Higher Education Student Loans and Enrolment in India, Ghana, Kenya, Tanzania and Uganda

JIMMY ALANI[1]*
Department of Economics and Business Education, Faculty of Education and Humanities, Gulu University, P.O. Box 166, Gulu, Uganda

Email: j.alani@gu.ac.ug

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Abstract

The study uses generalised least squares (GLS), descriptive, phenomenological and mixed methods to examine the effects of higher education (HE) loans on tertiary education enrolment in India, Ghana, Kenya, Tanzania and Uganda. The data sets employed in the empirical analyses were obtained from the United Nations Educational Scientific and Cultural Organisation (UNESCO), India Educational Statistics, the Ghana Ministry of Education, the Kenya Higher Education Loan Board, the Student Loan Financing Board of Tanzania and the Uganda Ministry of Education and Sports. The paper examines the HE student loan schemes introduced and implemented in Ghana, India, Kenya, Tanzania and Uganda through commercial banks, public banks or governments along with their respective effects on higher education enrolment. Empirical results show that boosting higher education is a student loan phenomenon. Meanwhile, in the last two decades, student loan schemes performed better in India, Ghana, Kenya, and Tanzania than in Uganda. To become as successful as India in implementing the HE student loan scheme and improve HE enrolment, the paper suggests that the Government of Uganda must formulate a more comprehensive education loan scheme in consultation with the Bank of Uganda and other banks in Uganda.

Keywords: *Higher education; Student loans; Enrolment; Cost-sharing; Beneficiaries*.

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Introduction

The study's primary objective is to examine the role played by student loan scheme in boosting higher education enrolment in Ghana, India, Kenya, Tanzania and Uganda. The paper attempts to answer two primary questions: (a) Why is the higher education loan scheme boosting higher education enrolment in Ghana, India, Kenya and Tanzania than in Uganda? (b) What lessons can Uganda learn from India's successful experience with boosting enrolment through expanding the higher education student loan scheme? Although the paper uses a mixed study method, it is typically based on descriptive statistics and phenomenology. Owing to recent massification policies, Uganda has witnessed notable developments in access to HE. However, limited access to adequate loan scheme financing is still challenging.

On 25 September 2015, all United Nations member states adopted a set of goals that target eradicating poverty, protecting the planet and ensuring universal prosperity by 2030 (Nam & Ansong, 2015; United Nations [UN], 2015). These goals were established as the new world of Sustainable Development Agenda (SDGs). Goal ten of the SDGs aims to reduce social inequalities, including education. Meanwhile, the World Declaration on Higher Education for the 21st Century affirms that participation in HE is a right (UNESCO, 1998). To achieve this world goal, Article 3 of the Declaration urges nations with low enrolment to view HE enrolment as an effort to expand HE access, especially for those from a low social and economic background (Msigwa, 2016; UNESCO, 1998).

Therefore, in the past decade, the Ugandan government has been struggling to address the issues of inequalities as part of its commitment to MDGs, SDGs and the World Declaration on Higher Education (Mgaiwa & Ishengoma, 2023; United Republic of Tanzania [URoT], 2019). Higher education is the scope of knowledge and skills imparted beyond the primary and secondary levels of education (Ishengoma, 2004). Meanwhile, cost-sharing in higher education can be defined as a shift in the burden of higher education costs from being borne exclusively or predominately by the government, or taxpayers, to being shared with parents and students (Johnstone, 2003, p. 351).

Student loan schemes are operational in 70 countries worldwide (World Bank, 2010). These schemes are becoming an effective government strategy for student financing in both developed and developing countries. According to Woodhall (1991), by 1991, student loan schemes had been established in six sub-Saharan African countries (Ghana, Kenya, Lesotho, Malawi, Nigeria and Zimbabwe), while Botswana, Tanzania and Uganda were contemplating their introduction. Reasons for introducing student loan schemes in African countries include the need to reduce public expenditure on higher education. The other reason is to shift its costs to the major beneficiaries, improve the quality of higher education to make it more competitive in the global labour market, and make higher education more equitable and accessible. If strategically and effectively managed, student loan schemes in Africa remain viable with sustainable student financing (Kossey & Ishengoma, 2017).

In Uganda, the plan to establish a higher education student loan scheme dates back to the early 1990s. The Uganda Government White Paper of 1992 recommends establishing a system of study loans to extend educational loans to students who cannot raise the necessary finances for their university education. According to the Government White Paper, such loans would be interest-free and payable when a student completes his/her studies and finds gainful employment.

However, this plan was not implemented until mid-2013 when the Government of Uganda announced the introduction of a student loan scheme for university students to be established with effect from financial year 2013/2014 (Onen et al., 2015).

When the scheme was about to start, it hit a snag because the national Parliament blocked its operationalisation owing to the absence of a law to govern it. After that, the government took many initiatives to enact a law to govern the scheme. An Act was later passed by the national Parliament and assented to by the President of Uganda on 2 February 2014 to: (a) establish a scheme to finance students to pursue higher education in Uganda; (b) establish the Higher Education Students' Financing Board; (c) establish a Fund to finance the scheme; and (d) to provide for the management and administration of the scheme and the Fund and other related matters (Government of Uganda [GoU], 2014). This law, called the Higher Education Students Financing Act, 2014 (Act No. 2 of 2014) (GoU, 2014), paved the way for the scheme to commence; and on 24 April 2014. The scheme was officially launched by His Excellency Yoweri Kaguta Museveni, the President of the Republic of Uganda, at a ceremony held at Kyambogo University to officially mark the beginning of the student loan scheme in 2014 (Onen et al., 2015).

One of the main reasons for the 1980s wave of interest in cost-sharing and loans as a form of cost recovery in higher education was the increased pressure on public budgets caused by inflation. The balance of payments crises and financial austerity necessitated the implementation of structural adjustment programmes in many countries. It was estimated that government expenditure on education in 1988/89 stood at only 21%, in real terms, of the level of resources allocated in 1970/71. Due to the increase in population, this meant that on a per capita basis, the actual value of public expenditure on education was only 13 % of its level in 1970/71. This problem of declining resources for higher education forced the government to abolish personal allowances in Uganda and consider introducing student loans (Woodhall, 1991).

Both Uganda and India are developing countries. They have progressed well in the education field since they gained independence. In both countries, the HE sector has witnessed a dramatic increase in the number of higher institutions and colleges established since independence. However, Uganda's education system is much smaller than that of India. Regarding students' numbers, India's educational system is the third largest in the world after the United States of America and China. Including the private sector in higher education has brought drastic changes in the education system in both India and Uganda. Currently, the

private sector constitutes over 60% of enrolment in higher education institutions in the two countries (Shiekh, 2017).

Before independence (in 1947), India had 20 universities, 494 colleges and 397,000 students; today, there are more than 851 universities, 41,012 colleges and 32,610,784 students, with a 25.8% higher education gross enrolment ratio (GER) in the country (Kumar, 2019; Ravi, Gupta, & Nagaraj, 2019). Meanwhile, before independence (in 1962), Uganda had one university with fewer than 5,000 students; today, there are 53 universities, 237 other higher education institutions, and 275,254 students, with a higher education GER of 6.8% in the country (NCHE, 2018). Higher education is important because it trains people to play different economic roles in society and induces technological innovation that drives economic growth (McMahon, 2009; World Bank, 2008). The country's higher education capacity must be aligned with the demand for skills in the economy, which involves the demand for teachers from the higher education system. However, higher education alone cannot create jobs. Therefore, it would be wise for a country to avoid a mismatch between the demand and the supply of qualified graduates because the excess number of graduates would lead to unemployed graduates and a shortage of graduates with specific skills (Agarwal, 2006).

