

Towards Equitable Higher Education Access: Implications of the Government Students Loans Scheme in Supporting Needy Students in Tanzania

Jacob Sululu, Victor George, and Joseph Kahimba

Abstract

This paper examines the students' loans scheme of the Government of Tanzania and its effects on equitable higher education access for students from poor households. Specifically, the paper looks at the method used by the Tanzania Higher Education Students' Loans Board (HESLB) to identify the needy students and the loan allocation criteria. The data for this article was obtained from survey of 480 continuing HESLB beneficiaries and key informants, including four Deans of Students, two HESLB officers, and four Loans Desk officers from sampled Higher Learning Institutions. The findings revealed that the presence of the higher education students' loan scheme successfully helped many students enroll in higher education and graduate. However, the efficiency of implementing the loan scheme based on the identification of needy students has been questioned, and the amount of loans allocated to students was inadequate compared to the increasing demand. The study recommends the review of the needy students' identification and allocation criteria, increasing government budget and accountability.

Key words: equitable access, government students' loan scheme, higher education, needy students

ABOUT THE AUTHORS: JACOB SULULU (email: sululujacob1164@gmail.com), VICTOR GEORGE, and JOSEPH KAHIMBA, The University of Dodoma, Tanzania

Sululu, J., George, V., & Kahimba, J. (2025). Towards Equitable Higher Education Access: Implications of the Government Students Loans Scheme in Supporting Needy Students in Tanzania. *International Journal of African Higher Education*, 11(3), 1-21. <https://doi.org/10.6017/ijah.v11i3.17459>

Résumé: Cet article examine le programme de prêts aux étudiants du gouvernement tanzanien et ses effets sur l'accès équitable à l'enseignement supérieur pour les étudiants issus de ménages pauvres. Plus précisément, l'article analyse la méthode utilisée par le Conseil tanzanien des prêts aux étudiants de l'enseignement supérieur (HESLB) pour identifier les étudiants dans le besoin et les critères d'attribution des prêts. Les données ont été obtenues à partir d'une enquête menée auprès de 480 bénéficiaires continus de la HESLB et d'informateurs clés, dont quatre doyens des étudiants, deux responsables de la HESLB et quatre responsables du bureau des prêts des établissements d'enseignement supérieur de l'échantillon. Les résultats ont révélé que l'existence du système de prêts aux étudiants de l'enseignement supérieur a permis à de nombreux étudiants de s'inscrire dans l'enseignement supérieur et d'obtenir un diplôme. Cependant, l'efficacité de la mise en œuvre du système de prêt basé sur l'identification des étudiants nécessiteux a été remise en question, et le montant des prêts alloués aux étudiants était inadéquat par rapport à la demande croissante. L'étude recommande de revoir les critères d'identification et d'attribution des prêts aux étudiants nécessiteux, d'augmenter le budget du gouvernement et de rendre des comptes.

Mots clés: accès équitable, programme gouvernemental de prêts aux étudiants, enseignement supérieur, étudiants dans le besoin

Introduction

The financing of higher education globally faces significant challenges due to rising programme costs and increased public demand, as higher education is recognised as a key driver of national economic growth and individual opportunity (Cloete et al., 2011; Kossey & Ishengoma, 2017; Makimu, 2017). In developing countries, many students aspire to pursue tertiary education; however, income poverty often hinders access, leading to high dropout rates in the early stages of their academic pursuits (Aina et al., 2022; De Gayardon & Brajkovic, 2019; Salmi, 2020). Since the 1980s, the global landscape of higher education financing has shifted from predominantly public funding to market-driven approaches, prompting significant reforms in funding mechanisms. These reforms aim to expand access, ensure equity, improve quality, and enhance governance in higher education (Barrera-Osorio et al., 2012; Greener, 2020; MacLean, 2011; Mazon et al., 2020; Therkildsen, 2009; UNESCO, 2016). The inadequacy of previous funding policies to meet growing demands has necessitated greater private sector involvement; however, this has often exacerbated inequalities, restricting access for low-income students compared to their more affluent peers (Khan, 2018; Robertson & Verger, 2012; Stewart &

