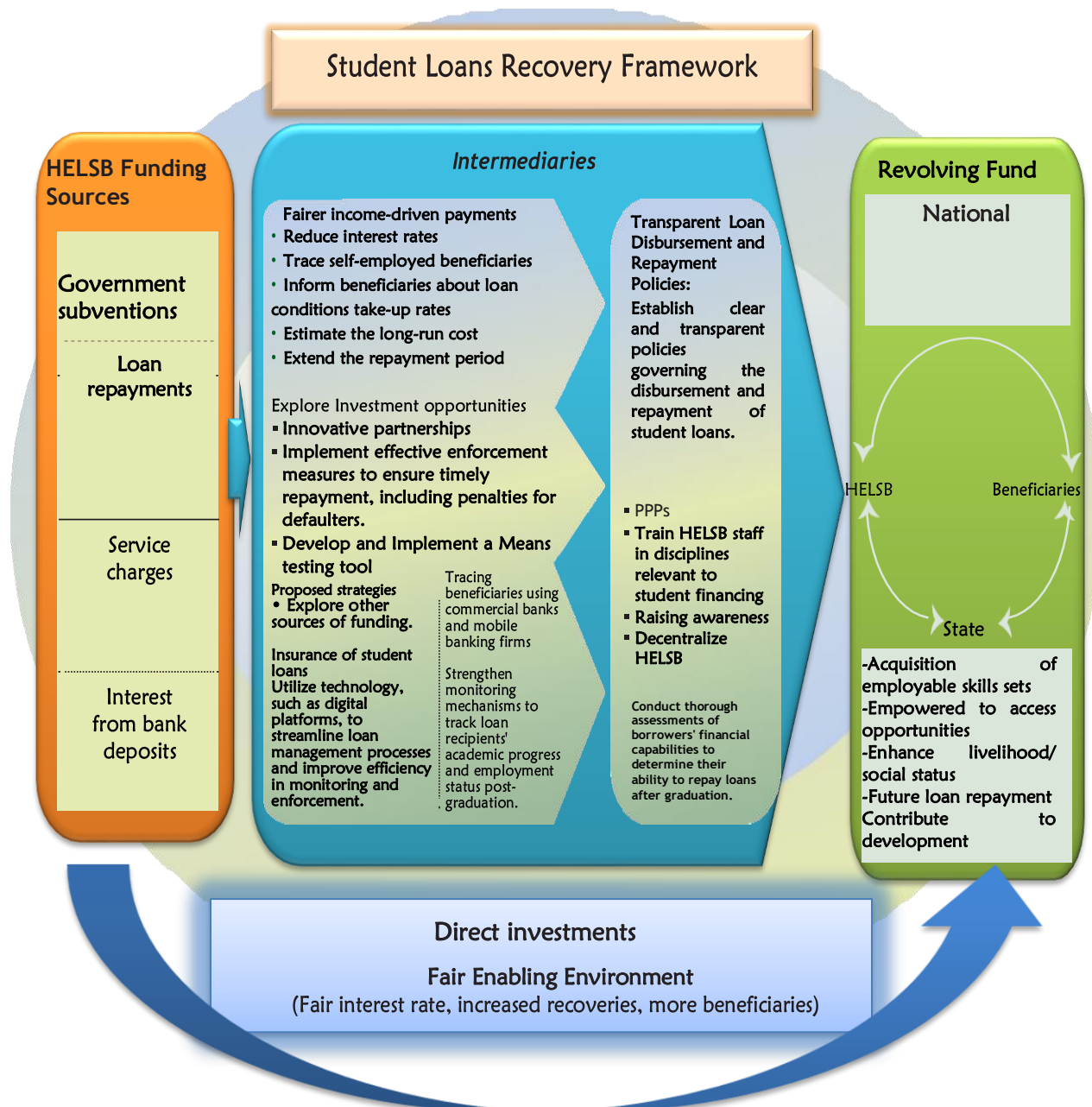


Figure 6.1: Proposed Framework for recovery of student loans

A well-structured student loan repayment framework would immensely enhance the sustainability of the student loan. The loan recovery scheme might be self-sustaining if the interest rate is set at a level that correctly takes into consideration the HELSB's borrowing costs, administrative expenses, and default risk. For researchers inside and outside of the government to design such a programme, thorough data on individual wages and

borrowing are necessary, and if loan policy and framework are to be firmly anchored in research, this data gap needs to be bridged.

To effectively handle market failures, a framework must not only be well developed but also have its parameters included in the information sets of the beneficiaries. By offering financial help and subsidies to public universities, the majority of wealthy nations significantly subsidize university enrollment. Some developing nations including Zambia, also offer loan facilities to students so they can enroll in and complete their courses at higher education institutions. People who want to pay for their education will have a hard time getting a commercial loan because there is no collateral (Oosterbeek & Van den Broek 2008).

The goal of financial assistance in the form of grants or alluring loans is to ease credit restrictions. However, there is data that shows that students underuse loan options. Some have hypothesized that this is because of "debt aversion," which happens when holding a debt lowers utility above and beyond how it affects lifelong consumption habits (Field, 2006). The lack of adequate or accurate information about loan terms is another barrier to student loan take-up, which will result in subpar take-up rates (Booij, et al. 2008).

The framework proposes the need for government to communicate and raise public awareness regarding student loan repayment. Effective communication and public awareness is crucial to the success of any student loan repayment framework. The most popular way to convey student loan debt to borrowers is in a lump sum style, with students receiving financial statements every semester that include their total cumulative debt. Aggressive public education and campaigns are required on the meaning and importance of student loans and loan repayment. This approach has been very successful in Ghana. Government should also provide HESLB full autonomy in making decision on some of strategic issue such as enrollment, categorization of priority courses, tuition fee charged in higher education, the legal framework to enforce collection.

Student loan debt has a significant temporal gap between the consumption of paying for higher education and the planned repayments (at least six months after graduation), in contrast to most consumer debt, which starts being repaid shortly after it is incurred (Zhang, et al. 2020). Therefore, while enrolled, student borrowers typically have a period of

several years during which they continue to accrue debt without making any payments. According to Johnson et al. (2016), student debtors frequently don't become aware of the true expense of higher education until much later.

Although financial aid helps low-income students start and finish their education, student loans are unlike other types of loans in that they cannot be discharged in bankruptcy and that borrowers' salaries may be garnished for the rest of their lives (Marx & Turner, 2017). As a result, in addition to the typical stigma associated with loan defaults such as damaged credit scores and restricted access to credit markets the expectation that wages will be garnished may affect student loan borrowers' job search and motivation to work, while the fact that loan defaults can be seen by employers may affect their chances of finding a job in the first place (Mueller & Yannelis, 2019).

As a result, a clear repayment system or framework must be established, as described above, and it must be adequately communicated to the beneficiaries or borrowers. Due to the fact that some students may be reluctant to take out loans due to cultural beliefs and others may only do so as a last resort, there is a need for information sharing so that students can enter into a loan agreement with a clear understanding of the terms and conditions (Dynarski & Scott-Clayton, 2013).

The long-term cost of the loan programme must be estimated by HELSB in accordance with the framework outlined above. The value of the loans granted to each student in that cohort over the duration of their degree, as well as the gross annual income of each person to whom a loan is issued, must be known by HELSB in order to estimate the long-term cost of providing student loans to that cohort of students. As a result, HELSB will be able to determine the interest rate that graduates would pay depending on the number of matured loans and the annual repayment amount.

In Zambia, the interest rate paged on the student loans is deemed to be too high. Owing to this, there is need to reduce the interest rate from 10% to 8% or even less. Student loans are intended to assist people in pursuing their higher education ambitions. As a result, their interest rates usually need to be lower than those of other loans and obligations, particularly in underdeveloped nations like Zambia where some graduates receive pitiful earnings. Students and graduates accrue interest in addition to the principal amount their

loans. This implies that graduates liable for paying any interest that accrues in addition to repaying the initial amount borrowed. It can significantly increase the total amount an individual owes HELSB.