Review of Literature

Cost-sharing consists of various forms, including the following: (i) charging tuition and other user fees, (ii) freezing, reduction, or elimination of student grants, (iii) reduction of effective grants represented by student loan subsidies, and (iv) changing public policies to shift enrolment from subsidized public higher education institutions to private higher education institutions that are tuition-dependent (Johnstone, 2003; Ziderman, 2013).

According to Ziderman (2013), cost-sharing is the dominant path pursued in many countries to augment funding for higher education and thus provides the basis for the spread of student loan schemes. It has been adopted in many developed and developing countries, including the US, Tanzania, Kenya, Austria, Canada, England, Finland, Morocco, Mexico, Germany, Hungary, Poland, Portugal, South Korea, Zimbabwe, Ethiopia, Australia, Japan and China. However, cost-sharing drives many higher education students into indebtedness (Rey & Schiopu, 2015).

The Student Loan Trust Fund (SLTF) in Ghana

According to Okae-Adijei (2012), in Ghana, the SLTF was introduced in December 2005 under the Trustee Incorporation Act 1962, Act 106, to replace the Social Security and National Insurance Trust (SSNIT) student loan scheme. The legislation since 2005 has been replaced by the SLTF Act, 2011, Act 820. The SLTF is a public service organisation and an agency of the Ministry of Education. The objective of the trust fund is to provide financial resources and sound management of the Fund for the benefit of students of accredited tertiary institutions pursuing accredited tertiary programmes and to help promote and facilitate the national ideals enshrined in Articles 25 and 38 of the 1992 Constitution (SLTF Act, 2011).

The sources of income of the Fund include (1) money paid into the Fund representing up to 10 % of the inflows into the Ghana Education Trust Fund (GETF); (2) mobilisation of resources from local and international partners interested in the advancement of tertiary education; (3) contributions from the corporate sector that shall be tax-deductible equivalent to 0.3% of the company's annual profit before tax; (4) loans from the SSNIT upon terms and conditions as shall be agreed upon; (5) loan repayments, fees and other money earned by the Fund in the performance of its functions; and (6) 1% of the money taken from the communications service tax revenue (SLTF Act, 2011).

Eligibility for the SLTF in Ghana requires an individual to be a Ghanaian citizen admitted to pursue a tertiary programme in any accredited public or private tertiary institution. It should demonstrate financial readiness and maintain satisfactory academic progress. Meanwhile, the features of the SLFT are as follows:

(a) Students are to show evidence of admission and enrolment in an accredited Ghanaian tertiary institution.

(b) The loan amounts are means-tested and differentiated according to the programme of study. The loan amount currently ranges from GH₵ 450 to GH₵ 1,200 per year ($39.15 to $104.40) in the universities. Science students are given large loan amounts compared to humanities students.

(c) Students can access the loan without the three guarantors required under the SSNIT loan scheme. Instead, the student bears the entire credit risk for the loan, with his/her parents acting as primary guarantors, provided they contribute to the SSNIT Pension Fund. If the parents do not contribute to SSNIT, another SSNIT contributor must be found to serve as a secondary guarantor. Guarantors should have been contributors to SSNIT for five years or more and should not be more than 53 years old so that they would not be due for pension before the student start repayment of the loan. Guarantors must not guarantee more than one person.

    Parents can, however, guarantee for all their children. Recognised religious institutions, corporate institutions belonging to Ghana Club 100 or enlisting on the Ghana Stock Exchange at the time of guarantee, and Metropolitan, Municipal and District Assemblies can also guarantee students access to the student loan facility. The loan carries an interest rate equal to the prevailing 182-day Government of Ghana Treasury bill during the students' "period of study in school, and one-year grace period, and an interest rate equal to the prevailing 182-day Government of Ghana Treasury bill plus 2 % during the repayment period. Interest is compounded annually during the in-school years and the grace period and semi-annually during the 15-year repayment period for applicants on a four-year programme."

(d) Loans may be repaid through monthly deductions from the beneficiary's salary by his/her employer, through direct periodical payments to the SLTF by the beneficiary if he or she is self-employed, or by outright payment of the total loan amount by the beneficiary or employer.

(e) All accredited tertiary educational institutions have campus offices to ensure efficient scheme administration.
(f) The SLTF is anchored in sustainability and scalability, and is market-oriented. (Okae-Adijei, 2012; SLTF website, 2023)

Ghana also transitioned from free higher education to cost-sharing arrangements and student loan schemes. There have been three dispensations of student loan schemes in Ghana: 1971–1972, 1988–2005 and 2006 to the present. Higher education in Ghana was completely free until the late 1960s, when the government embarked on reforms driven by public resource constraints and the increased cost of funding higher education (McWilliam & Kwamena-Po, 1975). The first reforms shifted some cost elements to students, which necessitated the establishment of a student loan scheme in 1971 to provide funding at zero interest rate (Addae-Mensah, 2000). The student loan scheme was abolished in 1972 following a military coup d'état that ushered in a new government and student demonstrations (Sawyerr, 2001; Yusif & Yussof, 2010).

The second round of reforms formalised the cost-sharing policy following Ghana's economic recovery programme (ERP) in the 1980s under the World Bank. While the government funded free tuition, all other costs were shifted to students. This significantly increased the financial burden of higher education, especially for poor students. The Social Security and National Insurance Trust (SSNIT) loan scheme was established in January 1988 under PNDC Law 276 to provide students with financial resources at low interest rates. The aim was to increase access to higher education irrespective of economic class (Sawyerr, 2001). Yusif and Yussof's (2010) longitudinal study of the impact of SSNIT loans on university enrolment found that access to loans significantly increased enrolment in Ghanaian universities.

However, the SSNIT scheme faced a myriad of challenges that affected its sustainability, including its inability to meet students' financial needs, loan accessibility constraints, operational inefficiency resulting from low repayment of loans, the government's failure to pay interest subsidies and general student dissatisfaction with the scheme (Sawyerr, 2001).

In response to these challenges, a new student loan scheme, the SLTF, was initiated by an Act of Parliament in 2005 to replace the SSNIT loan scheme and commenced operations in 2006. The SLTF is a public service organisation under the Ministry of Education. It is funded from the public purse, with loans from the SSNIT and with private/corporate contributions (see Student Loan Trust Fund Act, 2011). To enhance proximity, the SLTF has zonal and campus offices nationwide. Students pursuing accredited programmes in private and public tertiary institutions are eligible for SLTF loans. In 2015, students from 117 public and private tertiary institutions benefited from the scheme (Boamah, 2015).

Higher education student loan scheme of banks in India

According to Nerkar and Dhongde (2018), India has a large young population with low GER, providing an opportunity for the players in the education sector, including education loan

providers, i.e. banks and non-banking financial companies (NBFCs). GER in higher education in India was about 25.2% for 2016–2017, whereas globally, it varied from an average of 8% in sub-Saharan Africa to 75% in Europe and North America. The key factors driving education finance are the students' socio-economic profile and education cost. Technical/professional courses, including vocational courses, entail higher fees than general education, which requires external financing.

Furthermore, higher costs in privately-managed unaided colleges vis-à-vis government colleges also drive external finance requirements. Currently, the sector is predominantly covered by public sector banks (PSBs), forming almost 95% of the total bank lending to the education loan sector. Because of the lower ticket size of loans being disbursed by the PSBs, most are classified as priority sector lending and are unsecured. The delinquencies in the PSBs in this segment have been higher because loans are unsecured, and these loans are funded for graduation courses with lower employment opportunities. The loan portfolio of PSBs has significant regional disparities, with a higher proportion of portfolios outstanding in southern India, mainly Tamil Nadu, and Kerala. However, this indicates that there is a largely untapped segment across India.

In recent years, NBFCs with specialised education sector approaches have emerged. They have been different in their approach to financing education loans compared to the banks. They have a presence across major cities in India and predominantly fund students for overseas education. The delinquencies in their portfolio are lower because a higher proportion of their portfolio is secured. In addition, they are funding overseas education, which provides more employment opportunities. The education loan segment, primarily driven by the government, put emphasis on providing finance to the meritorious students, and requires a focused approach to designing the product to maintain good asset quality.