Walsh, 1992; Kwiek, 2018; Oketch, 2016). In response, governments and the private sector have increasingly allocated budgets for scholarship programmes and implemented student loan schemes since the late 20th century as part of cost-sharing policies aimed at enhancing equitable access to higher education. These initiatives have notably improved opportunities for students from low-income households (Ishengoma, 2004; Johnstone, 1993; Msigwa, 2016; Dente & Piraino, 2011; Duraisamy & Duraisamy, 2016; De Gayardon & Brajkovic, 2019; Rasmussen, 2006; Sisto, 2019). However, there have been continuing debates on the identification of the needy students and loan allocation criteria. In the developed countries such as the UK, France, Germany and the U.S.A., much of the debate on higher education funding mechanisms has largely been about value for money and, to a lesser extent, about widening equitable access (Johnstone, 1983). But in the low-income countries, notably sub-Saharan Africa, the debate is far more than value for money. There are both economic and moral arguments that have been made about widening equitable access through a taxpayer-funded model of cost sharing, which is operationalised in the philosophy of "using the public fund today and then paying it back as you generate income after completion of your study" (Makulilo, 2014; Mgaiwa, 2023; URT, 2018). In this regard, many governments in Africa have been implementing the cost-sharing policy of higher education since the 1990s (Mgaiwa, 2023; Perna, 2016; World Bank, 2010). Tanzania, for instance, established the national higher education policy in 1999, which came into practice in 2004 (Nyahende, 2013; Rasmussen, 2006; URT, 1999). The policy, among others, called for the launch of a government students' loans scheme (GSLs), which aims at widening the space to higher education for students from low-income families. The policy also called for the creation of the Higher Education Students' Loans Board (HESLB) under the Parliament Act No. 9 of 2004. This Act gave the HESLB the power to set up a funding mechanism that would sort loan applicants into groups based on how much money they need (Mapunda, 2019; Goldrick-Rab, 2016; URT, 1999). This approach led to the enrollment and graduation of many students from low economic backgrounds in higher education institutions. Data from HESLB reports of 2021/2022 and 2022/2023 show an increasing trend of enrollment, which amounted to 177,892 and 205,893, respectively. Despite HESLB's success in increasing disbursement, which is also realised in enrollment expansion and completion, concerns have been raised about the efficiency of the loan scheme, particularly the criteria for identifying needy students and the adequacy of the allocated loans. The growing number of secondary school graduates has also increased the demand for loans (HESLB, 2021; TCU, 2018). This article, therefore, examines the government's student loan scheme in Tanzania, specifically

focusing on how the HESLB identifies needy students and the criteria used for loan allocation.

Conceptual and Theoretical Review

Equitable access to higher education has been conceptualized primarily through the lens of social inclusiveness, as articulated by scholars such as Campbell (2007), De Gayardon & Brajkovic (2019), and James (2014). Five principles make up the idea of equitable access: (a) anyone with the academic credentials should be able to go to university; (b) there shouldn't be any barriers to higher education; (c) academic merit should be the only factor used to decide who gets into universities; (d) there shouldn't be any bias in the selection process for university placements based on social class, economic status, gender, religion, or ethnicity; and (e) everyone should have the same chances to grow and develop their skills. Drawing on this conceptual framework, various policies and strategic decisions have been instituted globally to enhance equity in access to higher education. For example, the European Union Council's conclusions of May 11, 2010, emphasise that "education and training across the European Union need to ensure both equity and excellence for not only economic growth and competitiveness but also for reducing poverty and fostering social inclusion" (European Council, 2010). Nevertheless, the discourse surrounding the financing of education, particularly higher education, has been marked by divergent viewpoints. This has led to a protracted debate regarding the responsibility of financing, specifically, who should bear the costs, and the rationale behind this financial burden. Central to this debate are the substantial benefits that accrue from higher education. The question arises: who precisely reaps the rewards of such investments: individuals or the state? (Blagg & Blom, 2018; Findler et al., 2019). To address these complex issues, this study employs Human Capital Theory (HCT) and Social Justice Theory (SJT). HCT posits that the productivity of human capital is significantly linked to the acquisition of higher education. The resultant increase in human capital productivity yields benefits for both individuals, in terms of enhanced earning potential, and for the nation as a whole, reflected in elevated Gross Domestic Product (GDP) (Becker, 1967; Schultz, 1971; Smith, 1776; Zamora, 2020). Therefore, governments, students, and their families should share the financial responsibility for higher education (Laura & Jeff, 2017; De Gayardon & Brajkovic, 2019; URT, 1999). Furthermore, Schultz (1971) and Turner (2019) argue that augmenting investment in human capital significantly boosts individual productivity. Therefore, for a nation to progress toward sustainable development, concerted efforts must be directed at large-scale human capital development through investment in higher education (Barr,