Student loans are generally meant for the needy students and, therefore, pricing them as per the market rates or at the current rate would mean you are locking out those who need this support most. There is need to cushion beneficiaries from punitive repayment demands and high interest rates in the face of a tough economic environment in which a lot of graduates are not able to secure jobs in the country. Cutting the loan rates would significantly deplete the HELSB fund, making it unable to meet the growing loan needs caused by the increasing number of student admissions. Therefore, the interest rate can be reduced to fairer rate that should not negatively affect the sustainability of the loan scheme. Alternatively, the period within which the loan has to be repaid can adjusted upwards from 10 years to 15 years.

Payback obligations for students or beneficiaries must be kept reasonable in order to ensure affordability and cope with interest payments that accrue at compound interest rates to later years of payback. The interest burden on these loans may therefore need to be somewhat subsidized by the government. The empirical and political nature of loan interest rate subsidization depends on the government's available budgetary space and how it prioritizes its goals within the confines of its overall budget.

Training HELSB staff in disciplines relevant to student financing is another crucial measure that can be taken in a quest to enhance the sustainability of the loan scheme. In light of this, top administrators, supervisors, and staff members of the majority of student loan programmes or schemes in Africa lack formal training in fields related to student funding, as demonstrated by observation and documentation evidence. For instance, in Tanzania, the longest-serving senior administrator of a student loan programme holds a Bachelor's degree in linguistics. The head of the HESLB's board of directors and chief executive officer are appointed by the president of Tanzania (Kossey, Masumbuko and Ishengoma, Johnson, 2017). This suggests having little autonomy in making judgments and being susceptible to political pressure and manipulation to make choices that benefit the ruling party or the establishment (Ally, 2015).

The Board should diversify its sources of funding. This can be done by undertaking other streams of revenue activities to greatly minimize its sole dependence on the government. It should explore partnerships with potential financiers and investors in higher education such as banks and companies. This financing modality has worked in Mauritius and Kenya. In 2013, the HELB partnered with the Latimer Education Company based in the United States to increase its funding (Nganga, 2013). The Board also partners with Intra Health of Kenya to provide loans to student's pursuing medical and health related qualifications. The HELSB could also consider borrowing from international banks such as the African Development Bank and the World Bank.

HELSB needs to ensure that any individual in formal or informal employment pays back the matured loans. It should be done through direct deductions by employers from loans beneficiaries' salaries as with income tax and social security funds. This would reduce the costs of tracing loan beneficiaries and improve the level of loan repayments. To achieve this a high degree of effectiveness in the legal framework would be required. Loan recovery could be further strengthened if the HELSB were to partner with the Department of national registration which would help identification numbers to all loans applicants that could be used to track beneficiaries employed in the formal sector. This strategy has been employed by the HELB in Kenya (Engede, 2015).

Currently HELSB depends on funding from the Ministry of Finance as appropriated by Parliament. Over the years, the increased demand for higher education has not matched funding from the Treasury thereby creating pressure on the Board. Despondently, HELSB has no investment policy in place to help the institution plan and undertake viable investments. Consequently, the revolving fund has not grown significantly and therefore, HELSB continues to rely solely on Government funding. This poses the risk that fewer students will access the student loans. HELSB should put in place the investment framework which should document policies like Investment Policy and Resource Mobilisation Policy. These policies should guide investment decisions and management of the Fund assets to grow and sustain the Fund. In addition, HELSB should employ a fund manager and other office holders to spearhead loan recoveries.

An investment policy outlines the guidelines for using public funds for investments. It also specifies the goals of the programme, the portfolio's limitations, the management and oversight procedures, and preferences or risk tolerance. In terms of investment rules and priorities, the document itself acts as a communication tool for staff, elected officials, the general public, rating agencies, bondholders, and any other parties involved. The most crucial component of a public funds investment programme is an investment policy, which improves decision-making and shows dedication to the fiduciary care of public money (GFOA, 2024).

The process of creating an investment policy include creating a careful plan or road map that specifies how the investments will be made. This method considers a number of important variables, such as financial goals, appetite for risk, and investment horizon. There is no perfect investment plan and that not every investment calls for the same approach (Choi, 2014). HELSB may fulfil their financial goals with the aid of a skillfully designed investment plan. You can manage the occasionally turbulent stock market with confidence if you adhere to a solid investing plan, knowing that you're on pace to reach your financial goals.

In order to guarantee the longevity and stability of the student loan programme, HELSB should exploit alternate funding sources, such as partnerships with private financial institutions, in order to minimise its over-reliance on the capitation grant it receives from the government. More money would always be available as a result, compared to what is already done, to provide reasonable loan amounts to a greater percentage of the target student population, including the private institutions (Azendongo, 2016).

To recover the funds for a revolving fund, it is also necessary to address the incidence of loan default, especially with regard to borrowers who remain untraceable in part because they operate in the informal sector. To achieve this, a closer alliance with the heads of the nation's registered and organised private sector unions may be formed. In order to recover funds that have been disbursed to previous beneficiaries, it is imperative to evaluate and manage the risks associated with loan defaulters. Financial reserves must be built, and the overhead and administrative costs of running the loan programme must be strategically managed with finance (Azendongo, 2016).

However, the Venezuela government proposed that the Interest rates need to be increased to be positive in real terms if loan programmes are to be financially sustainable over the long term. One of the few successful non-public student loan companies in the Dominican Republic with a positive interest rate is Fundapec. The Sonora Institute has increased interest rates as part of the reform backed by the World Bank in order to do away with the 20 percent subsidy that was put in place during the Peso crisis. The goal of the Venezuela project was to lower the amount of interest rate subsidies from over 80% in the early 1990s to roughly 33% at now (Williams, 2019).

The challenges posed by that endeavour make it necessary to minimise exemptions for excellent grades or a clean payment history. As the Mexican private universities supporting the student loan initiative aim to do, loans can be combined with scholarships for students from the lowest income categories who would not be able to afford to pay a positive interest rate. This strategy has the advantage of assisting the most disadvantaged students while preserving the loan programme's financial stability. Loan programmes need efficient means of collection (Clark, 2019).

By maintaining a personalised relationship with loan recipients and an effective management information system, the Sonora Student Loan Institute has been able to keep default rates at manageable levels, averaging no more than 12 percent. In a nation where cost-sharing and student loans are still unheard of, the Institute has played a significant role in fostering a culture of responsible student behaviour in the State of Sonora. In contrast, the loans fund in Venezuela was long thought of as a lax organisation that didn't give a damn about debt collection (Williams, 2019).

However, a new management group has restructured the collecting department and implemented stronger standards in recent years, yielding noteworthy outcomes. Interventions at the upstream level are crucial to lowering default. Effective monitoring of the academic performance of recipients of student loans, consistent communication to instill a feeling of accountability, and current data on job market results are all vital factors that impact the outcome of subsequent collection attempts. Legal actions, credit blacklisting, publication of a "shame" list, moral persuasion, and collateral asset seizure are some of the methods used to collect past-due debts (Warue, 2013).

Depending on the legal and cultural standards of each nation, the viability and efficacy of each strategy differ greatly. The Student Loan Bureau has recently started a radio and newspaper campaign that combines positive messages to appeal to the students' civic duty and negative advertisements with the name and picture of delinquent students. This is because arrears are very high in Jamaica because students believe that the loans are financed by the government and do not need to be repaid. One of the finest private universities in Colombia, Universidad de los Andes, collaborates closely with ICETEX to urge its alumni to stay up to date on their loan payback commitments (Felicia Ionescu and Marius Ionescu, 2014).