Lenders must clearly define the parameters to assess each student loan separately rather than treating it simply as a priority sector loan. New scorecards must be developed, and the existing ones must be further fine-tuned to arrive at risk pricing commensurate with the student profile and employability.

The regulatory framework also needs some modifications, allowing the lender flexibility in deciding the loan terms, including collateral requirements based on the student profile and employment prospects. The government's budgetary announcement in 2017–18 emphasised improving and revitalising infrastructure and education systems, including higher education and access to finance. Thus, government support sets the stage for growth momentum in the higher education sector. However, this requires enhanced private sector participation, including NBFCs and banks. The private sector has to participate in financing students in the higher education system with a specialised approach to create growth momentum and control delinquencies at reasonable levels for sustainable, profitable growth.

Salient features of this scheme are: The scheme applies to all students satisfying the eligibility criteria of the Indian Bank Association (IBA)-approved Model Educational Loan

Scheme, subject to complying with the conditions of the Interest Subsidy Scheme. The scheme is applicable only for studies in India and is available for educational loans up to and inclusive of Rs.10 lacs (USD 1,210).

(a) The Government of India will bear the interest payable by the student belonging to economically weaker sections (EWS) and satisfy the scheme's eligibility criteria during the moratorium period on the number of disbursements made on or after 1 April 2009.
(b) The interest subsidy under the scheme shall be available to the eligible students only once – for undergraduate courses or the post-graduate degree /diploma course in India. The scheme would also consider integrated courses (combined graduate plus post-graduate).
(c) An interest subsidy under this scheme shall not be available to students who discontinue the course midstream or are expelled from the institutions on disciplinary or academic grounds. An interest subsidy is permitted in case of discontinuation due to medical grounds, for which necessary documentation to the satisfaction of the head of the educational institution is submitted.
(d) State governments have designated an appropriate authority or authorities that are competent to issue income certificates, based on economic index and not social background, for this scheme.
(e) Interest rates charged on loans shall be as per interest rates applicable under the Education Loan Scheme.
(f) A list of accredited universities/institutions and recognised professional courses which are administered by the Ministry of Tourism and are eligible for the Interest Subsidy Scheme are updated on University Grants Commission's website at https://www.ugc.gov.in/page/Educational-loan.aspx.
(g) A list of technical/professional courses for which the scheme would be applicable shall be publicised from time to time by the University Grants Commission (UGC) and All India Council For Technical Education (AICTE). The same would be immediately displayed on their websites, which may be accessed for verification purposes. (Nerkar & Dhongde, 2018, slightly adapted)

Overview of higher education student loan scheme in Kenya

Back in 1952, Kenyan students started receiving education loans during the colonial period through a board known as the Higher Education Loan Fund (HELF). HELF offered education loans for students to pursue further studies outside East Africa, especially in Great Britain, the USA, India, the USSR and South Africa (Ng'ang'a, 2016, p. 2)"type":"article-journal"},"locator":"2","uris":["http://www.mendeley.com/documents/?uuid=068a1613-f008-4629-8b9b-49b68cafb41d"]}],"mendeley":{"formattedCitation":"(Ng'ang'a, 2016, p. 2. The government required securities such as land title deeds, insurance policies and written guarantees. After independence, in 1973–1974, the number of applicants increased, leading to problems in the provision of loans by the government. During this period, the country's economy was weakening due to the oil shock. As a result, the Government of Kenya was required to review

the policy related to the funding scheme because it was no longer sustainable (Abdulrahman, 2020).

The review led to the introduction of the University Students Loans Scheme (USLS). Under the scheme, Kenyan students pursuing further studies at Makerere, Nairobi and Dar es Salaam universities received education loans to cover their tuition fees and personal needs, which they would later reimburse upon completing their academic programmes (Abdulrahman, 2020). Meanwhile, it was easier for students to apply for loans from their home district instead of university or college campuses after endorsement from the chiefs. At the same time, the government also introduced a meal card known as PAYE (Pay as You Eat). This came into force after the government revoked pocket money of KSh. 5000.00 (64 USD) granted per semester (Boy, 2018, p.10). The Ministry of Education governed the board (Otieno, 2004, p. 76; Abdulrahman, 2020).

In the following years, budget allocations to the Ministry of Education comprising the loan scheme increased progressively from 3.1% in 1974–1975 to 6.1% in 1992–1993. It was the fastest growing component of university education (Mungai, 1989, p.20). Even though the Ministry of Education had increased the budget, it faced several challenges, such as poor administration, high interest costs and low funding recovery. In this regard, According to Otieno (2004), the legal obstacles also hamper recovery by limiting of Actions Act which renders unrecoverable any debt not claimed within six years from the time it is due (Otieno, 2004, pp. 75–99).

In order to tackle this problem, the government established a new board known as the Higher Education Loans Board (HELB) in 1995 through an Act of Parliament via Kenya Gazette Supplement (Cap. 213 A) (Republic of Kenya, 1988). Another reform was realised in 1995 when HELB set its functions: (a) to facilitate the payment of loans, scholarships, and bursaries to poor Kenyan students; and (b) to pick up all outstanding loans given to former university students since 1952 through HELF. Another mandate was establishing a revolving fund from which funds could be drawn and lent to needy Kenyans pursuing higher education. The government anticipated this revolving fund would ease national education expenditures, which constituted close to 40% of the national budget. Moreover, it was to invest surplus funds in any investments authorised by law. Lastly, it was to seek additional funding from other organisations, such as the private sector and philanthropic organisations (Boy, 2018, p. 10).

One of the board's functions was to provide financial support to Kenyan students who continued with the undergraduate programme or post-graduate studies in national or international universities. This included self-sponsored students and those the government sponsored through the Kenya Universities and Colleges Central Placement Service (KUCCPS). In this regard, the students were permitted to obtain the education loan for a maximum of six years in their education life cycle, depending on the number of years and types of loan. In November 2019, HELB published 80,000 students' names and photos of defaulters, giving them 30 days to repay the loan. Failure to pay would call for legal action against defaulters

(*Standard*, 2020, p.16). In order to avoid defaults, HELB introduced an online platform via mobile money transactions, M-PESA (Abdulrahman, 2020).

In Kenya, by 2018, HELB had financed more than 645,000 students since its establishment to pursue further studies in both public and private universities, technical training institutes, and polytechnics. In 2018 HELB had a budget of KSh. 11.2 billion to support 264,000 students pursuing higher studies. The Government of Kenya supported the budget through the national treasury by making KSh. 7.7 billion shillings available. The main goal of HELB was to ensure every Kenyan got funding and it allowed each Kenyan to pay back gradually with interest. As a result, former beneficiaries, on default, denied the board a total of KSh. 8.5 billion (Higher Education Loan Board [HELB], 2018, p. 6; Abdulrahman, 2020).

Loan allocation in Tanzania to higher education students: 2012/2013–2016/2017

According to the Higher Education Student Loans Board (HESLB, 2018), the Government of Tanzania was facing many challenges in university enrolment to the extent that it was increasingly failing to meet the demand for loans, even among the needy students who are the intended beneficiaries. During 2012/13–2016/17, the number of students accessing loans increased almost yearly, with an average of three out of 10 applicants missing the loan. In the fifth phase, the government set a record in its first year when the number of first-year students who got HESLB loans almost doubled from 29,731 in the year 2014/2015 to 54,072 in 2015/16. However, the number of loan beneficiaries sharply dropped in the 2016/17 academic year from 54,072 in 2016 to 28,354 by 31 March 2017. In all the five years under review, it emerged that the number of first-year students admitted to universities and colleges through the Tanzania Commission for Universities was less than those who applied for HESLB loans (HESLB, 2018).