2010; Barrera-Osorio et al., 2012). The application of HCT in this analysis aims to elucidate the critical connection between educational investment and broader developmental outcomes. In a knowledge-based economy, this theoretical framework also stresses how important financial resources are for promoting fair human capital development.

Despite its foundational contributions to understanding the relationship between education and economic development, Human Capital Theory (HCT) falls short in delineating the equitable distribution of financial resources necessary for facilitating access to higher education. This gap in HCT's framework necessitates the incorporation of Social Justice Theory (SJT) as a complementary analytical tool (Alegre & Ferrer, 2010; Keddie, 2012; Knijn & Akkan, 2020). Thus, SJT has emerged as a prominent discourse among social science researchers, particularly within the context of contemporary development agendas. This theory specifically addresses issues of social inclusion and equity in the allocation of public services and resources, emphasizing the differential access experienced by various social groups based on their levels of adversity, including but not limited to economic hardship, disability, gender, and ethnicity (Alegre & Ferrer, 2010; Keddie, 2012; Knijn & Akkan, 2020). SJT articulates three principal concerns relevant to resource distribution. Firstly, it posits that fairness is operationalized when resources are allocated in proportion to individuals' levels of need. This principle implies that perceptions of fairness are significantly influenced by the underlying rule of neediness, which asserts that individuals exhibiting greater need should receive a larger share of resources compared to those with lesser needs. Secondly, SJT critically examines the mechanisms employed to facilitate the distribution of these resources, advocating for transparency and accountability in the processes that govern resource allocation. This scrutiny extends to evaluating whether these mechanisms yield equitable outcomes for all stakeholders involved. By integrating SJT into discussions of higher education finance, researchers and policymakers can better address the complexities of equitable access and foster an environment in which educational opportunities are accessible to all, regardless of their socioeconomic status. In practical applications, Social Justice Theory (SJT) has been embraced by various countries, including Tanzania, which has undertaken a comprehensive review of public policy frameworks to incorporate principles of distributive justice. A salient example of this is evident in the higher education financing policy, particularly through the implementation of government-sponsored student loan schemes. According to the Higher Education Students' Loans Board (HESLB, 2022), these initiatives have significantly enhanced access to higher education for numerous students across the nation. Moreover, the HESLB

Act of 2016 and the loan application guidelines for the 2023/2024 academic year explicitly underscore the commitment to equitable distribution of higher education resources. These legislative documents delineate criteria whereby Tanzanian students classified as financially disadvantaged and who are admitted to accredited higher education institutions are eligible for loans that will effectively cover their educational expenses. The provisions articulated within these policy frameworks collectively underscore the practical application of Social Justice Theory in addressing the pressing issue of equitable access to higher education in Tanzania. By ensuring that financial assistance is directed toward those most in need, these policies not only facilitate individual educational opportunities but also contribute to the broader societal objective of reducing inequalities within the educational landscape.

