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EXPLORING THE ECONOMIC EFFECTS OF STUDENT LOAN RECOVERY ON EX-
BENEFICIARIES: A CASE STUDY OF FORMER UNIVERSITY OF ZAMBIA
STUDENTS

BY

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A dissertation submitted to the University of Zambia in partial fulfilment for the requirement
of the master's degree in Business Administration.

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LUSAKA

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Author’s Declaration

I, Mubanga Kampamba, declare that the research work presented in this dissertation titled exploring the economic effects of student loan recovery on ex-beneficiaries: a case study of former university of Zambia students, is my own and has been generated by me as the result of my own original research. I also confirm that this work has not been previously submitted for any other degree at any other institution.

Signed

Date

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APPROVAL

This dissertation presented by Mubanga Kampamba has been approved and meets the requirements for the attainment of a Master of Business Administration degree.

Examiner 1

Signature

Date

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Supervisor

Signature

Date

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Dedication

This dissertation is a tribute to my family, whose unwavering support and faith in my abilities have been my guiding light. This study is further dedicated to the numerous students who have navigated the complexities of student loan recovery. Their narratives have been instrumental in shaping this research, and it is my hope that this study will contribute to a more profound understanding and enhancement of the system for future generations. Lastly, this work is a nod to my mentors, who have instilled in me the importance of rigorous research and the art of inquiry. This work is for all of you.

Abstract

The study aimed to explore the economic effects of student loan recovery on ex-beneficiaries of the former University of Zambia. The primary focus was on the repayment interest rate, the student loan repayment period, and the effects of student loan repayment on savings and disposable income.

The research was inspired by the transition from a bursary system to a student loan scheme in Zambia. This significant shift necessitated substantial adjustments for numerous individuals, particularly those who had previously benefited from the bursary system. The obligation to repay these loans can exert a considerable financial strain on graduates, potentially influencing their financial satisfaction and overall quality of life.

A comprehensive review of literature was conducted, encompassing global, regional, and local contexts. This provided a broad perspective on the issue and helped to situate the research within the larger discourse on student loans and higher education financing.

The study employed a descriptive qualitative approach within an interpretivism paradigm. A carefully selected sample comprised of former student loan beneficiaries who are currently repaying the student loan, a representative from the Ministry of Education, and a representative from the Higher Education Loans and Scholarships Board (HELSB).

Data collection methods included the distribution of questionnaires, conducting interviews, and document analysis. These diverse methods allowed for a rich and nuanced understanding of the issue.

The findings revealed that while the student loan scheme has expanded access to higher education for many Zambians, the obligation to repay these loans can impose a significant financial burden on graduates. This burden can potentially impact their financial contentment and overall quality of life. The impact is multifaceted and depends on various factors, including employment status and income level.

The study concludes with recommendations for policy and practice, aimed at alleviating the financial burden on graduates and improving the effectiveness of the student loan scheme in Zambia. These recommendations are based on the findings of the study.

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List of Acronyms

Association of African Higher Education Financing Agencies	AAHEFA
<i>Credit Reference Bureau</i>	<i>CRB</i>
<i>Education Loan Repayment</i>	<i>ELR</i>
Government of the Republic of Zambia	GRZ
Gross Domestic Product	GDP
Higher Education Authority	HEA
Higher Education Institutions	HEI
Higher Education Loans Board	HELB
Higher Education Loans and Scholarship Board	HELSB
Higher Education Student Financing Management Systems	HESFMS
Ministry of Education	MOE
National Pensions Schemes Authority	NAPSA
University of Zambia	UNZA

CHAPTER ONE

INTRODUCTION

1.0.Introduction

This chapter presents an introduction to the study on loan scheme recovery and its economic effect on former student beneficiaries at the University of Zambia. The first section presents the historical background on student loan scheme policies and the recovery process at the University of Zambia. Thereafter, the subsequent sections bring to the fore, the problem statement, objectives of the study, research questions, significance of the study, theoretical framework, delimitation and limitations of the study, ethical consideration, operational definitions and lastly summary.

1.1.Background

The importance of higher education in fostering economic development and individual well-being is globally recognized. It equips individuals with the skills and knowledge necessary to participate effectively in the economy and society (Masaiti, Mwelwa & Mwale, 2016). However, the rising cost of higher education has posed significant challenges for students, particularly those from less privileged backgrounds.

To address this, over fifty developing countries, including Zambia, have introduced student loan schemes as a means to finance higher education (National Assembly, 2023). In Zambia, the government initially provided full bursaries to students at the University of Zambia (UNZA) and Copperbelt University (CBU) (Kelly, 1991). However, due to declining government revenues and the high cost of maintaining physical facilities, the government found it increasingly difficult to provide bursaries for all students pursuing higher education (Masaiti, 2013).

This led to the establishment of the Higher Education Loans and Scholarships Board (HELBS) under Act No. 31 of 2016, which is mandated to provide loans and recover them (HELBS, 2022). While student loans have become an increasingly popular way for students to finance their education, they also present significant challenges. The loan recovery rate has been low, with many beneficiaries working in the informal sector and needing to be found, some beneficiaries have died, and others are faced with financial challenges after completing their higher education studies, particularly research by National Assembly (2023) indicates that as of 2022 loan recovery had 69,321 loan beneficiaries, over 15,779 students were servicing loans, 53,270 were yet to start repaying implying they were working in informal sector and needed to be found, whilst 185 had paid off their loans in full. National Pensions Authority (NAPSA) reported that 87 beneficiaries had died and were unable to repay the loans taking a toll on loan recovery processes. This entails that loan recovery rate was low in that from the total of amount of 2.9 billion of matured loans, the HELBS had recovered over 181 million at the rate of 6.2 percent as of October.

Despite the importance of this issue, there is a deficiency in knowledge-based evidence on the economic effects of loan repayment on students (Mwelwa, 2014). This research aimed to fill this knowledge gap by exploring the economic effects of student loan recovery on ex-beneficiaries of the University of Zambia.

By shedding light on these issues, this study would not only contribute to the academic literature but also provided valuable insights for policymakers and stakeholders in the higher education sector. The findings could inform the design and implementation of student loan schemes, with the ultimate goal of making higher education more accessible and affordable for all students, particularly those from less privileged backgrounds. This is of utmost importance, given the pivotal role of higher education in promoting inclusive national growth and achieving

developmental strategic goals. This research, therefore, sought to stimulate interest in this critical issue and underscore the need to address it.

1.2. Statement of the Problem

Sponsoring students through bursary schemes was no longer a viable and sustainable measure in Zambia. Clearly, government resources could not sustain free higher education as tax funding were increasingly becoming inadequate (Masaiti, 2013). Institutions and individual's scholars interested in higher education felt that a loan schemes was more sustainable and accessible for many students with various socio-economic backgrounds. Thus, the introduction of cost sharing in higher education, as student bursary scheme were replaced by a loan scheme (Masaiti, 2013). Despite the implementation of loan schemes, several studies have shown that a huge number of former student beneficiaries were unable to repay the obtained loans. For instance, out of 69,321 loan beneficiaries, 53,270 were yet to start repaying, with only 185 paying off their loans in full (National Assembly, 2023). Limited or no literature has been documented on economic constraints former loan beneficiaries experience that impact loan recovery processes. However, several studies conducted in Zambia focused on implementation of the loan scheme policy, experience in student financial aid, student perspective on cost sharing, coping strategies in financing higher education and challenges in the implementation of the student loan scheme. The studies established that the current system of financing public higher education is flawed and lopsided due to ineffective public awareness campaigns, rigorous means testing to target the needy and ineffective tracking (Masaiti; 2013, Mwelwa 2014 & Masaiti, Mwelwa & Mwale; 2015; Sichinga, 2020).

In addition, Johnstone (2009) presented evidence that showed loan schemes were problematic worldwide, with Africa facing the most challenges regarding management and implementation. While these studies contribute to the existing knowledge on loan recovery in Zambia, there is

still a gap in understanding the economic effects of loan recovery on students. Therefore, this study aimed to address this knowledge gap by exploring the economic implications experienced by former loan beneficiaries during the loan recovery process.

1.3. Purpose of Study

The purpose of the study was to investigate the economic constraints former student beneficiaries experience during loan recovery.

1.4. Main Objective

To explore the economic effects of student loan recovery on ex-beneficiaries of former University of Zambia.

Specific Objectives

1. To assess the affordability of the current student loan interest rates for former bursary beneficiaries at the University of Zambia.
2. To identify the student loan repayment period that minimizes financial stress for former bursary beneficiaries at the University of Zambia.
3. To examine the effect of student loan repayment on the savings and disposable income of former bursary beneficiaries at the University of Zambia.

1.5. Research Questions

The following questions were incorporated in this study;

1. How affordable are the current student loan interest rates for former bursary beneficiaries at the University of Zambia?
2. What is the student loan repayment period that minimizes financial stress for former bursary beneficiaries at the University of Zambia?

3. What is the effect of student loan repayment on the savings and disposable income of former bursary beneficiaries at the University of Zambia?