Just like with income tax and social security money, employers should be given the mandate to deduct repayment of HESLB loans directly from the paychecks of loan recipients. This would raise the amount of loan repayments and lower the cost of tracking down loan recipients. In order for the HESLB to prosecute employers who fail to deduct loans from their employees' salaries and loan beneficiaries who default, the legal environment would need to be tightened. If the HESLB partnered with Ministry of Home Affairs, all loan applicants would receive identification numbers that could be used to follow beneficiaries who work in the formal sector, so strengthening loan recovery even more. In Kenya, the HELB has been using this tactic (Engede, 2015). Tracing loan recipients who work for themselves or in the unorganised sector, however, continues to present difficulties. The Business Registrations and Licencing Agencies and Registrars of non-governmental organisations and businesses such as Patents and Companies Registration Agency (PACRA) should work together to support this beneficiary category. These groups deal with the unorganised industry and might be able to help locate borrowers who are employed in that industry. The legal and policy structures of the HESLB would also need to incorporate this kind of cooperation

6.9 Theoretical implications

The Human Capital Theory (HCT) and the Ability to Pay Theory served as the study's guiding theories. The Human Capital Theory was used because it encourages investigation into the variables that impact an individual's inclination to invest in training and credentials that would yield a larger return on investment or monetary compensation. Conversely,

the ability-to-pay theory was used since it provides the theoretical framework for relative comparison and is the main theory used in the literature to examine manageable debts, loan delinquency, and default.

The growing perception of education as an investment in human capital and the conviction that education fosters economic expansion fostered the concept that students need to have more access to capital markets to assist in financing this investment (Almendarez, 2010). Consequently, the researcher suggests that in order to guarantee that people with exceptional aptitude but low financial resources do not miss out on educational opportunities that could result in increased personal and national income, student loans should be supported.

The idea that better employment opportunities and higher earning potential are frequently linked to higher education is supported by the researcher. An individual may improve his or her prospects of earning a degree or certification that, in the long term, may lead to greater career opportunities and higher income by requesting a student loan and investing in education.

Even though some recipients stated that the interest rate is high, some said they would keep making loan payments so that more students might take advantage of the loan programme. Since education is difficult to attain due to hefty costs and it must thus be made available to the underprivileged through student loans. The Zambia government can/will build a human resource pool through the granting of student loans, which will favourably impact the advancement of the country. Due to its ability to provide consumers with utility (pleasure) as well as to create the human resources required for social and economic development, education is viewed by economists as both a capital and consumer good (Almendarez, 2010).

The emphasis on education as a capital good is linked to the idea of human capital, which highlights the significance of skill development for productive activities. It is often acknowledged that education improves residents and raises the average living level in a community. Many developing nations have made significant investments in education as

a result of their growing belief that it can bring about change. Undoubtedly, the public's view of the financial benefits of obtaining higher education has contributed to the drive for higher education in many emerging nations. Many people think that increasing access to and opportunities for education will boost the economy (Baum & Oliver, 2011).

A country's human and physical capital stock determines its level of economic prosperity and how well it runs. Economic study has historically concentrated on physical capital, but social and behavioural sciences research is increasingly examining the factors that impact the development of human abilities and aptitude. Generally speaking, the study's use of the human capital theory reflects the personal investments people make in themselves to increase their economic productivity. Human capital theory is increasingly seen as the theoretical underpinning primarily responsible for the sound adoption of development and education strategies (Becker, 1993).

Through the findings of this study, it has been determined that funding for education through student loan provision is an investment. By doing this, people's human capital is increased, which benefits society overall and raises worker pay. Their prospects of finding work in the labour market are increased, and they can benefit from both financial and non-financial gains as well as opportunities for career mobility. Only when education is anti-traditional in the sense that it informs, stimulates, and liberates the individual and teaches him how and why to make demands can it be a source of economic growth and progress (BIS, 2011).

The principle of human capital must be incorporated into educational systems in order to promote human growth in society at large. By using these strategies, productivity is raised and maintained on the basis of a larger and more diverse labour force. According to Babalola (2003), education contributes to economic development and growth by raising the productivity of the labour force via a variety of means.

The Ability to Pay Theory, on the other hand, is predicated on the idea that people budget their money according to their expected future earnings rather than their current earnings. As a result, with the intention of repaying the student loan later, students may take out

loans to pay for their tertiary education (Chapman, 2008). The study did find, however, that some beneficiaries have a strong belief that loan repayment has an impact on their investments and savings. Appreciatively, other recipients acknowledged the value of student loans by stating that they would repay the debts due to obligation and the fact that doing so would help future recipients.

As per the study, there is no insurance for student loans. In Zambia, the loan scheme's sustainability may be impacted if student loans are not insured, as doing so carries significant risks. Baum and Schwartz (2006) argue that investments in tertiary education carry risk because outcomes can be unpredictable, including health, the economy, and family situations, and because graduates may not find fulfilling careers. Owing to these precarious circumstances, the borrower's income is decreased. How much money a person receives and whether or not they can support themselves while making timely loan repayments will determine how much of their student loans they must repay.

The results of this study provide credence to the idea that, depending on the amount of money received, a student could not be able to pay back their loans in full, leaving them with crippling debt. When a student feels that some expenses like those needed to maintain a basic standard of living are more important than repaying the loan, they default on their student loan. The borrower may have some power over whether or not to make the scheduled payments or default on the loan, even though they may not have total control over the circumstances that transpire. Therefore, the borrower's financial capacity might be linked to delinquency and default (Cohen-Cole and Morse, 2010).

The finding that some students are unable to settle their matured student loans due to low salaries and unemployment aligns well with this theory. It is not surprising that research indicates a larger likelihood of default when income levels or earnings are lower. If the income is enough to cover basic expenses and loan repayment, the default rate will be minimal. The issue is figuring out how much money is needed to support oneself. The best indicator of debt payback is willingness to pay rather than ability to pay because there are

students who refuse to pay back their student loans despite making a reasonable income or becoming extremely wealthy through side engagements and other personal ventures.

6.10 Lessons / Policy Direction for Zambia

The first and most evident takeaway from industrialised nations' experiences is that loan programmes are capable of being made to function well. They are not without issues, though. For instance, rising interest rates and inflation have increased the cost of loans for both borrowers and governments, and default rates can occasionally be uncomfortably high. However, history demonstrates that these issues are solvable. The biggest risk could be underestimating the cost of loans, especially if there are no rigorous restrictions on who is eligible for loan subsidies.

Due to the ability to modify the amount of the subsidy, the payback duration, and the terms of repayment in accordance with efficiency or equity goals, loans have the advantage of providing a more flexible system of student aid than grants alone. The flexibility of loans as a financing mechanism has been highlighted by recent attempts to make repayment terms more flexible. Examples of these efforts include offering incentives to students in Germany who complete courses faster than average, protecting low-earners in Sweden, and giving students in the USA who have large debts a choice of repayment terms. The risks associated with unrestricted obligations are dangerously evident in industrialised countries' experience, as demonstrated by the UK's required grants and the USA's subsidised loans (Warue, 2013).

There is a growing recognition that governments must adopt a more selective approach to student aid policies due to budgetary constraints. Developing nations can also learn a great lesson from this. Student loans enable governments to support more students with a given budget because the beneficiaries will eventually contribute to the cost of teaching tomorrow's students. This is a very clear lesson regarding the possible cost savings from the introduction of student loans (Williams, 2019).

The need for governments to adopt more selective student aid policies due to budgetary limitations is becoming increasingly apparent. Developing nations can learn a lot from this as well. There are no instant savings when introducing loans, according to experience with lending schemes. This would be the case even in the event that fees were added to loans, as it takes several years for loan repayments to accumulate to the point where they can generate a sizable income. Nonetheless, since there are no immediate advantages, long-term savings shouldn't be detested (Kerin, 2012).

It is evident from Canadian calculations that using loans rather than grants will result in long-term savings. Repayment of loans already accounts for 25% of Sweden's budget for student aid, easing the pressure on public coffers. The experience of the United States also demonstrates that, in a developed nation, the commercial banking system can play a major role in funding student loans, thereby lessening the burden on public funds. However, the successful participation of commercial banks in the United States does require significant public subsidies, which have historically been underappreciated (Woodhall, 2008).

According to many observers, loans are a more egalitarian way for wealthy nations to pay for higher education than a grant system that transfers taxpayers' purchasing power to individuals who would eventually earn more than average wages as a result of their education. In any event, university students are probably from higher-class backgrounds. For instance, Blaug contends that in the UK "it is reasonable to say that the majority of the grants system consists of giving to those who already have." If we genuinely think that we should be helping the elite in education, then this is fine. However, defending financial aid for higher education on the basis of social equality is a heinous distortion of reality (Johnstone, 2010).