Increased enrolment in higher education, and universities, is a result of the increase in secondary school intake. The establishment of public secondary schools and emerging private secondary schools led to an increase in demand for higher education. In 2016/2017, as a result of many students being admitted to university, HESLB failed to meet the need for loans, especially by students from low-income backgrounds who were the envisioned beneficiaries. The major setback was a government mismatch between the approved and disbursed budgets for 2014/2015–2016/2017. Thus, the number of students who missed the loan rose because the disbursed budget for 2015/2016 was higher than the approved budget (HESLB, 2018).

Meanwhile, there was a persistent increase in student loan applicants: from 49,914 in 2012/2013 to 55,033 in 2013/14, and to 62,359 in 2014/2015. According to HESLB (2018), in the 2016/2017 academic year, 83,255 students applied for loans, almost twice the number of 2012/13 applicants. As a result, every seven students out of 10 who applied for higher education loans in the 2016/2017 academic year missed them. Similarly, the number of loan beneficiaries in one of the public universities dropped from 23,786 in 2015/2016 to 16,758 in the 2016/2017 academic year. Consequently, in 2016/2017, at another big public university, 1,105 students postponed their studies for financial reasons. The government reasoned that

the funds were meant for needy Tanzanian students only. Also, the government insisted that education financing was exclusively the responsibility of parents and guardians (Nyoni, 2018).

Cost-sharing and the higher education student loan scheme in Uganda

The Government of Uganda reserves 4,000 positions annually for students admitted on merit into the five public universities for whom the government provides scholarships. Students with the highest grades are admitted and are awarded scholarships based on the individual requirements of the institutions and the faculties where the students are to be based. Therefore, out of all the students who qualify for university entry, only 4,000 students (less than 10%) are awarded scholarships (Ministry of Education and Sports [MoES], 2012b).

Universities receive fewer funds than it costs them to produce a graduate. So, higher education funding has long been a problem (NCHE, 2014). Faced with severe financial resource constraints for higher education, the Ministry of Education has responded in two significant ways. One, by clearly shifting towards some form of cost-sharing of tuition fees. The cost-sharing is a dual-track system where a fee-paying system coexists with a free government-sponsored scheme for some students. Two, by the government allowing the introduction and subsequent expansion of the private education sector.

All these moves have done little to increase access to university education. During the 1990s and early 2000s, the Government of Uganda undertook public sector reforms that transformed the structure of higher education. The government then enacted the Universities and other Tertiary Institutions Act 2001, an umbrella law governing all public universities and tertiary institutions in the country. These reforms led several private universities and other tertiary institutions to emerge, resulting in a positive multiplier effect in the demand for higher education (Wanyama, 2016).

In 2014 Uganda had 33 licensed public and private universities (five public and 28 private universities) and 181 other tertiary institutions. The number of these tertiary institutions grew from 148 in 2006 to 181 in 2014, with 130 (72%) being private and 51 (28%) public institutions. Thus, in 2014 total enrolment in higher education institutions stood at 179,000 students. This number was still low because, by then, the GER in Uganda was 6.8% (NCHE, 2014). During the 2006 –2014 period, governmental funding for tertiary education declined primarily due to the financial constraints caused by the unprecedented growth in education at the lower levels (Universal Primary Education and Universal Secondary Education schemes). The rapid expansion in education at lower levels adversely affected the depth of access to higher education institutions, especially for students from low-income backgrounds (Wanyama 2016).

In the 2010–2011 academic year, at Makerere, out of 15,989 students admitted, only 2015 (12%) were government-supported, while in Kyambogo University, only 2,485 (18%) of the 13,000 students enrolled were government-sponsored. Meanwhile, in the 2012/2013 academic year, out of 43,000 students admitted to universities, only 4,000 (9%) were sponsored by the government, and the rest (91%) had to go for self-sponsorship. In 2014, a total of 45,000 students were admitted to both public and private universities. Out of 45,000 students, only

4,000 were awarded government scholarships, while 1,200 were awarded student loans. The remaining 39,800 students did not benefit from either scheme and had to fund their university education (GoU, 2014).

Against this background, the government introduced the student loan scheme despite its relatively low coverage. Improving the efficiency and viability of existing student loan schemes (SLS) while broadening their coverage consistently remains a major challenge for Uganda as a developing country. Despite the poor performance of many systems, the positive experience of the SLS in countries like Columbia and the Dominican Republic, Kenya, Ghana and South Africa, shows that it is possible to design and administer financially sustainable SLS if effective collection programmes, appropriate interest rates, and income-contingent schemes can be made operational (Wanyama, 2016).

Theory of higher education student loans as a cause of higher education enrolment

The theory of higher education (HE) student loans as a cause of HE enrolment postulates that students admitted to pursue HE would be willing to borrow and obtain the available loans to finance their higher education. This theory has been validated in Latin American countries and many other countries where student loans have enabled poor students to enrol. Otherwise, those students could not have afforded higher education. Student loan institutions have been successful in attracting funds from new sources as commercial banks and business enterprises. Without student loan schemes few students are able to finance their education by borrowing, and even then, if their families are wealthy or are able to afford special loans that are available.

In the past four decades many countries, both developed and developing, have established programmes of student loans, or educational credit, to enable students to borrow in order to invest in their own higher education. The spread of the notion of education as investment in human capital and the belief that education contributes to economic growth promote the idea that students should have greater access to capital markets in order to help them finance this investment. Student loans are advocated as an ideal means of ensuring that potential students of high ability but having limited financial means should not be denied the educational opportunities that would lead to higher levels of personal and national income. Many economists prefer greater use of loans as a means of financing education, and encourage the creation of student loan institutions.

Student loans (educational credit) were first introduced in Colombia and India. Student loan programmes have now spread throughout Latin America and the Caribbean. Meanwhile, Egypt, Hong Kong, Ghana, India, Israel, Kenya, Nigeria, Pakistan and Sri Lanka have implemented small-scale student loan schemes. Student loans are generally subsidised by the government, through interest subsidies and long repayment periods. Student loan schemes are designed to fulfil a number of objectives, the most important being to increase the supply of trained manpower and to widen access to higher education by removing financial barriers for poor students (World Bank, 1983).

Gaps in the implementation of student loan schemes in Africa

In Africa, the demand for higher education has significantly increased over the years, while governments in Africa are articulating the need to emphasise science and technology courses to help their economies transform into "a newly industrialising, middle-income country providing a high-quality life to all its citizens by the year 2030" (GoK, 2007). In Kenya alone, the population of the tertiary education age group in the country (between 18 and 25 years) was 6.9 million in 2019, representing a 3% share of the total population. However, only very few had access to higher education. In Africa, inadequate funding for HE has curtailed the anticipated expansion in HE enrolment of students over the years and forced institutions to operate with insufficient resources. Higher education in Africa faces several serious challenges, including insufficient/declining public funding, declining quality, and inadequate and outdated infrastructure (Gudo, 2016; Mukhwana, Too, Kande, & Nandokha, 2020).

In Africa, the expansion of the higher education sector has significantly increased enrolment in higher education institutions (HEI). For instance, in Kenya, between 2015 and 2019, the Technical Vocational Education and Training institutions (TVET) sub-sector recorded a substantial increase in enrolment of approximately 70% from 142,410 in 2015 to 430,598 in 2019.

Enrolment in the university sector decreased slightly from 539,739 in 2015 to 509,473 in 2019 (Kenya National Bureau of Statistics [KNBoS], 2020). During the 2016/2017–2019/2020 academic year, university student enrolments in Kenya declined by 5% from 537,689 in 2016/17 to 509,473 in 2019/2020 due to a decrease in the number of self-sponsored students (Mukhwana, Too, Kande, & Nandokha, 2020).