1.6. Significance of the Study

This study holds significant value in the realm of business and business administration for several reasons. Firstly, it provides empirical evidence on the economic impacts of student loan recovery on ex-beneficiaries, a topic that is currently underexplored in academic literature. This contributes to a more comprehensive understanding of the financial challenges faced by graduates in the workforce, which is crucial for businesses that employ these individuals.

Secondly, the study has the potential to enhance business education by promoting student engagement in business platforms upon employment. This could help mitigate the financial difficulties arising from loan repayment, thereby fostering a more financially stable workforce. This is particularly relevant for businesses, as a financially secure workforce can lead to increased productivity and job satisfaction.

Lastly, the findings of this study could inform the strategies of Higher Education Loans and Scholarships Board (HELSEB), Ministry of Education (MOE), and other stakeholders involved in student loan recovery. This could lead to the development of more effective loan recovery processes, which would ultimately benefit businesses by ensuring a steady supply of well-educated and financially secure graduates.

1.7. Scope of the study

The research was conducted on former student beneficiaries of the HELSEB student loans at the University of Zambia. Thus, Lusaka had been selected as the study. Targeting the sample from Lusaka gave this study a better picture on ground from different people having different job functions and responsibilities yet all repaying the educational loan.

Further targeting UNZA as opposed to all institutions and narrowing it down to Lusaka was cost effective, attainable within the required timeframe and will effectively meet the objectives of the research.

1.8. Conceptual Framework

In this research, a conceptual framework was utilized to guide the investigation. The chosen framework was the Financial Stress and Coping Model, often used in studies related to financial behavior and well-being. This model suggests that financial stressors can lead to perceived financial stress, which in turn influences coping behaviors and outcomes. The model also considers the role of individual and environmental factors in shaping these processes.

In the context of this study, the Financial Stress and Coping Model was adapted to fit the research objectives. The financial stressor was identified as the student loan repayment, including aspects such as the affordability of the current loan recovery interest rate and the loan repayment period. The perceived financial stress was the financial stress experienced by former bursary beneficiaries at the University of Zambia due to their student loan repayment obligations. The coping behaviors and outcomes were the effect of student loan repayment on the savings and disposable income of former bursary beneficiaries, and any strategies they use to manage their financial stress. The individual and environmental factors included factors such as the beneficiaries' income level, employment status, and the economic conditions in Zambia.

This conceptual framework was suitable for this study because it provided a comprehensive and systematic way to explore and understand the economic effects of student loan recovery. It allowed for the examination of both the causes and consequences of financial stress related to student loan repayment, as well as the coping strategies used by ex-beneficiaries. This

provided valuable insights for policymakers and stakeholders in the higher education sector, and informed strategies to improve the effectiveness and efficiency of student loan schemes.

1.9. Limitations

This study was being limited by

1. **Time:** given the study was conducted over a short period of time, there were constraints on the depth of data that could have collected and analysed. The limited time frame also restricted the ability to follow up with participants for additional information or clarification. Furthermore, the time constraint potentially impacted the thoroughness of data analysis, as qualitative data analysis involved detailed coding and interpretation.
2. **Availability of Participants:** in this study, the richness of the data depended heavily on the participants' input. This study used a small sample size of participants on which every participant's active involvement was relied upon. However, coordinating schedules, ensuring participants are prepared for interviews or observations, and dealing with potential drop-outs was challenging within the limited time frame. Lack of readiness for participants impacted the study's timeline and the depth of data collected. This limitation was particularly relevant as the study's topic required participants to reflect on personal experiences or sensitive topics, which might need more flexibility and consideration in terms of scheduling and conducting the research activities.

1.10. Delimitations

Granted that student loan recovery remains an area to be further investigated with Zambia not being an exception, an in-depth study on student loan recovery was conducted in Lusaka district. The study focused on investigating former bursary students using qualitative research

methods due to the existence of the first public university the University of Zambia that sponsored students through bursary and loan schemes.

1.11. Ethical Consideration

The proposed qualitative case study places a strong emphasis on ethical considerations to safeguard the rights and well-being of participants. The study employed the following measures to ensure ethical integrity throughout the research:

Informed Consent: Before participants were involved in the study, they received a comprehensive explanation of the study's purpose, procedures, potential risks, benefits, and their rights as participants. This enabled them to make an informed decision about their voluntary participation. Written consent was obtained from participants before data collection commences.

Confidentiality and Anonymity: Stringent measures were implemented to ensure the confidentiality and anonymity of participants. All collected information were treated with the utmost confidentiality and securely stored. Identifying details were either anonymized or replaced with pseudonyms to prevent participants from being identifiable in any reports, publications, or presentations.

Privacy and Data Protection: The privacy of participants was respected throughout the study. Data collection was take place in a secure and private environment to ensure participants' comfort and confidentiality. Adequate measures, such as password-protection and encryption, was employed to safeguard the data during storage, analysis, and dissemination.

Voluntary Participation and Withdrawal: Participation in the study was entirely voluntary, free from any form of coercion or pressure. Participants were informed of their right to withdraw from the study at any time without facing any negative consequences. They were assured that

their decision to participate or withdraw would not impact their relationships or access to services.

Researcher-Participant Relationship: The researcher established a professional and respectful relationship with participants, fostering open communication and mutual respect. Participants' perspectives, concerns, and feedback was valued and incorporated into the research process. The researcher maintained objectivity, avoided conflicts of interest, and prioritize the well-being of the participants.

Ethical Approval: The research proposal and ethical considerations were submitted to the University of Zambia Research Ethics Committee for review and approval. The committee evaluated the study's ethical implications, participant protections, and adherence to ethical guidelines before granting approval to proceed with the research.

These ethical considerations guided the study, ensuring that participants' well-being and rights were protected at all stages of the research process.

1.12. Definition of key terms

- a) **Constraints:** refer to the obstacles that hinder an individual's ability to effectively manage their financial resources.
- b) **Bursaries:** refers to a grant or the amount of money freely given to a student by the state to study at a university or college.
- c) **Former- Beneficiary:** former Students On Bursary/ Loan/Grant sponsorship
- d) **Student loan:** refers to money that one can borrow from the government to pay for higher education which must be repaid after completing one's programme of study
- e) **Loan recovery:** refers to the process to re-acquiring the given loans during studies from students after gaining employment.

- f) **Higher Education:** refers to post-secondary education especially college and university education.

1.13. Summary

This chapter introduced the study on student loan schemes and how the recovery process has been implemented. The chapter discussed the background of the study, statement of the problem, research objectives and questions, significance of the study, theoretical framework, limitations and delimitations of the study to enhance understanding on economic effects of loan recovery on former UNZA student beneficiaries.

CHAPTER TWO

LITERATURE REVIEW

2.0.Introduction

This chapter reviewed literature on student loan schemes and recovery processes. The literature was structured in segments informed by the research questions and purpose of the study. Therefore, the segments generated included Global, African and Zambian perspectives respectively aimed to address the affordability of the current loan recovery interest rate, the effect of student loan repayment on savings and disposable income, and the student loan repayment period that minimizes financial stress. Details were discussed in the following sections and this chapter was concluded with a philosophical perspective. Most of the literature utilized was from the period 2014-2024, although some references prior to that period were included for in-depth context.

2.1. GLOBAL PERSPECTIVE

2.1.1. Student Loan Scheme: A Comparative Analysis

Recent research has continued to explore the impact of interest rate subsidies on student loans and their effects on higher grant ratios and repayment rates. Various loan schemes continue to offer different forms of subsidies, such as zero interest during study periods, grace periods, or below-market interest rates during repayment (Bhandary et al., 2023).

A systematic literature review by Bhandary et al. (2023) analysed 812 articles related to education loan repayment (ELR) published between 1990 and 2022. The review found that research in the domain of ELR is at an increasing trend with a growth rate of 7.2%, and in 2022, the highest number of scientific publications, that is, 72 articles, was published. The

review identified that existing research has mainly focused on themes such as repayment burden, financial literacy, financial education, student debt, income, mental health, and loan defaults.

The study concluded that highly cited work in educational loan repayment is in the field of medicine, highlighting salary as the key factor for educational loan repayment, and loan repayment is incentivized by the federal government to serve the designated underserved areas through service option loan repayment programs (Bhandary et al., 2023).

In terms of recommendations, Bhandary et al. (2023) suggested that future research could focus on designing and marketing new approaches to loan repayment in relation to human resource recruitment and retention by employers.

Comparison with this study

While Bhandary et al. (2023) provide a broad international comparison of student loan schemes, the current study offers a more focused examination of the economic effects of student loan recovery on ex-beneficiaries of the University of Zambia. This study, therefore, contributes to the existing literature by providing a more nuanced understanding of the economic constraints faced by former student beneficiaries in the context of Zambia's loan scheme. It also addresses the knowledge gap identified by Bhandary et al. (2023) regarding the impact of different loan scheme structures and funding sources on loan recovery.