Study Method

Data for this study were obtained through an embedded mixed method research approach, which effectively combines quantitative and qualitative methods to provide a comprehensive analysis of the research objectives (Mugenda & Mugenda, 2021). Four higher learning institutions, notably, the University of Dar es Salaam, the University of Dodoma, Saint Augustine University of Tanzania, and Saint John's University of Tanzania, were purposely chosen for the study. The selection of the four mentioned higher learning institutions offers several significant benefits. Firstly, these institutions collectively represent over 48.5% of university enrolment in Tanzania, thus, ensuring that the findings will be reflective of a substantial portion of the student population affected by the Higher Education Students' Loans Board (HESLB). This large sample size enhances the reliability and generalizability of the study results and providing insights that are applicable to a wide range of students. Additionally, the diverse academic offerings across these universities allow for an exploration of varying educational experiences, challenges, and outcomes. By focusing on institutions that play a pivotal role in shaping Tanzania's higher education landscape, the study can address critical issues related to student financing, equitable access to education, and the overall effectiveness of loan programmes. Ultimately, this strategic selection not only strengthens the validity of the research but also ensures that the recommendations derived from the study will be relevant and impactful for policymakers, educators, and students themselves. Yamane's formula was used to determine the sample size of 480 HESLB beneficiaries. The formula states that $n = N / [1 + N(e)^2]$. The formula uses n as the sample size, N as the finite population, e as the level of significance or the limit of tolerable error, and 1 as a unit or a constant. The recruitment of a sample size from each university was

based on proportional sampling, as reflected in Table 1. Respondents were obtained through a convenience sampling technique.

Additionally, four focus group discussions (FGDs) were conducted with seven HESLB beneficiaries from each university's student representative teams. The leaders of the students' organisations facilitated the enrolment of participants for the FGDs. In-depth interviews were also conducted with university administrators, i.e., loan desk officers and deans of students, on matters relating to the needy identification criteria applied by HESLB, their relevance, and students' survival based on the amount of loans allocated. Both in-depth interviews and FGDs were audio-recorded after seeking consent from the participants. ANOVA and chi-square tests were used to test the association of variables under investigation, respectively. The thematic framework approach, on the other hand, was used for analysing qualitative data, whereby data were classified and organised according to key themes and concepts. Table 1 provides information on the respondents' distribution and sampling methods.

Table 1: Respondents' Distribution and Sampling Techniques

Respondents' category	Number of respondents					Sampling Techniques
	UDSM	UDOM	SJUT	SAUT	Total	
Loans beneficiaries for survey	165	164	45	106	480	Simple random
Loans beneficiaries for FGD	7	7	7	7	28	Purposive
Loans desk officers	1	1	1	1	4	Purposive
Deans of Students	1	1	1	1	4	Purposive
Officers from Higher Education Students Loans Board					2	Purposive

Source: Field Survey (2023)

Results and Discussion

The results are organised into three sub-themes: the way or method that applicants with financial need were identified, how loans were distributed across different types of universities and degree programmes where students enrolled, and how the HESLB budget changed over time.

Method Used to Identify Needy Students for Loans

The identification of needy students for higher education loans in Tanzania has significantly evolved since the establishment of the Higher Education Students' Loans Board (HESLB) scheme. From 2004 to 2006, loan

allocations primarily relied on academic merit, requiring applicants to submit forms assessed based on their Form Six results. Students achieving first-division scores received full loan amounts, regardless of their socio-economic status or degree programme. This resulted in a tiered allocation system where loan percentages decreased based on academic performance, with grades categorised from A (100%), B (90%), and C (80%) to D (70%) and E (60%). However, this approach inadequately addressed equity in higher education access, as it focused solely on academic achievement and ignored the diverse socio-economic backgrounds of students. Consequently, this practice exacerbated existing inequalities, as students from disadvantaged families often struggled to perform at the same level as their more affluent peers. This underscores the necessity for a more equitable approach that incorporates a social justice framework in the loan allocation process.

From 2007 to 2010, the Higher Education Students' Loans Board (HESLB) adopted a method that combined academic merit with socio-economic assessments for loan eligibility. Applicants were evaluated based on criteria such as family income, asset ownership, orphan status, and parental disabilities, with government priority programmes also influencing loan amounts. However, this reliance on socio-economic status (SES) created opportunities for misrepresentation, allowing affluent individuals to unjustly secure resources intended for genuinely needy students. Consequently, this misallocation perpetuated inequalities, hindered equitable human capital development, and limited opportunities for lower-income students, thus undermining broader goals of equity and social mobility. In 2011, the Higher Education Students' Loans Board (HESLB) in Tanzania updated its criteria to better identify students in need of financial assistance. This revised approach assesses an applicant's financial need by examining their family's socio-economic status, particularly the parents' ability to pay for lower-level education costs, such as primary and secondary school fees. The evaluation compares these educational expenses to the total cost of the degree programme the student is applying for. If the assessment shows that parents cannot afford the higher education costs, the student is deemed eligible for a loan to cover the remaining balance. Conversely, if the parents can finance these costs, the student does not qualify for a loan. This method continues to guide HESLB's loan allocation process for needy students in Tanzania today.