In Africa, funding has been one of the critical challenges facing access to higher education. For instance, the demand for higher education in Kenya has continued to grow, arising from the decreasing ratio of financial allocations to universities from the government. This issue has significantly affected access, equity, relevance and quality of education (Gudo, 2016; Nyangau, 2014). Challenges in Africa's education sector financing started in the 1970s when the International Monetary Fund (IMF) advocated implementing Structural Adjustment Programmes (SAPs). At the same time, economies sought financial assistance to implement their development policies (Ministry of Education [MoE], 2008).

As a result, in 1994, the Government of Kenya decreased the education budget from 37% of its total annual recurrent budget to about 30%. Meanwhile, in 2006/07, public expenditure on higher education was cut by 9.4% (Sihanya, 2008). The education budget cut caused a significant drop in enrolment rates, increased dropout rates, and rationalised expenditure on education by spending less on teachers' salaries, resulting in poor pay for teachers and ultimately a perceived poor quality of education (Action Aid International Kenya [AAIK], 2009).

Methodology

Theoretical framework: Higher education student loans boost higher education enrolment

Higher education financing through the student loan scheme to boost HE enrolment is a global phenomenon in both developing and developed countries. Owing to painful financial conditions affecting most countries, the student loan scheme has become a popular government approach to financing HE for both developed and developing countries (Kossey & Ishengoma, 2017). By 2010 the student loan scheme was already a financing approach to HE for around 70 countries worldwide (World Bank, 2010). The recent massification of HE has put much pressure on student financing, making states unable to finance their growing student populations adequately. Empirical research findings show that the student loan scheme has effectively increased student access to HE in many parts of the world, although under certain conditions (Mgaiwa & Ishengoma, 2023).

This paper is designed within the theoretical shifts of education financing by the HE student loan scheme and access to HE working on the primary assumption that the education financing modality expands or narrows down education access. The paper postulates that boosting higher education enrolment for needy students is a higher education student loan phenomenon.

$$E_{nt}=P_{St}.S_{Lt}. \qquad (3.1)$$

where is the number of higher education students enrolled at times known as beneficiaries, is the amount of student loan in terms of local currency units, and is the value of the student loan. Therefore, the value of the student loan can be defined as follows:

$$P_{St}= E_{nt}/S_{Lt}. \qquad (3.2)$$

Taking the logarithm of Equation (3.1) provides the higher education enrolment as a function of the quantity of loan and its value, and it is given by

$$log\ (E_{nt})\equiv log(S_{Lt})+log\ (P_{Lt}). \qquad (3.3)$$

The paper employs the philosophical principle that if event A comes before B, then event A must be the cause event B. So, applying causality to the identity represented by Equation (3.3) gives

$$log\ (E_{nt})= \alpha log(S_{Lt-1})+\beta log(P_{Lt}). \qquad (3.4)$$

where are parameters to be estimated. To estimate the parameters, data sets are collected from the respective countries in terms of higher education enrolment and student loans. The identification literation is given at the beginning of this section. Meanwhile, the data types and data analysis as well as data analysis techniques are given in sections 3.2. and 3.3.

Data types and data sources

Secondary data sets (higher education student enrolment and amount of student loan) for the study were collected from five sources and five corresponding counties: India (Rani, 2014), Ghana (GMoE, 2018), Kenya (KNBoS, 2020), Tanzania (Dachi, 2021)while the share for middle

and low-income students reflects their representation. There is also animbalance between male and female beneficiaries across programmes, notably in the Science, Technology, Engineering, and Math (STEM and Uganda (MoES, 2020).

Data analysis techniques

Generalised least squares (GLS) regressions were used to analyse the effects of higher education loans on HE enrolment in Uganda compared to similar results from four other countries: India, Ghana, Kenya and Tanzania. The software used in data analysis was EViews. Tests conducted were: t for the significance of parameter estimates, DW for serial correlation, F for joint effects, and H for heteroscedasticity. Descriptive statistics were also used in analyses of five country cases.

Results and Discussions

Boosting higher education enrolment is a higher education student loan phenomenon

Firstly, from Equation (4.1), it can be discerned that in Tanzania during the 2014 to 2019 period, empirical findings show that boosting higher education enrolment was a HE student loan phenomenon. Therefore, a 1% increase in student loan growth each year could have caused higher education enrolment to grow by 1.17% per annum, ceteris paribus. The values indicate that Equations (1) to (4) are free from heteroscedasticity, while the equations can be transformed to the GLS regression model by pre-multiplying the respective equations by .

$$log(E_{nt}) = 1.17 log(S_{Lt-1}) + 1.30\ log(S_{pt}). \qquad (4.1)$$
$$l \qquad 7.32 \qquad 4.56$$

$R^2=1.000 \quad DW=1.74 \quad F=1.60\times10^6 \quad H=0.10$

$N=6 \quad Sample\ Period=2014\text{-}2019 \quad V=1/d(d((S_{(Lt(-1))})^2))$

Secondly, from Equation (4.2), it can be deduced that in Kenya over the 2008 to 2012 period, empirical findings show that boosting higher education enrolment was a HE student loan phenomenon. Therefore, a 1% increase in student loan growth each year could have caused higher education enrolment to grow by 0.40% per annum, ceteris paribus.

$$d(log_{Ent}))=0.40\ d(log\ (S_{Lt-1}))+3.75\ d(log(S_{pt})). \qquad (4,2)$$
$$t \qquad 6.20 \qquad 21.48$$

$R^2=0.994 \quad DW=1.74 \quad F=1.60\times10^6 \quad H=0.10$

$N=10 \quad Sample\ Period=2009\text{-}2016 \quad V=1/d(d((d(E_{nt}/S_{Lt}))^2))$

Thirdly, from Equation (4.3), it can be observed that in Ghana, within the 2009 to 2016 period, empirical findings show that boosting higher education enrolment was a HE student loan

phenomenon. Therefore, a 1% increase in student loans growth each year could have caused higher education enrolment to grow by 0.42% per annum, ceteris paribus.

$$d(\log_{Ent}))=0.42\ d(\log(S_{Lt-1}))+2.67\ d(\log(S_{pt})). \qquad (4,3)$$

$$t \qquad 4.35 \qquad 4.16$$

$$R^2=0.965 \qquad DW=1.85 \qquad F=217 \qquad H=0.44$$

$$N=9 \quad \text{Sample Period=2004-2012} \quad V=1/d(d((d(E_{Nt}))^2))$$

Fourthly, from Equation (4.4), it can be seen that in India from 2004 to 2012, empirical findings show that boosting higher education enrolment was a HE student loan phenomenon. Therefore, a 1% increase in student loans growth each year could have caused higher education enrolment to grow by 0.59% per annum, ceteris paribus.

$$d(\log(E_{nt})=0.59\ d\log(S_{Lt-1}))-0.65\ d\log(S_{pt}). \qquad (4.4)$$

$$t \qquad 477.26 \qquad -17.33$$

$$R^2=1.000 \qquad DW=2.22 \qquad F=2.24\times10^5 \qquad H=0.00$$

$$N=9 \quad \text{Sample Period=2004-2012} \quad V=1/d(d((d(E_{Nt}))^2))$$

However, other challenges confront student financing systems, specifically regarding Higher Education Students' Loans Board (HESLB). These challenges include limited resources, unemployment among loan beneficiaries, increased loan applications, the lack of a national identification system, the emigration of loan beneficiaries, poor policy and legal frameworks, and corruption among HESLB staff and loan beneficiaries (Kossey & Ishengoma, 2017).

Higher education student loans and enrolment in higher education in Uganda

Several years before the introduction of universal primary and secondary education, higher education in Uganda was highly subsidised, especially in government universities and other tertiary institutions (MoES, 2012a; Tibenderana, 2013). By covering tuition fees and living allowances for students, the government could meet the cost of university education to promote and increase access to university education (MoES, 2012b, p. 4). Meanwhile, the introduction of Universal Primary Education (UPE) in 1996 and Universal Secondary Education (USE) in 2007 caused rapid growth in the student numbers qualifying to join higher education institutions (HEIs).