2.1.2. Student Loan Schemes in Different Countries

In addition, in the realm of student loan schemes, the work of de Gayardon, Callender, Dean, and DesJardins (2018) stands out. Their research, titled "Graduate Indebtedness: Its Perceived Effects on Behaviour and Life Choices – A Literature Review", offers a comprehensive review

of the consequences of student loan debt. Drawing from a wealth of research primarily from the US and England, they delve into the perceived effects of graduate indebtedness on behaviour and life choices. In England, for example, it is anticipated that the majority of graduates repay their loans for most of their working lives. For many, having student loan debt is no longer a short-term condition but is becoming the new normal. This suggests that loan repayment creates a detrimental cycle for former beneficiaries, as it affects their ability to financially develop. Creating a need for literature on the constraints former students encounter in the loan repayment process. Further, in the US, students who benefited from the loans appear to take different life choice. To better appreciate why this is so, understanding the repayment interest rate would be of great significance as highlighted below.

Table 2.1. Primary Student Loans Available in England and US

	Servicer	Interest Rate	Grace Period	Means Tested?
England				
Income-Contingent	Government	Inflation to Inflation + 3%	To April after end of course	Tuition fee loans – No Maintenance loans- Yes
United States				
Subsidised Stafford	Federal	4.45%	6 months	Yes
Unsubsidised Stafford	Federal	4.45% UG; 6% G	6 months	No
Parent PLUS	Federal	7%	NA	No
Grad PLUS	Federal	7%	NA	No

Perkins Loans (subsidised)	Federal	5% UG/G	9 months	Yes
State Loan Programmes	State	Varies	Varies	Varies
Private Loans	Private Banks	Varies	No	No

Source: (De Gayardon, Callender, Dean & DesJardins, 2018)

Comparison with the Current Study

However, their focus on perceived effects and the Western context leaves room for further exploration in different geographical and socio-economic contexts. This is where the current study comes in, focusing specifically on Zambia and aiming to investigate the actual economic constraints experienced by former student beneficiaries during loan recovery. Unlike the study by de Gayardon et al. (2018), this research seeks to fill a knowledge gap regarding the economic effects of loan recovery processes directly from ex-beneficiaries' perspectives. This includes assessing the affordability of current student loan interest rates, identifying the student loan repayment period that minimizes financial stress, and examining the effect of student loan repayment on the savings and disposable income of former bursary beneficiaries at the University of Zambia. Thus, while the work of de Gayardon et al. provides a broad perspective on student loan schemes, the current study contributes to the literature by providing a more focused examination of the economic effects of student loan recovery in a specific context.

2.1.3. Impact of Student Debt

In his 2021 research, *The Student Debt Burden and Its Impact On Racial Justice, Borrowers, and The Economy*, Looney explored the characteristics and outcomes of student loan borrowers in the United States, and the implications of various policies to reduce or cancel student debt. Using data from the U.S. Department of Education, the U.S. Census Bureau, and the Internal

Revenue Service, Looney analysed the distribution and trends of student debt, the repayment and default patterns of borrowers, and the effects of student debt on racial justice, economic growth, and household financial stability. He also evaluated the costs and benefits of different proposals to forgive student debt, such as universal, capped, or targeted forgiveness (Looney, 2021).

Looney's findings revealed that student debt varies widely across borrowers, depending on their educational attainment, income, and race. Most borrowers who struggle with student debt are those who drop out of college, attend low-quality or for-profit institutions, or face labour market discrimination. These borrowers are disproportionately from lower-income families, first-generation students, and students of colour. On the other hand, most borrowers who benefit from higher education and have the means to repay their loans are those who complete college, attend high-quality or public institutions, or pursue graduate or professional degrees. These borrowers are disproportionately from higher-income families, white or Asian students, and older cohorts (Looney, 2021).

Looney argued that universal or capped student debt forgiveness is a regressive and expensive policy that would benefit mostly high-income and well-educated borrowers, while leaving many struggling borrowers behind. He also pointed out that student debt forgiveness would have little impact on closing the racial wealth gap, boosting economic growth, or improving household financial stability. Instead, Looney suggested that targeted student debt relief, such as income-driven repayment plans, loan discharge for defrauded borrowers, or loan subsidies for public service workers, would be more effective and equitable ways to address the student debt crisis. He also recommended reforms to improve the quality and accountability of higher education institutions, and to expand access and affordability of college for low-income and minority students (Looney, 2021).

Comparison with the Current Study

Equally, Looney's study on the impact of student debt was threefold, that is, its impact on racial justice, borrowers, and the economy. From the study, it was established that the researcher wanted to synthesize existing knowledge, analyse historical trends, as well as identify patterns on a large scale, and as such used secondary data (Looney, 2021). However, this study will collect data primarily for purposes of answering research question as well as to get a deeper insight in to the topic.

2.1.4. Higher Education and Economic Prosperity

Higher education continues to be a crucial element in the development and expansion of skilled labour, playing a vital role in a country's economic prosperity and growth. Education remains a key strategy for governments to enhance equal opportunities and achieve positive outcomes, particularly for individuals from disadvantaged backgrounds (Maneejuk & Yamaka, 2021).

In their 2021 study, "The Impact of Higher Education on Economic Growth in ASEAN-5 Countries," Maneejuk and Yamaka explored the nonlinear impacts of education, particularly higher education, on economic growth in the ASEAN-5 countries (Thailand, Indonesia, Malaysia, Singapore, and the Philippines) over the period 2000–2018. The study established that secondary and higher education enrollment rates can contribute to the ASEAN-5's economic growth. However, the regional analysis reveals that higher education impacts become twice as strong when the enrollment rates are greater than a certain level (a kink point). Therefore, they concluded that while secondary enrollment rates positively affect economic growth, higher education is the key to future growth and sustainability (Maneejuk & Yamaka, 2021).

Provision of student loan schemes is key to unlocking the poverty trap which has affected several generations, and the delivery of higher-level skills associated with higher education is imperative to national growth (Miller, 2018).

2.1.5. The Student Debt Problem

The high cost and regressive effects of across-the-board loan forgiveness can be reduced by targeting relief to those in need. For example, income-driven repayment plans reduce or suspend payments to borrowers whose incomes are low or debts too high and offer eventual forgiveness (Miller, 2018). Research shows that income-driven plans are flawed and need fixing. Essentially, to get them right because even under the most expansive “free-college” plans, many students would continue to borrow to cover living costs while enrolled, or to attend private universities, or graduate and professional schools. A sustainable solution to the student loan crisis requires not just addressing the debts of past students, but ensuring that future borrowers don’t wind up in the same circumstances (ibid).

In the student loan debt dimension, Miller’s (2018) seminal work, “The Student Debt Problem Is Worse Than We Imagined,” published in *The New York Times*, provides a comprehensive analysis of the escalating student loan crisis in the United States and its ramifications for both individual students and the wider economy. Miller (2018) employs a methodology that primarily hinges on the scrutiny of statistical data pertinent to student loans. He meticulously examines the quantum of debt that an average student borrower incurs in a single academic year and the cumulative debt they amass by the time of graduation. The findings of Miller’s research are startling. He unveils that a typical student borrower accrues \$6,600 in debt in a single year, culminating in an average debt of \$22,000 by graduation (Miller, 2018). Furthermore, he underscores the dichotomy between the federal government’s method for evaluating colleges and the actual scenario, the latter of which, according to Miller (2018),

paints a grim picture. However, Miller's (2018) study exhibits certain lacunae. It does not delve into the economic repercussions of loan recovery on students post-employment. It also does not probe into the affordability of the prevailing student loan interest rates or the impact of loan repayment on savings and disposable income.

Comparison with the Current Study

The current research aims to bridge these gaps by investigating the economic implications of student loan recovery on the alumni of the University of Zambia who were beneficiaries of the former bursary scheme. This focus on the economic implications of loan recovery, particularly within the Zambian context, sets the current study apart from Miller's (2018) research. However, important factors to note among others include the location of their study, which is not in Africa. This implies that the economic status of countries in the regions the study was conducted are far different from countries in Africa and Zambia to be specific. It is evident that in the United States the GDP as of 2021 was at \$23,315.08B and GNP at as \$23,539.92B (Macrotrends, 2022). Whereas, in Zambia's GDP was at 22.15 billion USD and GNP at \$20.15B in the same year (World Bank, 2021). Therefore, indicating the need for this study in Lusaka.

2.1.5. Controversy About Student Loans in Developing Countries

In several developing countries, the merits and drawbacks of student loans have sparked controversy. Some economists advocate for an increased reliance on student loans as a strategy to alleviate the financial strain of government subsidies for higher education during times of escalating financial constraints. They argue that loans are more equitable than grants because those who benefit from higher education through enhanced employment prospects and higher lifetime earnings should contribute to their education costs from their increased income (Monarrez & Turner, 2024).

However, others contend that it is crucial for every nation to provide evidence-based knowledge on the economic impact of student loan recovery on student's post-graduation (Bustamante, 2021). They argue that high levels of student loan debt can impact financial decisions, hinder spending, and limit the amount of free cash in consumers' pockets (Forbes Finance Council, 2023). In Zambia, there are few or no descriptive case studies that have explored the economic effects of loan recovery among former student beneficiaries. This gap in research underscores the need for further investigation into this issue.