Experience in industrialised nations indicates that governments must remove financial barriers at the secondary level if they truly wish to support equality of opportunity in higher education. In terms of income redistribution, loans at the university level seem to be more equal and just as effective as grants. The U.S. House of Representatives Committee on Education and Labor's opinion regarding student loans in industrialised nations may

serve as a summary: "Neither the student loan programme is a perfect good nor a perfect bad in the current context of fiscal and educational policy, loans are required (Williams, 2019). The goal of HESLB is to optimise the current programmes structure to maximise student benefit and limit abuse potential.

Student loan experience lends credence to the idea that "learn now, pay later" is a suitable approach for individuals and could be a beneficial long-term strategy for society to finance higher education. Though it is improbable for any system to become fully self-sufficient, it is appropriate that education receive some funding because it unquestionably helps society as a whole. Governments can continue to offer student loans, but only on a selective basis. In the long run, a greater portion of the expenses of education fall on individuals who personally benefit from the loans when combined with fees and interest subsidies, scholarships, or loan forgiveness measures (Baum and Oliver, 2011)

It is possible to provide student loans in developing nations, they are a more egalitarian option than the current system of heavily subsidised tuition and maintenance for a privileged minority, and they may increase efficiency by affecting student motivation and cost conscience. Student loans are flexible and can be utilised to meet workforce goals or as incentives for certain student groups. In the long term, loans can be a substantial source of funding for tertiary education as well as vocational and technical training, but they won't result in immediate savings.

The introduction of student loans must be carefully considered in order to persuade taxpayers and students alike of the benefits of a programme that offers students financial support today. When they need it, in exchange for a promise that they will directly contribute to the financial support of future students. It should be supported by suitable charge adjustments and, if required, cost-cutting initiatives.

There are other factors than programme design that affect the student loan programmes usefulness and viability. For the student loan to be more beneficial, it should be available to all deserving students as well as those who are willing to accept the offer of investing in higher education. Stated differently, the loans ought to be accessible to the intended

recipients for the intended purposes. For the loan to be more financially viable, repayment must be guaranteed and the total amount repaid must match the original loan payment for the current year.

6.11 Implications for the Realization of Sustainable Development Goal (SDG) 4

The United Nations approved the Sustainable Development Goals (SDGs), sometimes referred to as the Global Goals, in 2015 as a global call to action to end poverty, safeguard the environment, and guarantee that by 2030 all people live in peace and prosperity. The fourth SDG goal aims to guarantee high-quality education that is inclusive and egalitarian while also encouraging possibilities for lifelong learning for all. By reducing gaps and inequities in education, this goal helps to improve both the quality and accessibility of education. All children, but especially those who are vulnerable—poor children, children living in rural areas, individuals with disabilities, indigenous people, and children fleeing persecution should have access to high-quality education (United Nations, 2015).

Due to its revolutionary impact on the other SDGs, SDG 4 is important. It is essential for sustainable development that every child has a high-quality education. When students are given the resources they need to reach their full potential, they grow up to be successful individuals who can break the cycle of poverty and contribute back to their communities. Socioeconomic mobility upward is made possible by education (UNICEF, 2018).

Over the past ten years, there has been a noticeable increase in enrollment rates and access to education, especially for girls (UNESCO, 2018). Even with these improvements, around 260 million children worldwide, or nearly 25% of the total population in that age group, did not attend school in 2018. Furthermore, the minimum competency criteria in reading and mathematics are not met by more than half of all children and adolescents worldwide.

SDG 4 guarantees equal access to high-quality, reasonably priced technical, vocational, and tertiary education, including university education, for all men and women. The availability of student loans and their prompt repayment can enable this. Zambians can benefit from high-quality educational opportunities and skill-development initiatives thanks to student

loans. All students can gain the knowledge and skills necessary to promote sustainable development if student loans are made available and repaid on time. These include, but are not limited to, education for sustainable development and sustainable lifestyles, human rights, gender equality, the promotion of a culture of peace and non-violence, global citizenship, and an appreciation of cultural diversity and the role that culture plays in sustainable development. Furthermore, by 2030, the availability and prompt repayment of student loans can significantly boost the number of trained individuals in the workforce. One way to do this is by fostering international collaboration for teacher preparation in developing nations, particularly least developed and developing States.

6.12 Summary

The chapter has presented the discussion of research findings to establish what has emerged from the study. The discussion has been according to research questions and themes that emerged from data collected. The implications of the findings and their connection to the theoretical implications have also been discussed. The study has proposed an ideal framework that can enhance the recovery of student loans for sustainable financing of higher education in Zambia. The next and final chapter presents the summary, conclusions, and recommendations of the study.

CHAPTER SEVEN

CONCLUSION AND RECOMMENDATIONS

7.0 Overview

This chapter presents the summary, conclusions and recommendations drawn from what has emerged from the research conducted. The research was aimed at examine the modalities of the student loans recovery for sustainable financing of higher education in Zambia. This chapter intends to present the summary of the findings and conclusions drawn and make recommendations that would enhance the recovery of student loans for sustainable financing of higher education in Zambia.

7.1 Summary

The first chapter gave an overview of what the research was all about. It presented the background information to the topic from international and local perspectives and laid the foundation under which the study was undertaken. It further presented the statement of the problem, purpose of study, objectives and research questions. It also provided the significance of the study, limitations and delimitations as well as operational terms in the study.

The second chapter presented the conceptual frame work, and the theoretical framework that informed the study. The conceptual framework used in this study was dependent on a number of variables, including beneficiaries' perceptions of student loan repayment, modalities the HELSB employs to recover student loans, factors influencing student loan recovery and the performance of the student loan recovery programme. Conversely, two theories namely Human Capital Theory and Ability to Pay Theory were used to provide a solid theoretical foundation and inform the interpretations of the findings.

The third chapter analysed literature related to the study topic. The concept of student loan scheme recovery for sustainable financing of higher education examined were discussed and reviewed. This step facilitated the contextualization of the topic using international and local studies. The review was based on a number of themes, including

student loan programmes, student loan programme performance in specific countries, student loan repayment attitudes, factors affecting beneficiaries' ability to repay higher education loans, and legal requirements regarding repayment of higher education loans.

The fourth chapter covered the methodology and/or research process used in the study. The chapter discussed the philosophical and research paradigms, research design and target population. It further presented sampling techniques, data collection techniques and data analysis procedures and ethical issues. It wound up by discussing methods of validity and reliability.

The fifth chapter provided the presentation of findings (quantitative and qualitative data). The presentation was in tandem with the research questions that guided the study.

The sixth chapter discussed the findings presented in chapter five according to research questions and themes that emerged from the findings. The chapter further discussed the theoretical underpinnings, innovations and contributions of the research to the academic world and research implications.

Chapter seven gave the synopsis of the study, conclusion and recommendations based on what emerged from the research and suggestions for future research.

7.2 Conclusion

This study was conducted to examine the modalities of the student loans recovery for sustainable financing of higher education in Zambia. The first objective of the study sought to establish the perceptions of beneficiaries towards student loan repayment in Zambia. Majority of the respondents indicated that the interest rate was too high and the repayment of loans subsequently affects individual savings and investments. Other beneficiaries elaborated that the income people get was not enough to settle the loan. Despite this, some beneficiaries espoused that they would pay their student loans in order for the government to continue supporting other needy students. Remarkably, some beneficiaries affirmed that they would make regular payments to reduce the debt and avoid penalties in the future.

The second objective explored the modalities used by HELSB to recover student loans from the beneficiaries in Zambia. The study established that one of the modalities put in place by HELSB to recover student loans from the beneficiaries in Zambia was by retrieving beneficiary records using NAPSA database. The study further established that the other modality used by HELSB to recover student loans from the beneficiaries in Zambia was by retrieving beneficiary records using ZRA database. The study also established that the other modality used by HELSB to recover the loans was by Tracing beneficiaries and recovering loans through PSMD. Lastly, the study established that the other modality used by HELSB to recover student loans from the beneficiaries in Zambia was by tracing beneficiaries using Individual employers' payroll systems.