Consequently, the increased demand for higher education made it difficult for the government to continue covering the cost of HE for students joining HEIs (MoES, 2012b, p. 7). The government hence recommended cost-sharing in HE, realising that it was impossible to sustain meeting all the costs needed by students (tuition, accommodation, living allowances [pocket money], stationery, feeding) as well as paying teaching, support and technical staff.

Cost-sharing was expected to fund students who may wish to join universities and other tertiary institutions but may not afford to meet the costs involved. Thus, Recommendation

95 of the White Paper on Education advocates for students who cannot raise the necessary finances. It stipulates that government must establish a system of study loans to be paid back only when the student completes studies and finds gainful employment (MoES, 1992, p. 105). Such loans were to be given to "genuinely needy students" to cover not only tuition and functional fees but also the "estimated boarding [accommodation] costs, dependents and stationery costs" (Kibuuka, 2022; MoES, 1992).

Thus, by establishing the students' loan scheme, the government wanted to ensure equitable access for Ugandan students to higher education, which the majority of the students that complete high school cannot afford (Kyaligonza, 2017; MoES, 1992; Onen et al., 2015). Over the 2014 to 2020 period, the HESFB awarded student loans to 11,187 students, as shown in Table 1 (MoES, 2020). The Uganda Students' Higher Education Financing Policy was enacted in 2012 and culminated in the Students' Loan Scheme (SLS). However, the scheme could not materialise since there was no law to operationalise it.

It was after the national Parliament enacted the Higher Education Financing Act of 2014 establishing the Higher Education Students' Financing Board (HESFB) that the policy/scheme was able to materialise. Thus, the first cohort of the loan scheme beneficiaries began in the 2014/15 academic year. Table 1 indicates that since its establishment, the HESFB has provided loans to needy students in 2014 and facilitated access to HE to only 11,187 students (32.4%) out of the total number of loan applicants (34,492) (MoES, 2012, p. 4). HESFB has awarded student loans mainly to those studying Science, Technology, Engineering and Mathematics (STEM) programmes and Business and Humanities programmes for students with special needs (Kibuuka, 2022; MoES, 2019).

Table 1: Number of loans and student loan beneficiaries in Uganda: 2014/15-2020/21

Academic Year	No. of Loan Applicants	No. of Students Awarded
2014/2015	2,125	1,201
2015/2016	6,657	1,273
2016/2017	3,764	1,325
2017/2018	4,218	1,448
2018/2019	4,881	2,943
2019/2020	7,310	1,851
2020/2021	5,537	1,146
TOTAL	**34,492**	**11,187**

Source: MoES (2020).

Higher education student loans and enrolment in higher education in Tanzania

In Tanzania, a university students' loan is not a new phenomenon. Between 1964 and 1974 the government exempted students from paying fees and other academic expenses (Galabawa, 1991). The law required beneficiaries to serve six months of national service upon graduation. After that, they were employed in the public sector, while the government deducted 60% of their monthly gross salary for 18 months as a contribution to the bursary fund.

Table 2: Number of beneficiaries and student loans in Tanzania, 2011/12–2018/19 fiscal years

Academic Year	No. of Beneficiaries	Loan (billions)	Loans per Capita (millions)	Per Capita GDP (millions)
2011/2012	94,773	318.29	3.36	1.22
2012/2013	96,818	315.84	3.26	1.58
2013/2014	96,325	328.31	3.4	1.72
2014/2015	100,936	377.01	3.74	1.91
2015/2016	125,126	422.45	3.38	2.01
2016/2017	116,706	495.40	4.24	2.23
2017/2018	122,623	443.10	3.61	2.61
2018/2019	123,285	427.20	4.46	2.69
TOTAL	**876,592**	**3127.60**		

***Source**: Dachi (2021), Students' Loan Financing Board of Tanzania*

In 1974 salary deductions were abolished. However, national service was extended to 12 months. In the 1994/95 fiscal year, the cost-sharing policy was adopted, and the bursary was replaced by the student loan scheme (SLS) managed by the Ministry of Science, Technology and Higher Education (MSTHE), to assist needy students in HEIs with meeting part of their educational expenses. In the 2000/01 fiscal year, student loan debt stood at more than Tanzania shillings (TZS) 13 billion (PAC, 2001). Meanwhile, seven years after the scheme's inception in 1994, not even a single cent had been repaid to the government (*The Guardian, Tanzania*, 2000, pp.2–3). In response, the government promulgated Act of Parliament No. 9 of 2004 (amended in 2015). The Act provided for establishing the Higher Education Students' Loans Board (HESLB) to disburse loans to academically able students admitted to accredited HEIs, but with no reliable financial means to pay for the learning costs. Section 16 (1) of the Act entrusts the HESLB to collect due loans from beneficiaries (Dachi, 2021; Mbago, 2016) while the share for middle and low-income students reflects their representation. There is also animbalance between male and female beneficiaries across programmes, notably in the Science, Technology, Engineering, and Math (STEM.

Student loans enable students to access HE. The GER for HE indicated in Table 2 shows that more than 90% of the corresponding age group in Tanzania was not enrolled in HE. In per capita terms, the average annual student loan was around 3.4 million TZS. The data also shows that the per capita loan exceeded the average Tanzania mainland gross domestic product (GDP) per capita, which means that without the loans scheme, most eligible and needy students could not afford to study (Dachi, 2021)while the share for middle and low-income students reflects their representation. There is also animbalance between male and female beneficiaries across programmes, notably in the Science, Technology, Engineering, and Math (STEM. Nyahende (2013) claims that student loans in financing higher education in Tanzania were successful as they increased the enrolment of students in higher learning institutions. The study also reveals that HESLB had been employing enough effort to recover loans granted to loan beneficiaries since 1994, and that the guidelines and criteria for granting loans were satisfactory.

Higher education student loans and enrolment in higher education in Kenya

Financing student loan schemes has been a significant challenge for governments worldwide. For instance, in Kenya, the Higher Education Loans Board (HELB) suffers from reduced government funding, an increased student population, overdependence on student financing from the schemes, slow economic growth, and increased education costs (Njenga, 2014).

Student loans are loans offered to students to cater for their education-related expenses such as tuition, accommodation and textbook expenses (see Tables 3 and 4). These loans are offered to students at low interest rates. Repayment is made once students have completed their education. Student loans relieve pressures on national budgets by facilitating tremendous cost-sharing by raising tuition and other university fees. The students' loans need to be repaid to create a revolving loan fund to support other needy students (Njenga, 2014; Nyahende, 2013).

In 1952 the British colonial government in Kenya set up the Higher Education Loans Fund (HELF). HELF was intended to assist those pursuing university education outside East Africa and mainly in Britain, the United States of America, India, the Union of the Soviet Socialist Republics and South Africa. Upon attaining independence, the Kenya Government suspended the scheme and opted to directly meet the cost of higher education (Republic of Kenya [RoK], 1964). The newly established government felt that there was need for high- and middle-level human resources to enhance economic development within the country. Therefore, the government provided free higher education regarding direct costs (RoK, 1965).

In the early 1970s, poor economic performance by Kenya could not allow the government to continue providing free higher education. This situation culminated in reviving the loan programme in 1974 as the University Students Loan Scheme (USLS). The Loan Disbursement and Recovery Unit (LDRU) was established in the Ministry of Education to manage the scheme, though inadequate policies were implemented to guide its operations. When the policy of cost-sharing was introduced and the loan scheme for university students was revised, the student

loan scheme in Kenya underwent various phases, especially after 1974. First, universities prepared their students' lists and submitted them to the ministry.