The current method employed by the Higher Education Students' Loans Board (HESLB) to identify needy students for loan eligibility presents significant implementation challenges in Tanzania, particularly in

accurately assessing both official and informal income sources for citizens. While HESLB utilises this approach as a primary concern in the means testing of applicants, it is essential to note that means testing serves only as an analytical tool rather than a definitive decision-making instrument, as reported by an HESLB officer during an in-depth interview. The information derived from means testing is considered alongside other factors, such as the total government budget allocated for student loans in a given year and the government's priority programmes. This multi-faceted evaluation process can limit equitable access to higher education for disadvantaged populations. Consequently, the distribution of financial support may be influenced more by the available government budget and the prioritisation of specific degree programmes rather than the actual financial needs of applicants. As a result, many genuinely needy students, particularly those enrolled in non-prioritised programmes or facing severe financial hardship, may be excluded from receiving adequate support, thereby perpetuating inequalities in access to higher education. One of the HESLB officers encapsulated this perspective in the insights shared during the in-depth interview as follows:

We consistently endeavour to ensure that all qualifying needy applicants receive loans based on their demonstrated financial need. However, a significant challenge we face is budgetary constraints. The government typically prepares the budget after students have already applied for loans, resulting in a disconnect that fails to accurately reflect actual demand. We recommend that the government allocate the HESLB loan budget in advance to effectively meet the requirements of the board. (Interview with key informant, 2023)

The above statement shows that big problems still exist, even though the Higher Education Students' Loans Board (HESLB) has tried to improve the way it finds students who need help and has pushed for more government money for student loans. Beneficiaries and stakeholders declared that many genuinely needy students receive inadequate support or no loans at all, while the revised approach inadvertently enables some students from affluent families to benefit. Furthermore, the method of evaluating a student's financial capacity based on a family's 'ability to pay pre-college education costs can yield misleading conclusions, as not all wealthy families opt for private schooling; many choose public schools instead. Consequently, HESLB's measurement criteria may lead to flawed outcomes, contributing to negative perceptions among beneficiaries.

The focus group discussion further highlighted significant dissatisfaction among students regarding the Higher Education Students' Loans Board's (HESLB) criteria for identifying needy students and allocating loans. Participants across sampled universities criticised the criteria for unfairly assessing applicants' financial capability based on pre-college educational expenses. It was indicated during FGDs that many Tanzanian households, especially in rural areas, face unrealistic income levels, compelling some students to engage in entrepreneurial activities for support, which they can no longer pursue when joining higher education. As a result, HESLB's means-testing formula inadequately addresses these circumstances, leading to insufficient loan allocations. Students' representatives expressed concerns about the unfairness and ineffectiveness of the means-testing process, arguing that genuinely needy students often receive lower allocations than those less in need, despite accurately completing their applications. Some compared applying for HESLB loans to a gamble, highlighting cases where orphans received minimal loans compared to peers in similar situations. This perception suggests that significant challenges persist, exacerbated by incomplete applications and a limited budget that hinder thorough identification of needy applicants. One of the representatives articulated these issues during the FGDs as follows:

HESLB is not doing well in needy students' identification. This is due to the fact that many students who qualify for loans were not allocated adequately. Indeed, the amount of loans allocated does not sufficiently cover programme costs for many of the students. As a result, some of them fail to prosper well with their studies. (FGD participant, 2023).