2.2. AFRICAN PERSPECTIVE

2.2.1. Economic Challenges of Student Loan Repayment

The process of repaying student loans in Africa, can pose a variety of economic difficulties. These difficulties are often the result of a mix of factors such as high interest rates, extended repayment periods, and the financial instability that many graduates encounter at the beginning of their careers (Fan and Chatterjee, 2019). Further, studies have highlighted high default rates as a challenges contributing to unsuccessful student loan schemes in Africa (Ishengoma, 2004; Otieno, 2004; Woodhall, 2004; Mwelwa, 2014; Masaiti, Mwelwa & Mwale, 2016). The economic impact of student loan repayment in Africa, particularly in countries like Nigeria, Kenya, and Uganda, is multifaceted with several challenges. Therefore, many countries experience high levels of student loan debt, which can limit career options, restrict access to credit for larger purchases such as a home or automobile, and delay life milestones such as marriage or having children. This burden can also lead to financial stress and reduced quality of life among former beneficiaries (Ogunode, Dahiru and Jogbojogbo, 2023).

2.2.2. Student Loan Scheme in Nigeria

The research conducted by Ogunode, Dahiru, and Jogbojogbo (2023) titled "Students' Loans Programme and Tertiary Education in Nigeria" offers an in-depth examination of the student

loan program in Nigeria. Utilizing secondary data from various print and online sources, the authors elucidate the potential advantages and challenges that could emerge from the implementation of the student loan scheme in Nigeria. Their findings suggest that the introduction of the student loan scheme could lead to a decrease in government spending, enhanced access to higher education, economic growth, and a reduction in societal vices. Ogunode, Dahiru and Jogbojogbo (2023) in Nigeria revealed that high poverty levels prevent many Nigerians from being able to send their relatives to tertiary institutions, limiting their opportunities for education and upward mobility. To address the problem of and widen access to tertiary education in Nigeria, a Bill was introduced to the house titled “A Bill for an Act to provide for easy access to higher education for Nigerians through interest-free loans from the Nigerian Education Bank established in this Act with a view to providing education for all Nigerians”. The goal of this Bill is to offer a solution by providing interest-free loans to students for the payment of tuition fees (Ogunode, Dahiru & Jogbojogbo 2023). Therefore, the Nigerian Education Bank, which would be established by this Act, would be responsible for administering these loans and ensuring that they are accessible to all Nigerians who wish to pursue higher education. The authors, note that by offering this financial support, the government aims to expand access to tertiary education and provide opportunities for upward mobility to those who may not have been able to afford it otherwise. This is a crucial step towards addressing the issue of poverty and its impact on education in Nigeria. The loan granted to any student under this Act is contingent upon the student/applicant meeting the requirements and conditions specified in this Act (Ogunode, Dahiru and Jogbojogbo, 2023).

Upon closer examination, it becomes clear that the motivation behind the interest-free loan for students is the belief that such loans can serve as an incentive for students to complete their higher education, as they would be driven to repay their loans once they find employment. This could lead to the development of a more skilled workforce and contribute to overall economic

growth. The execution of this scheme is expected to enhance the number of skilled and knowledgeable individuals in Nigeria (Ogunode, Dahiru and Jogbojogbo, 2023). However, the study does not explore the economic implications of loan recovery on students' post-employment, which is a significant gap that the current study aims to address.

Comparison with the Current Study

In contrast, the present study seeks to investigate the economic effects of student loan recovery on former beneficiaries of the University of Zambia. This research is unique in its aim to provide evidence-based knowledge on how loan recovery impacts students post-employment, thereby contributing to the existing literature. Furthermore, the study could potentially enhance business education by promoting student engagement in business platforms post-employment to mitigate challenges arising from loan repayment. The theoretical framework for this study will be based on Abraham Maslow's (1943) theory of human motivation, which posits that each individual has a hierarchy of five essential needs.

This literature review underscores the need for further research into the economic effects of student loan recovery, particularly in the context of Zambia. It also highlights the potential benefits of such research, including the enhancement of business education and the promotion of student engagement in business platforms post-employment. By addressing the gaps in the existing literature, this study could provide valuable insights into the challenges and opportunities associated with student loan recovery.

2.2.3. Student Loan Schemes in South Africa

While the research illuminates the influence of credit accessibility on university enrollment rates in South Africa, in the Gurgand, Lorenceau, and Mélonio, (2011) study, it is not devoid of its constraints. The study titled "Student loans: Liquidity Constraint and Higher Education in South Africa" provides a critical examination of the student loan program in South Africa.

The authors employed secondary data from various sources to provide a comprehensive analysis of the student loan program in South Africa.

Their methodology involved a comparative analysis of university enrollment rates among potential South African students, contingent on whether they received a loan to cover their university fees, in a context where such fees are high. They utilized matched individual data from a credit institution (Eduloan) and the Department of Education. Based on a regression discontinuity design using the fact that loans are granted according to a credit score threshold, they were able to estimate the causal impact of loan obtainment.

Their findings revealed that the credit constraint is substantial, reducing the enrollment rate into higher education by more than 20 percentage points in a population of student loan applicants. This finding is significant as it provides direct evidence that access to higher education is constrained by credit availability.

However, their study did not delve into the economic effects of loan recovery on students after they have secured employment, which is a significant gap that the current study aims to fill. Furthermore, their study focused on the South African context, while the current study is centered on Zambia.

Comparison with the Current Study

The current study, therefore, seeks to investigate the economic effects of student loan recovery on ex-beneficiaries of the former University of Zambia. This study is unique as it aims to provide knowledge-based evidence on how loan recovery affects students after acquiring employment, thus contributing to the gap in literature. The study will also enhance business education to promote student engagement in business platforms upon employment to curb challenges developing from loan repayment. It also highlights the potential benefits of such research, including the enhancement of business education and the promotion of student

engagement in business platforms post-employment. By addressing the gaps in the existing literature, this study could provide valuable insights into the challenges and opportunities associated with student loan recovery.

2.2.4. Student Loan Schemes in Kenya

In Kenya, the Higher Education Loans Board (HELB) provides loans to students pursuing higher education. The repayment of these loans typically starts one year after the completion of studies or six months after gaining employment. The maximum repayment period is 10 years, hence, the HELB offers flexible repayment options, allowing borrowers to make either monthly or annual payments. Achieng (2019) conducted a pivotal study titled “Determinants of Undergraduate Helb Loan Default: A Case of Higher Education Loans Board” which significantly contributes to the understanding of student loan defaults. The research employed a probit model to analyse the determinants of undergraduate HELB loan default in Kenya, utilizing cross-sectional data from the HELB database as of December 2017. The methodology adopted involved the use of a probit model to scrutinize the determinants of undergraduate HELB loan default in Kenya. The dataset comprised of 152,482 undergraduate HELB beneficiaries across the country from both public and private universities.

Achieng (2019) found that the number of years since completion of undergraduate study and gender, though statistically significant, are negatively related to undergraduate HELB loan default. Outstanding loan, total penalty charged on principal loan, principle loan awarded to beneficiary for the period of undergraduate study, employment status, and age of beneficiary significantly affect undergraduate HELB loan default. The study also revealed that the majority of undergraduate HELB loan defaulters are males at 60 percent with an average age of the undergraduate HELB loan beneficiaries at 39 years.

Despite these findings, Achieng (2019) identified gaps in the current understanding of student loan defaults. The study recommended that the government through HELB should review the policy on penalties levied on defaulters to control how and when penalties are charged to curb the ever-rising loan default. It also suggested that HELB should match the loan amounts with age so that the loan advanced to older beneficiaries be reduced compared to the loan advanced to the younger beneficiaries. Furthermore, the study recommended the introduction of a reward scheme for those who finish paying their loan on record time.

Comparison to the Current Study

The current study diverges from Achieng's (2019) research in its focus and objectives. While Achieng's study focused on the determinants of loan default, the current study aims to investigate the economic effects of student loan recovery on ex-beneficiaries of the former University of Zambia. The specific objectives include assessing the affordability of the current student loan interest rates, identifying the student loan repayment period that minimizes financial stress, and examining the effect of student loan repayment on the savings and disposable income of former bursary beneficiaries at the University of Zambia.

2.2.5. The Student Loan in Malawi and Uganda

Furthermore, in Malawi, the Higher Education Students' Loans and Grants Board (HESLGB) manages student loans to ensure that students have access to financial support for higher education (HESLGB, 2023). Repayment of these loans generally starts after graduation, the specific duration of the repayment period is determined by various factors, including the loan amount and the borrower's financial situation. HESLGB, (2023) indicates that borrowers are required to repay the loan in installments over the specified period. The installments amounts are calculated based on the loan amount and the borrower's financial capacity. This approach ensures that repayment is manageable and aligns with the borrower's income level, minimizing

financial strain. In comparison, Uganda Higher Education Students' Financing Board (HESFB) offers student loans. The repayment of these loans typically begins after the student graduates, and borrowers are expected to make regular payments over a predetermined period (HESFB, 2023). The HESFB also provides support services such as loan counselling to assist borrowers in successfully repaying their loans and building creditworthiness. The repayment terms for these student loans can vary, typically ranging from five to ten years depending on the loan amount. Some lenders may also offer flexible repayment plans, which could include extended repayment terms or lower interest rates (HESFB, 2023).