Table 3: Number of beneficiaries and student loans in Kenya, 2003/4–2011/12 fiscal years

Year	Recoveries	Disbursements	No. of Students
2003/2004	674,201,913.00	1,429,466,000.00	39,423
2004/2005	774,285,606.00	1,536,455,000.00	40,413
2005/2006	881,213,129.00	1,661,601,600.00	40,497
2006/2007	1,030,507,454.00	1,918,936,820.00	40,615
2007/2008	1,337,632,289.00	2,035,164,370.00	43,114
2008/2009	1,614,004,413.00	2,924,363,000.00	69,914
2009/2010	1,926,877,650.00	3,246,220,200.00	70,679
2010/2011	2,294,265,397.00	3,632,992,945.00	78,119
2011/2012	2,519,379,218.00	4,570,235,000.00	111,351
TOTAL			**534,125**

Source: *Higher Education Loans Board of Kenya (2013).*

Second, the ministry would prepare a budget based on the student numbers. Third, the ministry would disburse the students' allowances ("boom") through the National Bank of Kenya while tuition, accommodation and catering costs were sent directly to the institutions by the bank. When the government realised it could no longer sustain higher education financing solely from its coffers without any improvisations, it formed HELB through an Act of Parliament in July 1995 as per the Kenya Gazette Supplement (Cap. 213A) (Kipkech, 2005).

Table 4: Number of beneficiaries and student loans in Kenya, 2014/15–2018/19 fiscal years

Year	No. of Applications	No. of Loan Beneficiaries	Loan in KSh. (Millions)
2014/2015	185,753	177,532	945.3
2015/2016	204,759	197,029	7,573.1
2016/2017	252,928	244,626	9,452.3
2017/2018	281,044	275,823	11,058.9
2018/2019	297,989	293,249	11,686
TOTAL			**40,715**

Source: KNBoS Economic Survey Report (2020).

Higher education student loans and enrolment in higher education in Ghana

In Ghana, the Student Loan Trust Fund (SLTF) increased its coverage from 11,111 beneficiaries in 2006/07 to 31,301 beneficiaries in 2016/17. This was a significant increase, and it improved students' access to tertiary education. Enrolment in tertiary institutions had continued to experience marked increases over the previous five years (2012/13–2016/17), with the final enrolment at 437,576 registering an increase of 3.7% over the previous academic year. Private enrolment represented about 16% of total enrolment and, in terms of institutions, constituted 54%. The available statistics showed that 157 accredited tertiary institutions were delivering tertiary education as of 2017/18, and that these were comprised of public universities, public specialised/professional colleges, chartered tertiary institutions, technical universities, and public and private colleges of education (GMoE, 2018).

Table 5: Trends in students loan beneficiaries and expenditure in Ghana: 2006/07–2017/18

Year	Total Beneficiaries	Amount (GHC)
2006/07	11,111	4,040,195.00
2007/08	23,841	8,789,385.00
2008/09	34,465	12,585,340.00
2009/10	35,183	13,152,970.40
2010/11	26,954	13,916,440.05
2011/12	18,605	10,108,172.67
2012/13	13,833	8,072,857.00
2013/14	17,095	15,228,035.60
2014/15	23,298	22,001,753.00
2015/16	30,159	28,939,831.32
2016/17	31,301	52,239,796.05
2017/18	27,998	65,879,264.47
TOTAL	**293,843**	

Source: Education Sector Performance Report 2018

Ghana introduced a student loan scheme to defer payment for HE so that when students were employed, they could afford to pay, as an alternative to support students financially so that they could go through HE without much problem.

Generally, some student loan schemes succeeded, while others disappointed in meeting their objectives and financial sustainability. Ghana Students Loan Trust Fund (SLTF) was introduced in December 2005 (Okae-Adijei, 2012).

Higher education student loans and enrolment in higher education in India

India, with 1.28 billion people, is the second most populous country in the world. Almost 17.31% of the world's population is composed of Indians. Thus, one out of six people on Planet Earth lives in India. The population growth rate in India stands at 1.58% per annum. More than 50% of India's current population is below the age of 25, and over 65% is below the age of 35. Furthermore, India has the largest illiterate population in the world. According to the 2011 population census, India's literacy rate is 74.04%, with the male literacy rate standing at 82.14% and the female at 65.46% (Jacob, 2018). The Indian educational loan, free of interest, originated as the government-sponsored National Loan Scholarship Scheme (NLSS), and was initiated in the country in 1963.

The National Loan Scholarships (NLS) provided needy and meritorious students with full-time higher education support in India. The NLS was given to students from post-matriculation till the completion of higher education. This scheme was in operation until 1991 and could not succeed because the recovery rate was slow. Secondly, the scheme failed because the country faced a severe economic crisis in the early 1990s, causing the scheme to be discontinued. The Educational Loan Scheme (ELS) was reintroduced in 2001. As a result, the Government of India, in consultation with the Reserve Bank of India (RBI) and the Indian Banks' Association (IBA), framed a comprehensive educational loan scheme categorised under priority sector lending by the Commercial Banks in India (Sangeetha & Raghurama, 2018). It was meant to improve access to higher education without the government bearing the burden of financing higher education. People vouch for it because they will, in the long run, reduce the burden on the public exchequer of financing higher education. As a result, the loans can save scarce public resources, which can then be allocated to sectors like primary education with higher social rates of return (Tilak, 1987).

Higher education is the preserve of a relatively privileged sector of society. This kind of self-financing is also considered equitable in nature and effect, especially in India, where student loans are judged to be more equitable than high levels of public subsidy. General tax revenue mainly comprises indirect taxes, accounting for 85% of tax revenue. A vast majority of people with low incomes pay these regressive taxes. Meanwhile, higher education subsidies cater mainly for the needs of relatively economically advantaged groups. Thus, to finance subsides that benefit the rich out of general tax revenue contributed by the poor is deemed to be highly inequitable. Hence it is argued that student loans can reduce the magnitude of higher education resources transferred from the poor to the rich (Tilak, 1992). Student loans shift the burden of investment in higher education from the present generation to the future generation. In other words, student loans shift the burden from the parents to the students themselves. Typically, the present generation finances investment for the benefit of future generations.

Thus, education financed from taxes paid today offers benefits in the future. In the case of student loans, the students are supposed to fund their education and pay later for the education they receive.

Meanwhile, under the student loan scheme, no poor student needing higher education is left out for economic reasons.

Initially, the envisaged benefits from student loans comprised establishing a revolving fund in five to 10 years and making the scheme self-financing in the long run. People also vouched for it because such a scheme would prevent wasteful expenditure. As a result, only the needy students would borrow from the government for their further education, while some would choose to make education their career owing to the obligation to repay their debts. Consequently, advocates of student loans postulate that students would become more cost-conscious while appreciating how much society has invested in their education. In turn, the internal efficiency of higher education would increase. These policy prescriptions have been presented in India and elsewhere (Tilak, 1992).

In the 1980s, the Indian government faced increasing demand for higher education. However, the government was unable to meet the demand through public institutions. During this period, they also experienced the growth of "private unaided" colleges set up by individuals or family groups. They were not dependent on the government for funding (Agarwal, 2006). The newly liberalised economy and the entry of private players in the sector enabled the expansion of higher education much faster from the 1990s onwards. From 1990 to 2002, enrolment doubled from 4.4 million to 8.8 million, equivalent to the increase in the previous 40 years (see Table 6). The 1990s also experienced a policy shift by the government, which encouraged greater private sector participation in higher education (Mathew, 2016).

The more government investment in primary education increased, the less its role as the leading provider of higher education declined (Malik et al., 2017). Interest also shifted towards cost recovery in HEIs and making public sector HEIs self-reliant (Varghese, 2015). In the last two decades prior to 2015, there was an increase in the number of affiliated private colleges deemed universities. The colleges became an essential source of revenue for universities that were charging affiliation fees. In turn, the universities allowed private colleges to operate as universities and award degrees. As a result, there was a dramatic increase in the number of institutions and enrolment in higher education from 2001–2002 to 2011–2012. Consequently, enrolment tripled from 8.8 million to 28.5 million, while the GER doubled from 8.1% to 19.4% (Ravi et al., 2019).