The third objective sought to ascertain the factors affecting the recovery of student loans at Higher Education Loans and Scholarships Board in Zambia. The study established that one of the factors affecting the recovery of student loans was failure or Lack of Insurance of Student Loans. It was discovered that HELSB had not provided loan insurance against the possibility that recipients may default on their payments throughout the review period. If the loans were insured, other students could have benefited from the enormous sum of money that was anticipated to be retrieved from those beneficiaries who passed away.

The other factor affecting loan repayment was untimely remittances. The research findings indicate that a subset of the recipients were not remitting funds on schedule. The loans and scholarship fund's ability to survive could be severely hampered by the current situation. It is important to pursue each debt to make sure it was repaid in full. To normalise deductions for beneficiaries working in the government service who are underpaying on the loan, HELSB must perform a reconciliation exercise with Payroll Management Establishment Control.

The study also found that the absence of an Integrated Management Information System was another factor influencing student loan recovery. In order to connect with public higher education institutions and other significant stakeholders in the administration of student loans, HELSB had not created an Integrated Management Information System

(IMIS). An Integrated Information Management System must be created by HELSB. A fully operational Higher Education Student Financing Management Information System must also be implemented by the Board immediately. It was recommended that this system be connected to an automated Means Testing mechanism to enable access to vital data regarding loan and scholarship applicants as well as student funding.

The study also found that the inability of the Higher Education Loans and Scholarships Board to identify and collect student loans from recipients who work in the unorganised sector is one of the issues affecting that recovery. The issue is that people working in the unorganised sector are not taken into account by the system. There are instances when individuals working in the informal sector earn more money than those in the formal sector. Through these loans, individuals in the informal sector make use of the knowledge the "degrees" they received from institutions, but it is impossible to track them.

Additionally, the analysis proved that Zambia's student loan programme was hampered by the lack of investment policy. There is not an investment policy in place at HELSB to assist the institution in making wise investment decisions. As a result, there has been little growth in the revolving fund, meaning that HELSB still depends entirely on government financing. This could result in fewer students using their student loans. The Resource Mobilisation Policy and the Investment Policy should be documented in the investment framework that HELSB establishes. For the Fund to expand and remain viable, these policies ought to direct asset management choices and investment choices.

The study also established that many employees with comparatively with outstanding student loan amounts struggle with repayment because of their low-paying jobs. It makes sense that people with loans would be more likely to experience financial difficulties in light of this fact. People who owe money on their student loans are more likely to experience financial difficulties later on, such as missed payments, denied credit, and foreclosure especially if their degree was not completed. These households have very little rise in their income, however some degree holders get increases in their salaries. Student loans are different from other forms of debt since they come with a long-term financial

burden, even if they are essential for social mobility among the younger generation. This effect is a result of its ineligibility for bankruptcy discharge, which makes it especially persistent and detrimental to credit and financial stability.

The last big issue the board is currently dealing with is the beneficiaries' lack of employment. In Zambia, the majority of graduates encounter difficulty securing job soon after graduation. Even while most graduates eventually find work that utilises their talents, the potential for protracted periods of underemployment and unemployment affects student loan payments. Even while the number of graduates rises, there are not enough jobs available to meet the demand, and the unemployment rate remains high. Graduates shouldn't wait around for government jobs in a passive manner. New inventions that propel nations forward are created by university graduates. Recent graduates should definitely do something different and show initiative.

The fourth objective was to assess how well Zambia's student debt recovery programme was working. The results showed that from 2018 to the present, the amount of debt recovery has grown significantly. During the same recovery period, HELSB has been meeting the annual targets. This is explained by the fact that more beneficiaries are repaying their loans now than they were in 2018. Due to this notable rise, HELSB was now able to provide student loans outside of the conventional Copperbelt University and the University of Zambia. The student loan programme has been extended to five more public universities: Mukuba University, Mulungushi University, Chalimbana University, Kwame Nkrumah University, and Kapasa Makasa University.

This expansion is the result of greater financial resources brought on by loan recoveries. This demonstrates unequivocally that student loans are essential to enabling students from diverse backgrounds and economic levels to pursue fulfilling careers, as well as to access higher education. Ultimately, these loans are an investment well worth making, as they offer numerous advantages that will benefit both the student and the professional. Student loans give students access to opportunities for education that they might not otherwise

have, such as paying for tuition, books, supplies, and other educational costs, freeing them to concentrate on their studies without having to worry about short-term financial strain.

Lastly, the study proposed a framework that can enhance the recovery of student loans in Zambia. The sustainability of student loans would be greatly improved by a well-designed framework. If the interest rate is appropriately established to account for the HELSB's borrowing costs, administrative costs, and default risk, the loan recovery plan may be self-sustaining. Comprehensive data on individual incomes and borrowing are required for researchers both inside and outside the government to establish such a programme; furthermore, this data gap must be closed if loan policy and framework are to be solidly grounded in research.

The study came to the conclusion that the loan programme was beneficial and should be kept in place with some modifications to the eligibility requirements. Wider coverage, sustainability, and continuity would be guaranteed by the creation of an endowment fund. Many beneficiaries are making repayments, despite the fact that some have found it burdensome. In order to guarantee complete repayment down the road, a legislative framework must be established, repayment options must be made more flexible, loan insurance must be started, and students must be encouraged to choose market-oriented courses.

In order to guarantee the prompt repayment of matured student loans, this study suggested that the HELSB work in conjunction with banks. Furthermore, the research revealed that recipients should be regularly monitored till the end of their studies and that advocacy is necessary. To ensure that everything is maintained and appropriately followed up on periodically, more research must be conducted afterward at a specific interval.

Student lending organisations are perpetually faced with a conundrum. They have a significant social responsibility as tools for promoting equity, and they must be created in a way that meets the financial needs of students from low-income families. In order to maintain a viable business model, financial institutions must adhere to fundamental concepts of financial viability. Any student loan programme faces a basic issue in trying to

harmonise these two intrinsically opposing objectives. The fact that student loan programmes are highly susceptible to changes in the economy makes it even more difficult to promote and sustain their financial viability.

Changes in the current economic environment, particularly the rates of employment and inflation, have a significant impact on both the demand for new student loans and the ability of graduates to repay their debts. To withstand economic shocks and crises, one must have strong leadership, strict management procedures, efficient monitoring systems, and most importantly, the ability to move quickly and nimbly. Lastly, it is critical to recognise that student loans improve the calibre of programmes offered in higher education. Beyond their core function as a financial aid tool, student loan programmes play a vital quality assurance role through the accreditation of participating institutions and the qualifying conditions imposed in terms of academic achievement of the beneficiaries.

Student loans cannot only help poor students to invest in human capital, they can also help the students to establish their own credit records and cultivate their awareness of self-support. Although they have to repay the loans with their own future earnings, they can be well prepared and sufficiently qualified because of the education they receive; they are actually the beneficiaries of both the education and the loans. The student loans also have a great social impact in helping to propagate some related financial and legal knowledge, as well as strengthening the awareness of credits of both the students and the public. The student loans are especially favourable to those extremely poor families in urban and rural areas. With the help of the student loans, students from these families can complete their education more easily.

Higher education is a costly kind of business. The needy students cannot pay the tuition and living expenses. With the spread of higher education, this problem will become more and more serious because the number of the needy students will increase sharply. It is very important to give equal opportunities to those students with lower socio-economic status.

There is no denying the benefits of student loans for tertiary education, but if the institutions running these programmes do not do a good job of managing the increase in

debt, they run the risk of jeopardizing the programmes sustainability and its effects on the economy's human resource development. If the programme is allowed to fully recover, it will become self-sufficient, which will free up government funding to support development in other sectors of the economy and put it in a position to support the needs of future innovators enrolling in universities. Lastly, the compound interest rate must be abolished because it is harsh, repressive and draconian and not in the best interest of poorest Zambian citizens. It should be replaced with a simple interest rate of 10% and the deductions should be proportional to a person's net salary.