Statistics show that as income poverty rises, many families in developing countries, including Tanzania, opt for public schools due to lower costs (UNESCO, 2016; World Bank Education Statistics, 2016). UNICEF's (2018) report on education in Tanzania also found that economic hardships have pushed more families toward public schooling. The study indicates that, as household income declines, the reliance on public education systems increases due to the unaffordable nature of private school fees. The Tanzania National Bureau of Statistics has further reported a significant increase in public school enrolment rates following the implementation of free primary and secondary education policies since 2016. The economic constraints faced by many families, particularly in rural areas where poverty levels are higher, significantly influenced this flow. Certainly, this trend has in turn increased the number of needy students seeking higher education due to increased graduates' rates. This study aims to investigate the extent to which the income of students' parents influences their access

to higher education. The results show a strong link: 48% to 75% of students from families making TZS 400,000 or less per month said that college was moderately to severely affordable, while 59% to 79% of students from families making more than this amount said it was moderately affordable, as shown in Table 2.

Table 2: Parents' Income Capacity to Afford Higher Education Costs for Their Children

Monthly Income of the Family	Affording Higher Education Costs				Spearman Coefficient
	Great Extent	Moderate	Low Extent	Total	
200,000 and below	1 (1)	43 (24)	133 (75)	177 (100)	-0.4253***
200,001 - 300,000	0 (0)	28 (47)	31 (53)	59 (100)	
300,001 - 400,000	2 (3)	34 (48)	35 (49)	71 (100)	
400,001 - 500,000	3 (4)	40 (61)	23 (35)	66 (100)	
500,001 - 600,000	0 (0)	23 (59)	16 (41)	39 (100)	
600,001 - 700,000	1 (5)	15 (79)	3 (16)	19 (100)	
Above 700,000	7 (18)	28 (72)	4 (10)	39 (100)	
Total	14(3)	211 (45)	245 (52)	470(100)	

*** ($p < 0.001$) indicates a strong level of statistical significance of the independent variable's effect on the dependent variable.

Source: Field Survey (2023)

The findings in Table 2 indicate that parental income significantly influences the ability or inability of children to afford higher education costs. It was determined that families require a minimum monthly income of TZS 400,000 to achieve a moderate capacity for supporting their children's education under a cost-sharing arrangement. In comparison, the Tanzania Household Budget Survey of 2018/19 reported an average household income below TZS 500,000, yet those with incomes above this threshold often demonstrated a moderate ability to cover higher education expenses. These results suggest that a substantial portion of the Tanzanian population lacks the economic means to fully finance higher education for their children. Consequently, government interventions, such as loan and scholarship programmes, are essential for promoting equitable access to higher education. These findings align with Social Justice Theory, which emphasises the necessity of addressing systemic and structural barriers that perpetuate inequality in access to education based on socio-economic status and other adversities.

Loan Allocation Status by Degree Programme Clusters and University Type

The data presented in Table 3 illustrate the total loan amounts required to cover degree programme costs for students in public versus private higher learning institutions. In contrast, Table 4 highlights the discrepancies resulting from current HESLB allocation practices. The findings indicate that the actual financial requirements necessary to cover the total costs of the programme exceed the amounts presently allocated by the HESLB to the majority of students. This substantial disparity is primarily attributable to tuition fees and practical fieldwork expenses, as substantiated by the data presented in both tables.

Table 3: Loan Requirements for Covering Total Degree Programme Costs

University Type	Tuition Fee	Meals & Accommodation	Books & Stationaries	Field Practical	Special Faculty	Total Loan
Public	700,000-1,300,000	2,040,000	200,000	600,000	85,000	4,225,000
Private	1,700,000-3,000,000	2,040,000	200,000	600,000	85,000	6,925,000

Source: Field Survey (2023)

Table 4: Discrepancy in HESLB Loan Allocations for Degree Programme Costs

University Type	Tuition Fee	Meals & Accommodation	Books & Stationaries	Field Practical	Special Faculty	Total Loan
Public	400,000-600,000	2,040,000	200,000-160,000	200,000	85,000	2,925,000
Private	400,000-600,000	2,040,000	200,000-160,000	200,000	85,000	2,925,000

Source: Field Survey (2023)

The observations presented in Table 4 highlight a significant inadequacy in the loan amounts allocated to many students, as these sums fall short of the total programme costs necessary for their educational pursuits. Notably, the allocated funds appear to be uniformly distributed across various expenses, including tuition fees, meals and accommodation, as well as stationery and fieldwork costs, irrespective of whether the students are enrolled in public or private universities. This uniform distribution raises critical questions regarding the efficacy and relevance of the criteria employed for identifying and allocating financial assistance to those in need. The implications of these findings necessitate a thorough examination of the underlying processes

governing loan distribution, as they may not effectively address the diverse financial challenges faced by students across different educational contexts.