2.2.6. Limiting Aspects on the Zambian Perspective

While these studies provided knowledge based evidence on student loan programs in various countries and favourable timeframe for loan repayment and policies in place, there is a notable lack of evidence in Zambia regarding the success rates of loan repayment. It's crucial to understand the percentage of students who manage to repay their loans within the designated time frame (Masaiti, 2013). This information could shed light on the effectiveness of these programs and their impact on the financial well-being of graduates. In addition, it is imperative to equally identify the factors that contribute to successful repayment, these could include aspects such as the borrower's financial situation, employment status, loan amount, and the presence of support systems such as loan counselling (Lochner & Monge-Naranjo, 2015).

2.3. ZAMBIAN PERSPECTIVE

2.3.1. Tertiary Funding in Zambia

Tertiary education funding is a critical challenge for the government, policy makers and HEI. For a long time, upon their graduation prospective beneficiaries of the students' loans are to be charged with interest rates that is to be decided by the governing board HESLB (National Assembly, 2023). However, before presidential decree of 2021, the beneficiaries who did not

start repayment as scheduled (i.e. one year after their graduation) were also charged a retention fee on yearly basis (HELBS, 2022). Furthermore, beneficiaries were also charged with a loan administration fee of 1%. As such, the repayment of the loan is set to be at least 15% to be deducted from the beneficiaries' salary and is to be paid within 10 years.

2.3.2. Student Loan Repayment

To better appreciate the scope of funding of higher education and student loan repayment in Zambia, it is imperative understand the Zambian populace and their economies. Mweemba (2003) conducted a pivotal study titled “The Coping Strategies of the University of Zambia Students with Cost-Myths and Partial Truths”. This research aimed to explore the coping mechanisms employed by students at the University of Zambia in response to the introduction of cost-sharing in the education sector. The methodology adopted by Mweemba was a descriptive research design. Data were collected from 266 students at the University of Zambia through questionnaires, focused group discussions, and interviews. The collected data were analyzed using the Statistical Package for Social Sciences (SPSS) to obtain frequencies and percentages, which were further subjected to cross-tabular analysis for interpretation.

The findings of the study were insightful, revealing that despite the majority of students coming from homes with well-educated parents and guardians who have better jobs, most of them were unable to meet the requirement of cost-sharing. The reasons for failing to meet the requirement of cost-sharing were inadequate financial resources coupled with large families in some instances and the sudden rises in tuition fees. Students responded differently to the policy of cost-sharing at the University of Zambia, with some withdrawing with the view of rejoining the institution at a later date.

Comparison with the Current Study

However, despite these valuable insights, Mweemba's study left a significant gap in the literature. It did not investigate the economic effects of loan recovery on students, which is a critical aspect that has largely been overlooked in previous research. This focus on the economic impact of loan recovery on students sets the current study apart from Mweemba's 2003 research, thereby contributing to a more comprehensive understanding of the implications of student loan schemes in higher education financing.

2.3.3. Economic realities and Financial Planning

Today, research evidences indicate over 60 % of Zambians live under the poverty line (Habitat for Humanity, 2017). Therefore, after graduation, the financial focus is economic stability. Employment after graduation is not automatic and guaranteed. In this light, prior to the 2021 presidential decree, the longer the ex-beneficiaries take to repay the student loan due to unemployment or financial instability, the higher the additional retention fee on a yearly basis (HELSEB, 2022).

Furthermore, the transition from a bursary system to a student loan scheme in Zambia required many people to make significant changes. Previous studies have shown that, most students were used to receiving free bursaries to fund their education (Kelly, 1991). However, with the introduction of the student loan scheme, they had to adjust their financial planning and expectations. Instead of receiving financial aid that does not need to be repaid, they now face the prospect of graduating with a considerable debt that must be repaid over time (Robb, Chatterjee, Porto & Cude, 2019).

2.3.4. From Bursary to Student Loan

In higher education financing, the transition from government bursaries to a loan scheme has been a topic of considerable interest. A seminal study in this field was conducted by Masaiti, Mwelwa and Mwale in 2016, titled "Shifting from Government Bursaries to a Loan Scheme

in Higher Education: Exploring the Zambian Experience in Student Financial Aid”. Here, the researchers adopted a quantitative methodological approach, utilizing descriptive statistics and factor analysis to analyse the views of 729 students. The findings of the study were illuminating, revealing that Zambian students were not fundamentally opposed to the introduction of the student loan scheme. Rather, they perceived it as a cost-effective mechanism to assist students from vulnerable backgrounds.

However, the study also highlighted several challenges associated with student loan schemes. These included questions about who bears the ultimate risks, the timing and methods of recoveries, and the difficulties associated with “means testing” for potential beneficiaries. Despite these valuable insights, the study left a significant gap in the literature. It did not investigate the economic effects of loan recovery on students, a critical aspect that has largely been overlooked in previous research.

Comparison with the Current Study

The current study aims to address this gap. It seeks to explore the economic effects of student loan recovery on ex-beneficiaries of the former University of Zambia. Specifically, it will assess the affordability of the current student loan interest rates, identify the student loan repayment period that minimizes financial stress, and examine the effect of student loan repayment on the savings and disposable income of former bursary beneficiaries at the University of Zambia. This focus on the economic impact of loan recovery on students sets the current study apart from the 2016 research by Masaiti, Mwelwa, and Mwale, thereby contributing to a more comprehensive understanding of the implications of student loan schemes in higher education financing.

Despite the existing literature, lack of evidence based knowledge exists on how these calculations were compounded to determine the percentage of the student loan recovery

interest rates is considering it is of public benefit. According to HELSB (2022), highlights are on the payment method of either a ten (10) years payment during or a once off of setting –off of the principle. It is imperative to note that, it is a positive attribute that the repaid money is helping finance further higher education studies for many Zambian, however, factors such as the quality of life of the beneficiaries due to financial constraint may not have been factored in and this research will embark on uncovering this reality.

2.3.5. A Comparative Analysis Across African Nations

Chirwa et al. (2022) embarked on a comparative analysis across eleven African nations, including Zambia. Their research, titled “Loans and Scholarships in Africa’s Higher Education Finance: A Comparative Analysis of Capitation, Policy and Recoveries in Eleven Countries,” was disseminated in the British Journal of Education. The researchers employed a thematic analysis approach to data collected from the 2019 AAHEFA conference held in Lusaka, Zambia. The data comprised comprehensive reports shared by eleven chief executive officials or their representatives from country loans and scholarship-related institutions.

Chirwa et al. (2022) discovered that the eleven African countries exhibited several commonalities and disparities in aspects such as management structures, education prioritization, capitation, recovery methods, and policies. A high demand for student funding against limited resources and loan recovery methods emerged as shared challenges. However, variations were observed in funding patterns, policy differences among funding agencies, and nebulous management structures. Chirwa et al. (2022) highlighted the need for rapid learning in managing granting and recovery of loans, given the infancy of most of these loans boards. However, their research did not delve into the economic effects of loan recovery on students, leaving a significant gap that the current study aims to fill.

Comparison to the Current Study

The current study narrows its focus to the economic effects of student loan recovery on ex-beneficiaries of the University of Zambia. This focus on the economic impact of loan recovery on individual students, rather than on the broader system of higher education financing, sets the current study apart.

This shift has important implications for the economic stability and flexibility of young Zambians. The obligation to repay these loans can also impose a significant financial burden on graduates. This can potentially impact their financial contentment and overall quality of life, the weight of this financial obligation can be considerable, and its effects can permeate various aspects of a graduate's life, thus the need for research (Robb, Chatterjee, Porto & Cude, 2019). In essence, promoting equitable access to higher education while also protecting the economic wellbeing of students is a key objective that policy makers must take keen interest in (ibid).

Despite, the HELSB in Zambia having a clear mandate to recover the funds invested in students' education, the policy stipulates that this is achieved through the repayment options they provide, which include a one-time payment or a ten-year repayment plan. The goal is to ensure that the funds are returned to the system, allowing for the continued support of future students. However, this study aims to investigate whether the implemented timeframes are favourable for loan repayment.

2.4. Philosophical perspective

From a philosophical perspective, the financial limitations linked to student loan repayment can be interpreted as a manifestation of the wider societal structures that allocate resources and opportunities, raising profound ethical questions about the nature of education, social mobility, and economic equity. Central to this issue is the belief that access to education is a fundamental right, enabling individuals to fulfil their potential and contribute to society (Carter, 2022).

Intergenerational justice, a philosophical perspective that emphasizes the importance of considering the long-term consequences of our actions on future generations, is particularly relevant to the economic effects of repaying student loans (Haneman, 2019). This perspective raises concerns about the potential for perpetuating inequality, as the burden of repaying loans can hinder individuals from pursuing other life goals and accumulating wealth, potentially leading to a cycle of debt and inequality (AARP, 2019; Intergenerational justice, 2021).

It is important to consider the long-term consequences of student loan debt on future generations and to take steps to mitigate the potential for perpetuating inequality. This could include policies such as loan forgiveness, income-based repayment plans, and other measures that help to alleviate the burden of student loan debt (U.S. Department of Education, 2022).

CHAPTER THREE

METHODOLOGY

3.0 Introduction

The research methodology of this study comprised of research paradigm, research design, study population, sample size and sampling technique, data collection and instrumentation, data analysis and lastly reliability and validity.