7.4 Recommendations

Based on the findings and conclusions of the study, the following recommendations are being made:

1. HELSB must consider reducing the interest rate.
2. HELSB should ensure that the loan deductions are reduced to a fair amount, preferably, the deductions should be proportional to a person's basic salary.
3. HELSB must collaborate with commercial banks to help them recover the matured student loans. By leveraging the resources, expertise, and infrastructure of commercial banks, HELSB can enhance its capacity to recover matured student loans and achieve greater financial sustainability for its loan program, ultimately supporting the continued provision of higher education financing in Zambia.
4. HELSB needs to insure the loans because loan insurance considerably reduces the educational debt's financial risk.
5. In order to guarantee that these requirements are laid out explicitly in the agreement deed, HELSB must make sure that borrowers are well-informed about their obligations to repay their loans at the time of application.
6. To aid in the tracing down of beneficiaries whose loans have matured, HELSB needs to establish closer relationships with higher educational institutions, student organisations/unions, and alumni networks. They should also work more closely

with employing agencies and employers to ensure timely repayment and recovery of loans.

7. The student loans recovery officers at HELSB need to be outfitted with cutting-edge technology tools and applications to guarantee effective student loan recovery.
8. By working closely with Zambia Information and Communications Technology Authority (ZICTA) and Mobile Telecommunication Companies, HELSB should ensure that beneficiaries also make an online payment by credit cards and mobile money payments.
9. In an effort to increase the employers' compliance levels, HELSB management ought to think about devoting additional resources to leading compliance visits. Employers are forced to submit the deductions from the beneficiaries they hire to the Board through this method.
10. To encourage loan recipients to make repayments, penalty waivers ought to be implemented by HELSB where necessary.
11. In order to raise awareness among loan recipients on the need to repay the loans, a variety of media platforms should be used by HELSB, with a focus on social media, to which the majority of borrowers have regular access.
12. To lessen its reliance on the government, HELSB should diversify its revenue streams by taking up various income-generating ventures.

7.5 Recommendations for Future studies

Future studies can concentrate on developing innovative loan repayment strategies that companies or institutions can utilise to attract and retain students, with employers covering all or a portion of the loan balance depending on the employee's length of service. To discover creative design and execution strategies for mortgage-based and income-contingent payment solutions, more research is required.

Future studies can also investigate the design and implementation of repayment plans tailored to students' career trajectories and financial circumstances. This could involve flexible repayment options tied to income levels, career progression, or employment

status. There is also need to explore the feasibility and implications of mortgage-based repayment solutions, such as refinancing student loans into mortgage loans or leveraging home equity for loan repayment. Research can examine the potential benefits and risks associated with these approaches.

It is also imperative to assess the long-term financial implications of different loan repayment strategies on borrowers' financial health and well-being. This includes analyzing the effects of loan repayment assistance on savings behavior, retirement preparedness, and overall financial resilience. This can be conjugated with investigating the potential for partnerships between educational institutions, employers, and financial institutions to develop innovative loan repayment programs. Research can explore collaborative approaches to financing education and reducing student debt burdens. By focusing on these areas, future studies can contribute to the development of effective and sustainable loan repayment strategies that benefit students, employers, and educational institutions alike. Through interdisciplinary research and collaboration, innovative solutions can be identified to address the challenges posed by student debt and enhance access to higher education.

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APPENDICES

APPENDIX 1: TIME FRAME

Act No	Activity	JUN 2022				JULY 2022				AUG 2022				SEP 2022				OCT 2022				NOV 2022				DEC 2022				JAN 2023			
		WEEK				WEEK				WEEK				WEEK				WEEK				WEEK				WEEK				WEEK			
		1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
1	Submission of final Research proposal																																
2	Defense of the research proposal																																
3	Approval of Research proposal																																
4	Standardizing of interview guides and Questionnaires																																
5	Pilot Research data Collection																																
6	Analysis of Pilot data																																
7	Refining of Questionnaires																																
8	Field Data collection																																
9	Organization of and entry of data																																

Activity		FEB				MAR				APR				MAY				JUN				JULY				AUG				SEP				OCT			
No	Activity	2023				2023				2023				2023				2023				2023				2023				2023							
		WEEK				WEEK				WEEK				WEEK				WEEK				WEEK				WEEK				WEEK							
		1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4				
10	Data Analysis																																				
11	Presentations of research findings to the supervisor																																				
12	Oral and Poster																																				

[illegible]

APPENDIX 3: INTERVIEW PARTICIPANT CONSENT FORM

Ph.D. Research Project: EXAMINING THE MECHANISMS OF THE STUDENT LOAN SCHEME RECOVERY FOR SUSTAINABLE FINANCING OF HIGHER EDUCATION IN ZAMBIA

Interview Participant Consent Form

Name of Participant: _____ Email: _____

7. I consent to participate in the above project, the details of which have been explained to me

8. I authorise the researcher (Alex Mugala) to record my interviews as described in the Information sheet provided.

9. I hereby give the researcher (Alex Mugala) the right to use the data I provide, including audio recorded interviews and key-incident diary entries for the PhD research, conference papers, journal articles and other academic publications.

10. I acknowledge that the possible effects of this research have been explained to me to my satisfaction.

11. I understand that, unless I specifically request it, I will not be identified in the PhD thesis nor in any presentation or publication and that all the information I provide will be treated as confidential.

12. While accepting the above arrangement, I wish the following further restrictions to be placed on the use of the data I contribute to this research project

:

I do/ do not* wish my name to be used in connection with the data I contribute to this research project.

(* Delete as appropriate)

Signed: _____ Date: _____

APPENDIX 4: INTERVIEW GUIDE FOR HELSB AND KEY INFORMANTS

Dear participant,

My name is Alex mugala, a Zambian male student at the University of Zambia pursuing a PhD under the school of education. This research I am conducting is part of my academic requirement. The purpose of this study is to examine the Modalities and Implications of student loans recovery for Sustainable Financing of Higher Education in Zambia.

There is no direct benefit to you anticipated from participating in this study. Nonetheless, this study is expected to add to the current body of knowledge about higher education financing in Zambia. The study may also contribute to the existing literature on factors influencing student repayment of higher education loans and serve as a reference for future academic research in related fields. The study is expected to contribute to a more efficient and long-term operation of the loan scheme, allowing it to better serve the targeted population of Zambians, which primarily consists of poor students or students from disadvantaged backgrounds who are unable to access higher education without external financial assistance. The study's recommendations may help to eliminate common problems (student demonstrations) linked with student loans, which appear to be recurrent in various Zambian higher learning institutions. The study will have made a contribution to guaranteeing equal access to higher education for Zambians who wish to pursue it. Furthermore, in terms of research, the report may spark more in-depth investigations into how Zambia's student loan system works.

Kindly be assured that your identity in this study will be kept confidential. No name or any of your personal details will be disclosed, therefore to explain on the findings, the term “participant” will be used. Further, your decision to participate should be done out of your willingness to contribute to this study. In an event where you are uncomfortable to participate in this research, you have the right to decline or withdraw from participating at any time without penalty. By signing this form, you are agreeing to be part of the study. Your truthfulness in your responses will be of great importance to this study as it will enhance accuracy in the findings.

Interviewee's Details

Name of institution:

Gender:

Position held:

Duration of employment at the Organization.....

Date of interview

Number of Employees at the Organization.....

Time of the interview

Duration of the interview.....

1. What are the perceptions of beneficiaries towards student loan repayment in Zambia?

.....

.....

2. What modalities have been put in place by Higher Education Loans and Scholarships Board (HELSB) to recover student loans from the beneficiaries in Zambia?

.....

.....

3. What modalities are used by Higher Education Loans and Scholarships Board (HELSB) to recover student loans from the beneficiaries who are self-employed?

.....

.....

.....

4. How effective are the modalities put in place by Higher Education Loans and Scholarships Board (HELSB) to recover student loans from the beneficiaries in Zambia?

.....

.....

5. What payment options are employed by HELSB?

.....

.....

6. What factors affect the recovery of student loans by Higher Education Loans and Scholarships Board (HELSB) in Zambia?

.....
.....

7. How is the performance (successes and challenges) of the student loan recovery scheme in Zambia?

.....
.....

8. What are the implications of student loans recovery on sustainable financing of higher education in Zambia?

.....
.....

9. Are there are any legal penalties for non-repayment of student loans?

.....
.....