Comparing Loan Allocation Across Degree Programme Clusters

The present study further examines the variability of loan allocations across different degree programme clusters. An analysis of variance (ANOVA) was employed to evaluate differences in average loan allocations among these clusters. The primary objective was to determine whether, on average, the loan amounts allocated to one cluster differed significantly from those allocated to others. This comparative analysis encompassed all categories of loans, as well as the overall loan amounts. The results, as detailed in Table 5, offer critical insights into the disparities in loan allocations across various categories. The ANOVA F-statistics show that the average loan amounts for the different types of degree programmes are significantly different. This shows how important it is to have a deeper understanding of the factors that cause these differences.

Table 5: ANOVA Analysis of Loan Allocation Across Degree Programme Clusters

Loan Category	ANOVA F Statistic	Bonferroni Comparison		
		I - II	I - III	II - III
Total	19.63***	-128,373.0	-494,247.0***	-365,874.0***
Tuition fees	12.50***	24,634.1	-272,049.0***	-296,683.0***
Meals & Accommodation	5.18***	-115,519.0*	-103,762.0**	11,757.6
Practical training	15.58***	44,553.0***	-13,973.5	-58,526.0***
Stationeries	8.93***	72,232.5**	-50,949.0**	-123,182.0***

* = significant at 10%, ** = significant at 5%, *** = significant at 1%

Source: Field Survey (2023)

Also, the Bonferroni comparison showed big differences in the average loan amounts given to the degree programme clusters. For example, Cluster III consistently got less money than Clusters I and II. This trend was particularly evident across various categories, including the total loan amount, tuition fees, field practicals, and stationery. However, no significant differences were detected in the allocations for meals and accommodation. These findings raise critical concerns regarding the effectiveness of the current loan allocation criteria, suggesting that either these criteria are inadequate or that budgetary constraints are leading to uniformly low allocations. Such flat-rate distributions appear to prioritise increased enrolment rates

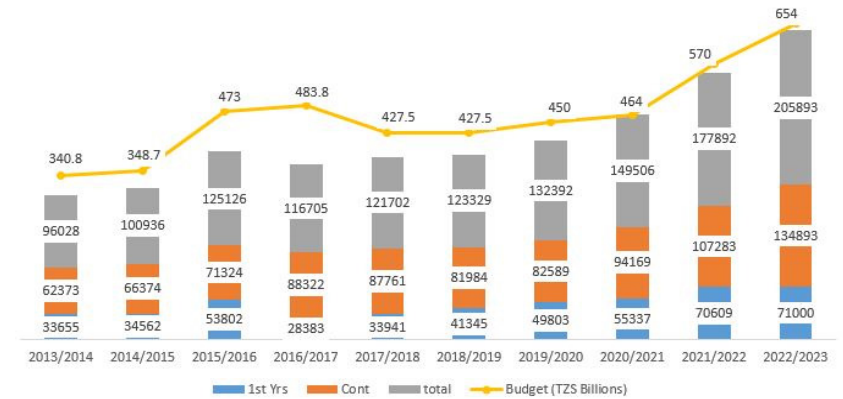
rather than ensuring equitable access for students, particularly those in need, thereby undermining their ability to survive and achieve qualitative outcomes in higher education as suggested by both human capital and social justice frameworks. From a social justice perspective, the inequitable distribution of loan funds raises fundamental concerns about fairness and access. The current allocation criteria seem to favour increased enrolment rates without adequately addressing the needs of disadvantaged students. This approach perpetuates systemic inequalities, as it fails to provide the necessary support for students who may already be at a disadvantage, thereby exacerbating social disparities.