3.1 Research paradigm

The interpretivism paradigm had been adopted for the study. The paradigm primarily focused on understanding and explaining the meaning of human experiences and actions through their interpretations (Sharan, 2002). Interpretivism allowed the establishment of meaning and understanding through interactions between the researcher and participants to address the research problem. Therefore, the paradigm had been suitable for the study as it assisted the researcher in generating an understanding of the economic effects of loan recovery on former beneficiary students.

In addition, the interpretivism paradigm was based on the idea of developing subjective meanings of participants' experiences towards certain things and objects. These meanings were varied and multiple, leading to a complexity of views on situations or events (Creswell, 2007). This suggested that the world was complex and dynamic, thus interpreted by people through their interactions with multiple realities. Additionally, the epistemological assumption of interpretivism posited that knowledge was based on subjective beliefs, values, reason, and understanding (Hashil, 2014). This implied that knowledge was about the way in which people made meaning of it, hence theories were developed from various realities shaped by the social and cultural context. These assumptions were crucial and relevant to the study for they

emphasized on gaining knowledge through understanding multiple perspectives of participants, as well as values and aims of the researcher.

Since interpretivism was based on understanding a phenomenon through interpretation, a qualitative approach was appropriate. A qualitative approach was a means of understanding and exploring the meaning of individual or group experiences ascribed to social and human problems (Creswell, 2012). The use of a qualitative approach provided an opportunity to obtain in-depth information that enabled exploration and understanding of a research problem. Thus, this approach was relevant for the study for it enabled interactions between the researcher and participants to gain in-depth information and understanding of how loan recovery economically affected former beneficiaries.

3.2 Research Design

A descriptive case study had been employed as the research design for the study. Noor (2008) defined a descriptive case study as a research method that aimed to describe what was happening in a particular situation. This study had aimed to describe the real-life experiences of former beneficiaries and the economic constraints they experienced during student loan repayment. Investigating the real-life experiences was imperative as it had helped the researcher understand the economic constraints experienced by former student loan beneficiaries.

3.3 Study Population

In research, a population entailed targeted individuals in a study with the intention of acquiring information on a research problem and obtaining results (Flick, 2015). The target population of this study had consisted of the Ministry of Higher Education officials, Higher Education Loans and Scholarship Board officials, and former student loan beneficiaries. Former student beneficiaries were selected based on the fact that they were individuals with the likelihood of

experiencing loan recovery after gaining employment. Similarly, MOE and HELSB were concerned with the provision and implementation of loan schemes (HELBS, 2022). This, therefore, made the MOE and HELBS knowledgeable about the process of loan recovery, hence they had assisted the researcher in obtaining important and reliable information.

3.4 Sample Size

The total sample size of this study had consisted of 25 participants. In particular, the study had consisted of 1 key informant from the Ministry of Higher Education, 1 from the Higher Education Loans and Scholarship Board, and 23 former student beneficiaries in Lusaka. The sample size of 25 participants for your dissertation was chosen based on several factors:

Nature of the Study: As a qualitative study, it focuses more on gathering non-numerical data and understanding underlying reasons and motivations. This type of research requires a smaller, more targeted sample size to provide rich, detailed and in-depth data.

Triangulation: The diverse selection of participants from different areas (Ministry of Higher Education, Higher Education Loans and Scholarship Board, and former student beneficiaries) ensures a comprehensive view of the situation, increasing the credibility and validity of the research through triangulation.

Diversity of Experiences and Perspectives: The sample size was large enough to capture a wide range of experiences and perspectives on the economic effects of loan recovery on former student beneficiaries in Lusaka. This diversity helps in providing a more accurate understanding of the research problem.

Timeframe: The sample size was also manageable within the given timeframe for the study. Larger sample sizes might have required more time for data collection and analysis.

In qualitative research, the emphasis is not on the number of participants, but rather the depth of understanding achieved. Therefore, a sample size of 25 is considered appropriate for this study. It's important to note that the justification for sample size in qualitative research is often more about the quality of data and less about the quantity. The goal is to gather rich, detailed data that help understand the phenomenon under study rather than to generalize findings to a larger population (Morse, 2000).

3.5 Sampling Technique

It is typical in qualitative research to study a few individuals or cases. Purposive sampling, a non-probability sampling procedure, was used in the study to locate participants. Purposive sampling is a process of choosing participants intentionally based on their knowledge about a topic under study (Creswell, 2003). A combination of other non-probability sampling techniques of convenience and snowballing were employed at different levels as the need arose. Creswell (2012) defined convenience sampling as a process of selecting participants because they were willing and available to be studied. Whereas, snowballing sampling was a process of selecting participants based on their knowledge regarding the topic under study to allow the researcher to locate the next participant (Merriam, 1998).

3.6 Data Collection

Interviews, questionnaires, and document analysis had been used as data collection methods to address the research problem under study. These methods were crucial for data collection as they had enabled the researcher to interact with MOE, HESLB, and former student beneficiaries to obtain in-depth information and generate an understanding of the research problem.

An interview was a process in which the researcher asked participants questions and recorded their answers for data analysis (Creswell, 2012). In this study, semi-structured interviews had

been used to provide detailed information from participants on their perspective concerning the economic effects of loan recovery. Creswell (2012) indicated that when conducting interviews, the researcher needed to be professional and ensure courtesy during the procedure. Therefore, participants identified using purposive sampling, who were MOE, HELSB, and former student beneficiaries, had been interviewed using one-on-one interviews. Before beginning an interview, a consent form, which indicated their willingness to participate in the study, had been given to participants to enable them to understand the purpose of the study. The location of quiet places and preparation of equipment such as audio tapes and recorders was vital to allow the researcher to record all responses during the interview. In addition, confidentiality and anonymity had been ensured to the interviewees during and after the procedure.

Additionally, document analysis consisted of public and private records that researchers obtained about a site or participants in a study. The documents had assisted the researcher by providing valuable and necessary information. When conducting document analysis, documents that could provide information on student loan recovery had been identified. Once identified, permission to use the documents had been obtained from appropriate individuals and institutions in charge of the materials. Thereafter, the researcher had examined the documents for accuracy, completeness, and usefulness in answering the research questions (Creswell, 2012).

Questionnaires that were closed-ended and open-ended had been used. The open-ended responses had permitted the researcher to probe and allow participants to provide responses to the closed-ended questions with the intention to address the research problem (Creswell, 2012). The questionnaires had been administered to participants physically or electronically through platforms such as mail and online.

3.7 Data Analysis

According to Merriam (1998), data analysis is a process of making meaning out of collected data which encompassed consolidating, reducing, and interpreting what participants had said and what the researcher had read. Further, Ghoshi (2011) asserted that it involved organizing, providing structures, and eliciting meaning specifically from obtained data with logical organizations and conclusions.

Qualitative data collection is usually dependent on interpretations and explanations; hence thematic analysis had been suitable for analysing this type of data. According to Creswell (2012), thematic analysis was a type of qualitative analysis used to analyse classifications and present themes that related to the data. Thematic analysis provided an opportunity for the researcher to understand and interpret collected data through developing codes and themes that addressed the research questions. Therefore, in conducting thematic analysis, collected data from interviews was transcribed, organized, and prepared to familiarize the researcher with the data, hence the researcher read the data on several accounts to gain familiarity. Thereafter, common responses to each research question were taken to assign codes, after which themes were developed to address the research questions (Braun & Clarke, 2006). During thematic analysis, the researcher ensured triangulation to enable credibility and trustworthiness of the collected data.

3.8 Validity and Reliability

To ensure the quality and rigor of the findings, the following strategies were employed:

Validity referred to the extent to which the findings accurately answered the research question and addressed the research objectives (Cronbach and Meehl, 1955). To enhance validity, this research used triangulation, member checking, and peer review techniques. Triangulation involved using multiple sources of data (interviews, questionnaires, and documents) and multiple perspectives (ex-beneficiaries from different cohorts, occupations, and income levels)

to cross-check and corroborate the findings. Member checking involved sharing the preliminary findings and interpretations with the participants and asking for their feedback and confirmation. Peer review involved discussing the research process and outcomes with a supervisor or an expert who could provide constructive criticism and suggestions.

Reliability, on the other hand, as postulated by Rupp and Pant (2007), referred to the extent to which the findings were consistent and dependable over time and across different researchers. To enhance reliability in this research, it used an audit trail, reflexivity, and intercoder agreement techniques. An audit trail involved keeping a detailed record of the research steps, decisions, and changes made throughout the study, as well as the raw data, transcripts, codes, and themes. Reflexivity involved reflecting on the researcher's own assumptions, biases, and influences on the research process and outcomes, and acknowledging them in the report. Intercoder agreement involved having another researcher independently code a sample of the data and compare the results with the original coder, to assess the reliability and consistency of the coding scheme.

3.9 Summary

The study's methodology included the interpretivism paradigm, a descriptive case study design, and a target population of education officials and former student loan beneficiaries. Data was collected through interviews, questionnaires, and document analysis. Semi-structured interviews were conducted, and document analysis was performed on relevant records. Questionnaires were administered both physically and electronically. Thematic analysis was used for data interpretation. Strategies for enhancing validity and reliability, such as triangulation, member checking, and peer review techniques, were employed. The research methodology outlined the necessary approaches and procedures that were used in conducting research to address the research problem under study.