Table 6: Higher education expansion in India

Year	Number of Universities	Number of Colleges	Enrolment (Millions)	GER (%)
1950–1951	27	578	0.2	-
1960–1961	49	1,819	0.6	1.5
1970–1971	102	3,277	2.0	4.2
1980–1981	132	4,577	2.8	4.7
1990–1991	185	6,627	4.4	5.9
2001–2002	260	11.146	8.8	8.1
2011–2012	621	34,908	28.5	19.4
2016–2017	864	40,126	35.7	25.2
2017–2018	903	39,050	36.6	25.8
2018–2019	993	39,931	37.4	26.3

Data sources*: Varghese (2015); Ravi, Gupta and Nagaraj (2019).*

Meanwhile, it is a common belief that there are three stages in the development of the higher education system based on the level of enrolment.

When the GER is less than 15%, the higher education system is regarded as a privileged system where access to higher education is limited and considered a privilege. If the GER is between 15% and 50%, the higher education system is mass. Higher education is a right for those with specific formal qualifications at this stage. When the GER is above 50%, higher education systems are regarded as universal and higher education becomes an obligation (Trow, 1973). By 2019 India had a GER of 26.3% (AISHE, 2018–19), and it was in the initial stages of "massification" (Trow, 1973; Varghese, 2015). India's GER is less than the global average of 36.7%, but it is closer to those of lower middle-income countries (LMICs), which have an average GER of 23.5% (UNESCO, 2016).

The new education loan scheme in India was launched in 2001. Scheduled commercial banks administered it. Any Indian student seeking admission to a domestic/foreign educational institution qualified to apply. The income levels of students/parents were not considered for eligibility for this loan scheme. The loan amount catered for both instructional costs and living expenses. The loan was repayable in 5–7 years and repayment commenced one year after completion of the course or six months after getting employment, whichever came earlier. Interest was charged during the study period and continued up to the commencement of repayment. The higher education student loans programme grew in 2001 and continued to grow rapidly over the next decade, as shown in Table 7. In 2011–2012, the number of accounts

for the educational loan was 2.3 million, which had increased from a mere 0.11 million in 2000–2001.

Table 7: Growth in education loans and enrolment in higher education in India during 2000–2001 to 2011–2012

Years	Total Number of Education Loans (in 000)	Education Loans Released in R (10 million)	Total Enrolment (in 000)
	112	1,028	8,626
2001–2002	157	1,527	8,821
2002–2003	239	2,870	9,517
2003–2004	347	4,179	10,009
2004–2005	470	6,398	11,777
2005–2006	641	10,804	14,324
2006–2007	1,002	14,012	15,553
2007–2008	1,215	19,748	17,211
2008–2009	1,603	27,646	18,649
2009–2010	1,928	35,628	20,741
2010–2011	2,236	43,074	23,078
2011–2012	2,288	42,993	25,678
TOTAL	**12,238**	**209,907**	**183,984**

Sources: Statistical tables relating to statistics in India; selected educational statistics for the period 2000–2001 to 2005–2006; selected statistics on higher and technical education since 2006–2007 (Rani, 2014).

The proportion of students enrolled in higher education who were beneficiaries of education loans constituted about 1.3 % of total number students enrolled in 2000–2001 and increased to around 9 % by the beginning of 2011-2012.

Table 7 indicates that the number of students who had taken education loans to pursue higher education increased tremendously over the years. In 2011–2012, the number of accounts for the educational loan was 2.3 million, which had increased from a mere 0.11 million in 2000–2001. The proportion of students enrolled in higher education who were beneficiaries of education loans constituted about 1.3% of the total number of students enrolled in 2000–2001 and had increased to around 9% by the beginning of 2011–2012.

Therefore, the number of students sanctioned with education loans increased. Also, the number of education loans released increased rapidly. In 2000–2001 the total amount of

education students' loans was Rs. 10,280 million and increased to Rs. 429,930 million in 2011–2012. Student education loans grew at an alarming annual average rate of 42.8%. Meanwhile, the rate of growth of government expenditure on higher and technical education grew by 12.6 % during the same period, as also shown in Table 7 (Rani, 2014).

Summary of Findings

In phenomenological studies, before arriving at interpretations of the description or interpretations of the statements of the research participants, reporting of the findings needs to be focused on a detailed description of the phenomena. A summary of the findings, a discussion on findings and recommendations or future implications are important in phenomenological research basically to make things clearer to readers about the research report. In particular, a summary of the findings on major themes and issues needs to be presented fairly without any bias. These findings can be convincingly reported through directly quoting what the research participants said and by making interpretations through description rather than explanation (Qutoshi, 2018).

Empirical findings show that higher education student enrolments in India, Ghana, Kenya and Tanzania were basically a student loan phenomenon. Meanwhile, in the last two decades, student loan schemes in India, Ghana, Kenya and Tanzania performed better than in Uganda. That is because from 2000/01 to 2011/2012, India managed to award a total of 12,348,000 higher education student loans to beneficiaries; from 2006/7 to 2017/18, Ghana awarded 293,843 loans to beneficiaries; from 2005/04 to 2010/11, Kenya awarded 534,125 loans to beneficiaries; and from 2011/12 to 2018/19 Tanzania awarded 876,592 loans to beneficiaries; while from 2014/15 to 2020/21 Uganda awarded only 11,187 loans to beneficiaries.

Conclusion, Limitations of the Study, and Key Lessons for Uganda to Consider

Empirical results show that boosting higher education is a student loan phenomenon. In the last two decades, student loan scheme in India, Ghana, Kenya and Tanzania performed better than in Uganda. Meanwhile, the study is limited to higher education student loans and enrolment in Ghana, India, Kenya, Tanzania and Uganda over the last two decades (2000/01–2020/2021). Higher education student loan schemes were first encouraged and established by introducing an education scheme formulated by the Indian Banks' Association (IBA) in 2001. The participation of public sector banks (PSBs) in the higher education loan sector in India is primarily driven by the government's desire to provide financing to meritorious students from lower socio-economic backgrounds.

The education loan scheme in India was formulated and propagated by the public sector, private sector banks and other financial institutions. In India, 95% of the education loan market is funded by public sector banks; the rest is contributed by private banks, cooperative banks, and NBFCs.

The performance of the public sector banks under the education loan scheme of the India Banks' Association (IBA) indicates continued growth in the educational loan system in

terms of the amount and the total number of loans disbursed. These educational loans remain primarily in the domain of public sector banks as they offer better terms and conditions than private sector banks. Education loans are now widespread among all groups of people and are extended to only those students who have confirmed admission. Meanwhile, the prominent factors influencing the rapid growth in education loans are (a) enrolment growth (i.e. the massification of higher education), (b) the growing private sector, (c) the expansion of the youth population with a growing middle class having a wider acceptability of loan culture, (d) the increasing earning premium of higher education and (e) the willingness to pay for higher education (Rani, 2016).

After India independence, the essential target of the Government of India was to reach the country's underdeveloped and neglected areas. Therefore, the Imperial Bank of India was nationalised and started functioning under a new name, The State Bank of India (SBI). After nationalisation, 400 new branches were opened to cater for the rural population (Chaudhary & Sharma, 2011). The state took over the ownership of the banks by introducing an ordinance to transfer privately owned banks to the Government of India. A bank qualifies to be a public sector bank when the ownership of the government is at least 50% (Singh, 2016). Finally, for Uganda to become as successful as India in implementing the HE student loan scheme and improving HE enrolment, the paper suggests that the Government of Uganda, in consultation with Bank of Uganda and Uganda Bankers' Association, must formulate a more comprehensive education loan scheme.

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