10. Suggest some measures that can enhance student loans recovery in order to foster sustainable financing of higher education in Zambia?

.....
.....

Thank You!

APPENDIX: INTERVIEW GUIDE FOR GRADUATES

Dear participant,

My name is Alex mugala, a Zambian male student at the University of Zambia pursuing a PhD under the school of education. This research I am conducting is part of my academic requirement. The purpose of this study is to examine the Modalities and Implications of student loans recovery for Sustainable Financing of Higher Education in Zambia.

There is no direct benefit to you anticipated from participating in this study. Nonetheless, this study is expected to add to the current body of knowledge about higher education financing in Zambia. The study may also contribute to the existing literature on factors influencing student repayment of higher education loans and serve as a reference for future academic research in related fields. The study is expected to contribute to a more efficient and long-term operation of the loan scheme, allowing it to better serve the targeted population of Zambians, which primarily consists of poor students or students from disadvantaged backgrounds who are unable to access higher education without external financial assistance. The study's recommendations may help to eliminate common problems (student demonstrations) linked with student loans, which appear to be recurrent in various Zambian higher learning institutions. The study will have made a contribution to guaranteeing equal access to higher education for Zambians who wish to pursue it. Furthermore, in terms of research, the report may spark more in-depth investigations into how Zambia's student loan system works.

Kindly be assured that your identity in this study will be kept confidential. No name or any of your personal details will be disclosed, therefore to explain on the findings, the term “participant” will be used. Further, your decision to participate should be done out of your willingness to contribute to this study. In an event where you are uncomfortable to participate in this research, you have the right to decline or withdraw from participating at any time without penalty. By signing this form, you are agreeing to be part of the study. Your truthfulness in your responses will be of great importance to this study as it will enhance accuracy in the findings.

Interviewee's Details

Name of institution:
Gender:
Position held:
Duration of employment at the Organization.....
Date of interview
Number of Employees at the Organization.....
Time of the interview
Duration of the interview.....

1. What are the perceptions of beneficiaries towards student loan repayment in Zambia?

.....
.....

2. What are your perceptions regarding the interest rates?

.....
.....

3. Are there are any legal penalties for non-repayment of student loans?

.....
.....

4. Suggest some measures that can enhance student loans recovery in order to foster sustainable financing of higher education in Zambia?

.....
.....

Thank You!

APPENDIX 5: QUESTIONNAIRE FOR STUDENTS

INTRODUCTION

I am postgraduate student at the University of Zambia. I am conducting a study titled **EXAMINING THE MECHANISMS OF THE STUDENT LOAN SCHEME RECOVERY FOR SUSTAINABLE FINANCING OF HIGHER EDUCATION IN ZAMBIA**. I hereby invite you to participate in this study. Any information you provide will be treated confidential and cannot be traced to you. The information you provide will be used purely for academic purposes. The data obtained from this study will be protected and will not be made available to any second and/or third parties. If by any reason, you do not want to continue answering any of the questions you can choose to discontinue your participation in the study. Thank you very much for giving me your attention.

Section A: Social Demographic Characteristics

Instructions

1. Do not indicate your name or computer number on the questionnaire
2. Please tick or mark with 'X' the correct option and where requested, write your answer in the space provided.

Section A

1. **Gender:** (1) Male ☐ (2) Female ☐
2. **Age group:** (1) Below 18 years ☐ (2) 18 to 25 years ☐ (3) 26 to 33 years ☐ (4) 34 to 41 years ☐ (5) Above 41 years ☐
3. **University:** (1) UNZA ☐ (2) CBU ☐ (3) MULUNGUSHI ☐
3. **School:** (1) Education ☐ (2) HSS ☐ (3) Natural Sciences ☐
4. **Year of study:** (1) 1st Year ☐ (2) 2nd Year ☐ (3) 3rd Year ☐ (4) 4th Year ☐ (5) 5th Year ☐ (6) 6th Year ☐
5. **Student loan coverage:** (1) 25% ☐ (2) 50% ☐ (3) 75% ☐ (4) 100% ☐

SECTION B: PERCEPTION TOWARDS REPAYMENT OF HELSB LOAN

6. What are your perceptions towards student loan repayment in Zambia? Tick as many as apply

(1) The interest rate is too high [] (2) I will pay my loan in order for the government to continue supporting other needy students [] (3) Repayment affects savings and investments [] (4) The income people get is not enough to settle the Loan [] (5) I will make regular payments to reduce the debt and avoid penalties in the future [] (6) Repayment of HELSB loan is a must no matter the amount of income received []

Complete the following table by selecting from the list of:

Please tick as appropriate

		Strongly disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
1	My parent/guardian advise me to repay back the loan					
2	Repayment of my loan on time is Because I have experienced my parent/guardian clear their debts on Time					
3	My peers who have completed Servicing their loans influence me to make repayment.					
4	HELSB used to conduct seminars					

	/sensitization forums at the university on management of loans after graduation					
5	The seminars offered in campus on repayment of loans has encouraged me to make payment to avoid problems in future					
6	The information on repayment of HELSB loan is readily available from the media. e.g. on Newspapers, TV, radio, internet and other social media					
7	HELSB usually keeps on reminding the loan beneficiaries on their obligation to make the payments.					

8	The loans given by the government through HELSB should be in form of a grant thus not repayable.					
9	I have repaid/will pay my loan in order for the government to continue supporting other needy students.					

SECTION C: REPAYMENT OF HIGHER EDUCATION LOAN

		Strongly disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
1	Repayment of HELSB is my obligation					
2	Repayment of HELSB loan is my Priority					
3	Repayment of HELSB loan is a must no matter the amount of income received					
4	I will make regular payments to reduce the					

	debt and to avoid penalties in the future					
5	Repayment of the loan will help other needy students finance their education					
6	If you had another option, would you repay back the HELSB loan?					

APPENDIX 6: QUESTIONNAIRE FOR GRADUATES

INTRODUCTION

I am postgraduate student at the University of Zambia. I am conducting a study titled **EXAMINING THE MECHANISMS OF THE STUDENT LOAN SCHEME RECOVERY FOR SUSTAINABLE FINANCING OF HIGHER EDUCATION IN ZAMBIA**. I hereby invite you to participate in this study. Any information you provide will be treated confidential and cannot be traced to you. The information you provide will be used purely for academic purposes. The data obtained from this study will be protected and will not be made available to any second and/or third parties. If by any reason, you do not want to continue answering any of the questions you can choose to discontinue your participation in the study. Thank you very much for giving me your attention.

Instructions

1. Do not indicate your name or phone number on the questionnaire
2. Please tick or mark with 'X' the correct option and where requested, write your answer in the space provided.

Section A: Social Demographic Characteristics

Kindly tick / provide the needed response where applicable.

- 1) Age: 1. 21-30 ☐ 2. 31-40 ☐ 3. 41- 50 ☐ 4. 51-60 ☐
- 2) Sex: 1. Male ☐ 2. Female ☐
- 3) Marital Status? 1. Unmarried ☐ 2. Married ☐ 3. Separated ☐
4. Divorced ☐ 5. Widowed ☐
- 5) When did you complete your undergraduate studies (year)?
- 6) What was your broader field of study?
 1. Sciences and Technology ☐
 2. Humanities and Social sciences ☐
 3. Education ☐
 4. Business and management ☐
- 7) Are you currently employed?
 - 1) Yes ☐
 2. No ☐
- 8) How long did it take you to get a job?
 1. 0 – 4 months ☐
 2. 4 months – 1 year ☐
 3. More than 1 year ☐
 4. Other specify.....

9) Were you a beneficiary of Education loan from HELSB?

1. Yes [] 2. No []

10) Were any of your family relatives a beneficiary HELSB loan?

1. Yes [] 2) No []

SECTION B: ABILITY TO REPAY HIGHER EDUCATION LOAN

Complete the following table by selecting from the list of:

Please tick as appropriate.