Trends in the Flow of HESLB Budget Allocations

The secondary data analysis indicates that, despite the government's ongoing efforts to augment its budget for financing higher education, the escalating demand for loans driven by rising graduation rates in pre-college education has adversely affected loan allocations. Figure 1 illustrates the trends in the HESLB budget and allocations from the 2013/2014 to the 2022/2023 academic years. The data highlights a notable variation in the loan budget in relation to student enrolment numbers each year. Specifically, fluctuations in enrolment significantly impacted the loan budget. For instance, an increase in enrolment from 2015/2016 to 2016/2017 resulted in an infusion of approximately 10.8 billion TZS into the HESLB budget, coinciding with an enrolment surge to 116,705 students. Conversely, between the 2017/2018 and 2018/2019 academic years, the HESLB budget remained unchanged, despite a continued rise in enrolment rates. However, a subsequent increase in budget allocations was observed in the 2020/2021 and 2022/2023 academic years, with the budget rising from 464 to 654 billion TZS to accommodate the growing number of loan beneficiaries, which expanded from 149,506 to 205,893 students. This trend highlights the complexities inherent in aligning budgetary provisions with the demands of an increasing student population.

The findings illustrated in Figure 1 highlight a critical disparity between the escalating demand for loans among Tanzanian youths and the government's loan budget allocations.

Figure 1: Trends in the Flow of HESLB Budget from 2013/2014 to 2022/2023



Source: HESLB (2023)

This inconsistency poses significant challenges to equitable access to higher education, a concern that can be analysed through the lenses of human capital and social justice theoretical viewpoints. Human capital theory posits that investment in education is essential for enhancing individual capabilities and fostering economic growth. However, the inadequate loan allocations fail to support the educational aspirations of many students, particularly those from low-income backgrounds. When financial resources are insufficient, the potential for these individuals to acquire the skills and knowledge necessary to contribute effectively to the economy is diminished. Consequently, the gap between the rich and poor widens, as only those with sufficient financial means can afford the necessary educational investments. From a social justice perspective, the findings raise profound ethical concerns regarding fairness and equity in educational access. The persistent mismatch between demand for loans and the funds allocated suggests systemic inequities that disproportionately affect marginalised populations. Students from low-income families, who already face significant barriers to education, are further disadvantaged by inadequate financial support. This situation undermines the principles of social justice, which advocate for equal opportunities and the removal of barriers that prevent equitable access to education.

Thus, addressing these disparities requires a re-evaluation of the current loan allocation policies to ensure they are responsive to the actual needs of students. Implementing a more equitable framework would not only enhance individual human capital but also promote social justice by

providing all students, regardless of their socio-economic status, with the opportunity to succeed in higher education and, ultimately, in their professional lives. The alignment of educational funding with the principles of human capital and social justice is essential for fostering a more inclusive and productive society.

Conclusion and Recommendations

The HESLB in Tanzania has changed the loan allocation methods a lot since it was first set up. It used to only consider academic merit, but now it also considers socio-economic factors. While this dual approach aimed to enhance equity, it has revealed significant shortcomings, allowing affluent individuals to exploit the system and secure resources intended for genuinely needy students. This misallocation not only perpetuates existing inequalities but also limits opportunities for those from lower-income backgrounds, ultimately undermining the goals of social mobility and equitable human capital development. The study also shows that the current standards, which check parental income and financial ability mostly by looking at how much pre-college education costs, give wrong results, especially since the economy is getting worse. The data reveal a stark correlation between household income and the ability to afford higher education, with a substantial portion of families earning below TZS 400,000 per month struggling to finance educational expenses under the cost sharing approach. This situation underlines the urgent need for government interventions, including enhanced loan and scholarship programmes, to mitigate systemic barriers and ensure equitable access to higher education. Additionally, the introduction of flexible loan structures, including income-driven repayment options, will accommodate the varying financial capacities of students throughout their academic studies. Regular reviews of these criteria will ensure their continued relevance and effectiveness in addressing the evolving landscape of higher education financing. Ultimately, these reforms are vital for fostering a more equitable education system in Tanzania, thereby promoting equal opportunities for all students regardless of their socio-economic status.

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