CHAPTER FOUR

DATA PRESENTATION, INTERPRETATION, AND ANALYSIS

4.0 Introduction

This chapter is dedicated to the presentation, interpretation, and in-depth analysis of the data collected during our research. The findings are presented in a logical and coherent manner, ensuring that the essence of the data is captured and communicated effectively with the aim of providing clear understanding of the research findings and their implications. This understanding is crucial for answering our research questions and achieving the objectives of this study.

4.1 Data Presentation and interpretation

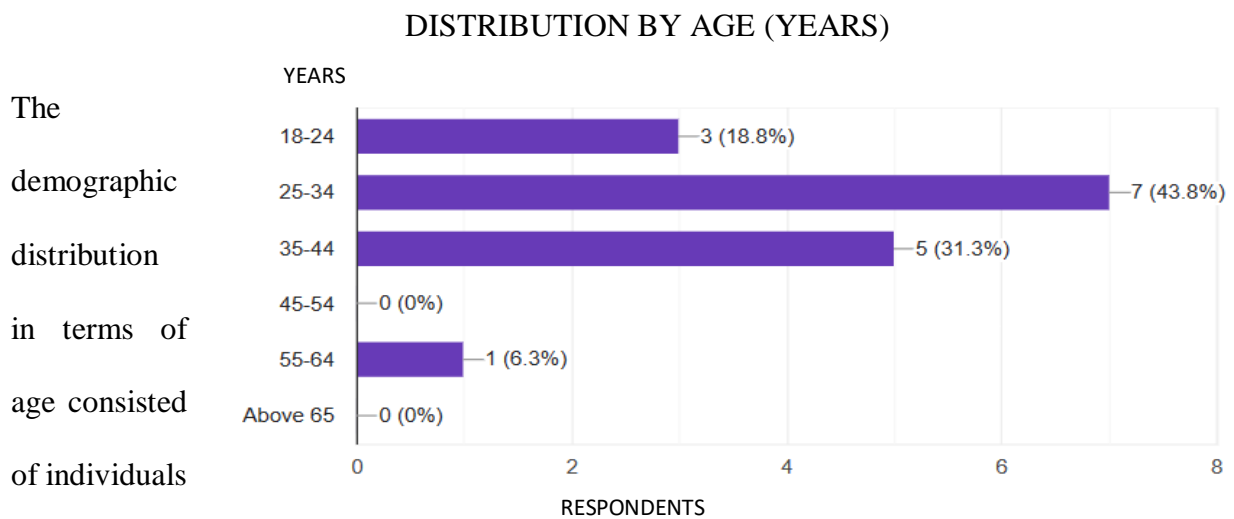
4.1.1. Data collected from questionnaire:

A total number of sixteen individuals answered the questionnaire who comprised of both male and female former University of Zambia students in Lusaka who are beneficiaries of the student loan. The questionnaire was segmented into six sections namely demographic information, understanding of the student scheme, affordability of current student loan interest rates, student loan repayment period and effects of the student loan repayment on savings and disposal income and general questions. These sections were strategically considered so as to answer the objectives and questions of this research. The data collected shows the following:

- i. Demographic information

The demographic data of the study's participants, who are ex-beneficiaries and have graduated from the Schools of Education, Humanities, and Natural Sciences, is presented in this section. The data is categorized into four main components: age, gender, schools, and year of completion. The age component provides insight into the age range and average age of the

participants. The gender component offers a breakdown of the participants by gender, providing a gender ratio that may reveal patterns or trends. The school component categorizes the participants based on the school from which they graduated, allowing for comparisons and contrasts between the different schools. Lastly, the year of completion component presents the distribution of participants across different graduation years, which may highlight temporal trends in the data. This comprehensive demographic information provides a robust foundation for further analysis and discussion.



The demographic distribution in terms of age consisted of individuals from 18 years to above 65

Fig 4.1. distribution by age

years and was segmented as highlighted above. Majority of the ex-beneficiary’s respondents fell under the bracket of the age ranging between 25- 35 years with zero recorded for the brackets 45-54 and above 65 years respectively.

With regards to gender, 31.25 % constituted of males and 68.75% constituted of women. Which is a ratio of 1:2.2 when rounded to one decimal place. This means that for every male participant, there are approximately 2.2 female participants.

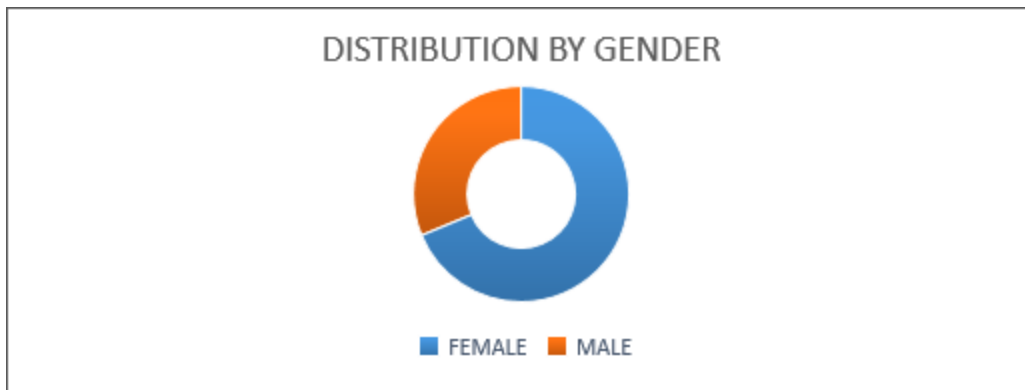


Fig 4.2. gender distribution

DISTRIBUTION BY YEAR OF COMPLETION

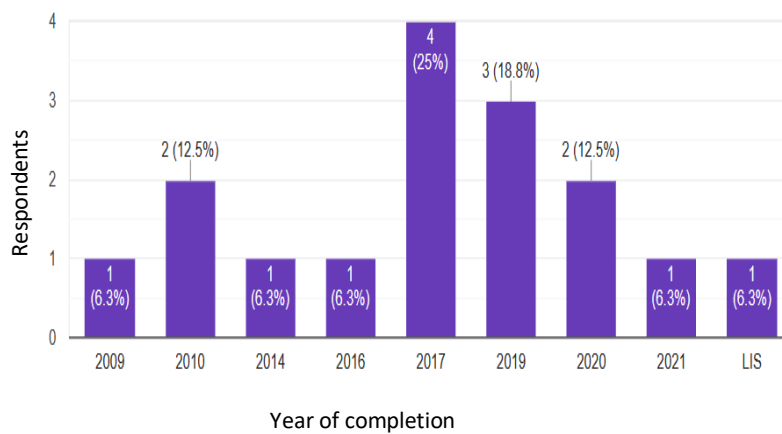


Fig 4.3. year of completion

The range in terms of year of completion ranged from as early as 2009 to 2021 with the wider group to consist of the 2017 intake which contributed 25% data to this work.

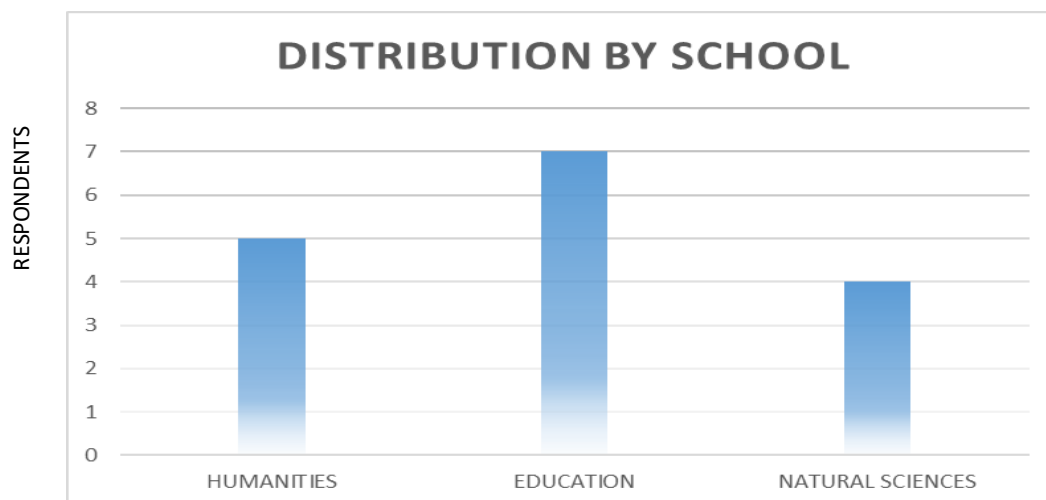


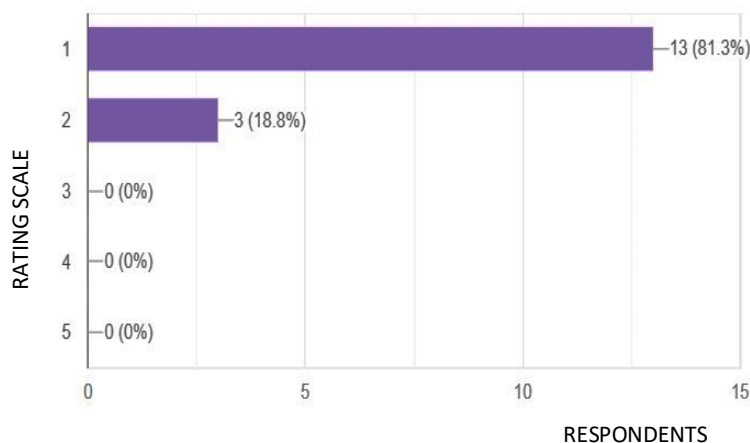
Fig 4.4. Schools

SCHOOLS

As indicated in the diagram above, the distribution by school shows that majority of the ex-beneficiaries were students in the school of education and accounted for 43.75%, whereas Natural Sciences accounted for 25%. The school of Humanities and Social Sciences accounted for 31.25%.