		Strongly disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
1	I got employed immediately after Graduating					
2	Being employed has enabled me to settle my loan to the fullest					
3	The amount of salary I get has enabled me repay my HELSB loan without Delay					
4	The amount of income I receive is too minimal to accommodate repayment of education loan					
5	I did not manage to get the formal employment, thus i ventured into self-Employment					

6	Being self-employed has enabled me to service my loan to the fullest					
7	The income I get from self-Employment is enough to settle my Loan					
8	I have not repaid back my loan since HELSB has no mechanism of tracing me because I am not in the formal sector of employment.					

SECTION C: PERCEPTION TOWARDS REPAYMENT OF HELSB LOAN

		Strongly disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
1	My parent/guardian advise me to repay back the loan					
2	Repayment of my loan on time is Because I have experienced my parent/guardian clear their debts on Time					

3	My peers who have completed Servicing their loans influence me to make repayment.					
4	I have not started making loan repayments because even my friends whom we were with in campus have not repaid their loans					
5	HELSB used to conduct seminars /sensitization forums at the university on management of loans after graduation					
6	The seminars offered in campus on repayment of loans has encouraged me to make payment to					

	avoid problems in future					
7	The information on repayment of HELSB loan is readily available from the media. e.g. on Newspapers, TV, radio, internet and other social media					
8	HELSB usually keeps on reminding the loan beneficiaries on their obligation to make the payments.					
9	The loans given by the government through HELSB should be in form of a grant thus not repayable.					
10	I have repaid/will pay my loan in order for the government to continue supporting					

	other needy students.					
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SECTION D: REPAYMENT OF HIGHER EDUCATION LOAN

		Strongly disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
1	Repayment of HELSB is my obligation					
2	Repayment of HELSB loan is my Priority					
3	Repayment of HELSB loan is a must no matter the amount of income received					
4	I will make regular payments to reduce the debt and to avoid penalties in the future					
5	Repayment of the loan will help other needy students finance their education					
6	If you had another option, would you have repaid back the HELSB loan?					

Data collection sheet

S/N	YEAR	AMOUNT DISBURSED	GRANT RECEIVED FROM GOVERNMENT
1	2012		
2	2013		
3	2014		
4	2015		
5	2016		
6	2017		
7	2018		
8	2019		
9	2020		
10	2021		
11	2022		
12	2023		
	TOTAL		



THE UNIVERSITY OF ZAMBIA DIRECTORATE OF RESEARCH AND GRADUATE STUDIES

Great East Road Campus | P.O. Box 32379 | Lusaka10101 | Tel: +260-211-290 258/291 777 Fax: (+260)-211-290 258/253 952 | E-mail: director.drgs@unza.zm | Website: www.unza.zm

APPROVAL OF STUDY

IORG No. 0005376
HSSREC IRB No. 00006464

28th February, 2023,

REF NO. HSSREC:-2023- JAN -005

Mr. Alex Mugala,
School of Education,
P.O.BOX, 32379,
LUSAKA.

Dear, Mr. Alex Mugala

**RE: “EXAMINING THE MECHANISMS OF THE STUDENT LOAN SCHEME RECOVERY
FOR SUSTAINABLE FINANCE OF HIGHER EDUCATION IN ZAMBIA”**

Reference is made to your submission of the protocol captioned above. The HSSREC resolved to approve this study and your participation as Principal Investigator for a period of one year.

REVIEW TYPE	ORDINARY REVIEW	APPROVAL NO. HSSREC:-2023- FEB- 005
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Approval and Expiry Date	Approval Date: 28 th February 2023	Expiry Date: 27 th February, 2024
Protocol Version and Date	Version - Nil.	27 th February, 2024
Information Sheet, Consent Forms and Dates	□ English.	To be provided
Consent form ID and Date	Version - Nil	To be provided
Recruitment Materials	Nil	Nil
Other Study Documents	Questionnaire.	
Number of Participants Approved for Study		

Specific conditions will apply to this approval. As Principal Investigator it is your responsibility to ensure that the contents of this letter are adhered to. If these are not adhered to, the approval may be suspended. Should the study be suspended, study sponsors and other regulatory authorities will be informed.

CONDITIONS OF APPROVAL

- No participant may be involved in any study procedure prior to the study approval or after the expiration date.
- All unanticipated or Serious Adverse Events (SAEs) must be reported to HSSREC within 5 days.
- All protocol modifications must be approved by HSSREC prior to implementation unless they are intended to reduce risk (but must still be reported for approval). Modifications will include any change of investigator/s or site address.
- All protocol deviations must be reported to HSSREC within 5 working days.
- All recruitment materials must be approved by HSSREC prior to being used.

- Principal investigators are responsible for initiating Continuing Review proceedings. HSSREC will only approve a study for a period of 12 months.
- It is the responsibility of the PI to renew his/her ethics approval through a renewal application to HSSREC.
- Where the PI desires to extend the study after expiry of the study period, documents for study extension must be received by HSSREC at least 30 days before the expiry date. This is for the purpose of facilitating the review process. Documents received within 30 days after expiry will be labelled “late submissions” and will incur a penalty fee of K500.00. No study shall be renewed whose documents are submitted for renewal 30 days after expiry of the certificate.
- Every 6 (six) months a progress report form supplied by The University of Zambia Humanities and Social Sciences Research Ethics Committee as an IRB must be filled in and submitted to us. There is a penalty of K500.00 for failure to submit the report.
- When closing a project, the PI is responsible for notifying, in writing or using the Research Ethics and Management Online (REMO), both HSSREC and the National Health Research Authority (NHRA) when ethics certification is no longer required for a project.
- In order to close an approved study, a Closing Report must be submitted in writing or through the REMO system. A Closing Report should be filed when data collection has ended and the study team will no longer be using human participants or animals or secondary data or have any direct or indirect contact with the research participants or animals for the study.

- Filing a closing report (rather than just letting your approval lapse) is important as it assists HSSREC in efficiently tracking and reporting on projects. Note that some funding agencies and sponsors require a notice of closure from the IRB which had approved the study and can only be generated after the Closing Report has been filed.
- A reprint of this letter shall be done at a fee.
- All protocol modifications must be approved by HSSREC by way of an application for an amendment prior to implementation unless they are intended to reduce risk (but must still be reported for approval). Modifications will include any change of investigator/s or site address or methodology and methods. Many modifications entail minimal risk adjustments to a protocol and/or consent form and can be made on an Expedited basis (via the IRB Chair). Some examples are: format changes, correcting spelling errors, adding key personnel, minor changes to questionnaires, recruiting and changes, and so forth. Other, more substantive changes, especially those that may alter the risk-benefit ratio, may require Full Board review. In all cases, except where noted above regarding subject safety, any changes to any protocol document or procedure must first be approved by HSSREC before they can be implemented.

Should you have any questions regarding anything indicated in this letter, please do not hesitate to get in touch with us at the above indicated address.

On behalf of HSSREC, we would like to wish you all the success as you carry out your study.

Yours faithfully,



Dr. J.I. Ziwa

DR. J. I. Ziwa

**ACTING CHAIRPERSON
THE UNIVERSITY OF ZAMBIA HUMANITIES AND
SOCIAL SCIENCES RESEARCH ETHICS COMMITTEE - IRB**

cc: Director, Directorate of Research and Graduate Studies
Assistant Director (Research), Directorate of Research and Graduate Studies

Assistant Registrar (Research), Directorate of Research and Graduate Studies

HELSB/101/17/1

13th February, 2023

Mr. Alex Mugala
The University of Zambia
School of Education
Department of Educational Administration and Policy Studies
LUSAKA

Dear Mr. Mugala,

**RE: REQUEST TO COLLECT DATA FOR A POST GRADUATE RESEARCH ON STUDENT
LOANS RECOVERY**

Reference is made to your letter on the above mentioned subject.

2. We write to inform you that your request to collect data for a postgraduate research on student loan recovery from the Higher Education Loans and Scholarships Board (HELSB) has been granted.
3. In this regard, please kindly get in touch with the Deputy Director – Operations at Eustace.Zulu@helsb.gov.zm for supplemental information.

Yours faithfully,

Higher Education Loans and Scholarships Board



Floyd K. Ndabulula (Mr.)
ACTING CHIEF EXECUTIVE OFFICER

CC: Deputy Director - Operations