ii. Understanding of the student loan

In order to appreciate the study, it was important to under how the sample had an understanding of the student loan they were repaying. Questions that were incorporated included a probe into how adequately they had been briefed about the student loan scheme’s terms and conditions, if they were aware of the interests associated with the student loan at their time of application and if they understood the implication of the interest rates and repayment period also at the time of application. This was to be rated on a scale of one to five with one being very unaware, two aware, three neutrals, four aware and five very unaware. The findings on average are as highlighted as below:



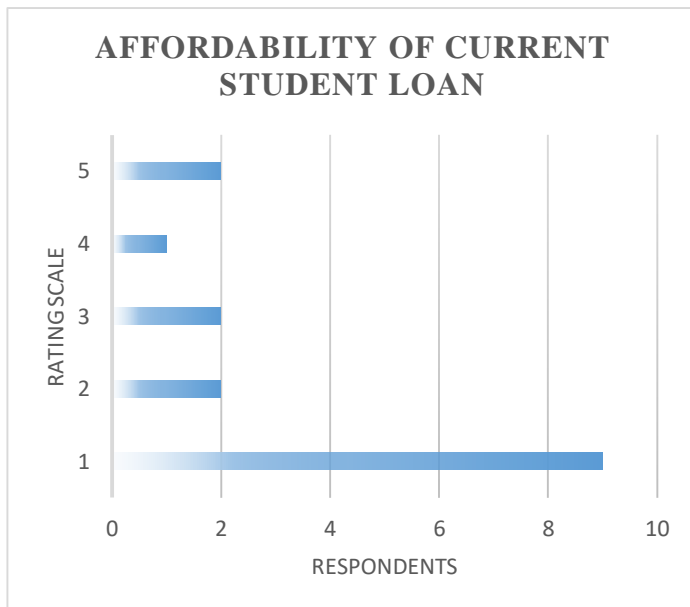
On average, it was discovered that ex-beneficiaries were unaware with 81.3% being very unaware of a general understanding of the student loan’s terms and conditions.

Fig 4.5. understanding of the student loan

iii. Affordability of current student loan interest rates

Likewise, participants of the study on a scale of one to five, were asked on the affordability of the current student loan interest rates with one being very unaffordable, two being unaffordable, three neutrals, four affordable and five very affordable. Questions incorporated how they would

assess the affordability of the student loan interest rate, how these interest rates impact their economic wellbeing, how the monthly repayment affected their financial stability, if the perceived fairness of the interest rates influenced their commitment to pay and how the affordability of the interest rate affected their lifestyle choices.



On a scale of one to five, 56.3% represents very unaffordable, 12.5% for unaffordable, 12.5% for neutral, 6.3% for affordable and 12.5% very affordable.

Fig 4.6. affordability of current student loan

iv. Student loan repayment period

Further, an assessment on the student loan repayment period was made. To begin with, participants were asked how many years they had to make the repayment, majority indicated ten (10 years) although some individuals ranged from two years to twelve years. When asked to rate on a scale on one to five again with one being the lowest dissatisfaction point and five the highest satisfaction on the student loan repayment period with regards to the stress levels associated with repayment period, how the repayment period affected financial wellbeing, how stress associated with the repayment period affected their economic decisions and how the repayment period affected their ability to plan for the future.

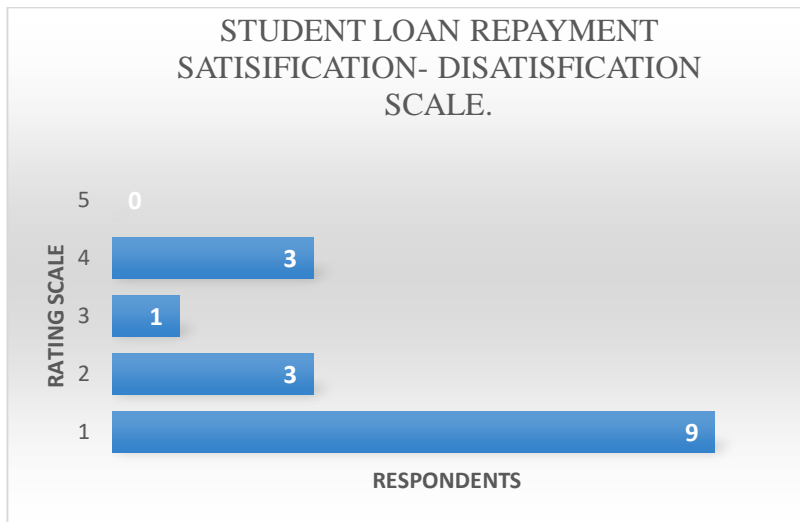


Fig 4. 7. Student loan repayment satisfaction scale

56.25% comprised the group that was very dissatisfied, 18.75% were dissatisfied, 6.25% were neutral and 18.75% were satisfied and 0% were very satisfied with student loan repayment period.

v. Effect of student loan repayment on savings and disposable income

On a scale of one to five with one being no effect, two minimal effect, three moderate effect, four high effect and five very high effect. Questions incorporated to probe into this include an evaluation of the effect of their student loan on their savings and their disposal income, how the loan repayment influenced access to other economic opportunities (e.g. loans), if impact on savings influenced economic security, whether the effect on disposable income changed their spending habits and how the influence on access to other opportunities affected their financial growth due to the repayment of the student loan.

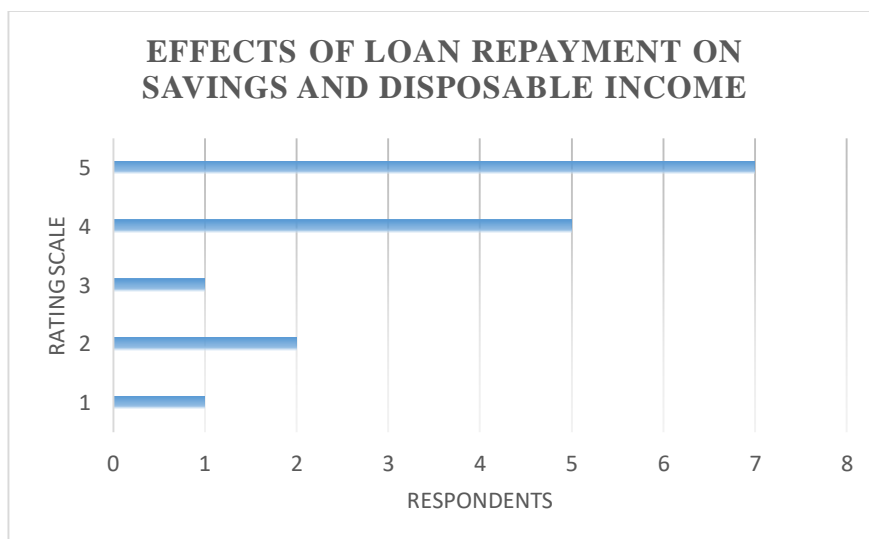


Fig. 4.8. effect of student loan

43.75% indicated a very high effect, 31.25% high effect, 6.25% moderate effect, 12.5% minimal effect and 6.25% indicated no effect.

- vi. Other general contributions (from general questions)

Challenges in repaying student loan:

- **High Deductions:** Many respondents mentioned that the deductions from their salaries are too high, making it difficult for them to meet their basic needs and save money.
- **High Interest Rates:** Some respondents pointed out that the interest rates on their student loans are too high, which increases the total amount they have to repay.
- **Bursary Turned Loan:** A few respondents expressed frustration that what was initially given as a bursary was later turned into a loan, which they did not sign up for.
- **Economic Situation:** One respondent mentioned that the current economic situation does not allow for high deductions, but the loans and scholarship board still has a number of students to sponsor.

Influence of graduation year on loan repayment:

- **Graduation Year Affects Repayment:** Some respondents indicated that their graduation year has affected their ability to repay the loan. They mentioned that those who graduated earlier pay less, resulting in larger deductions for them.
- **Graduation Year Does Not Affect Repayment:** Some respondents did not see any effect of their graduation year on their ability to repay the loan.

Influence of demographic information on economic wellbeing:

- **Negative Influence:** Some respondents indicated that their demographic information has negatively influenced their economic wellbeing. They mentioned factors such as high cost of living, inability to save, and low earnings.

- No Influence: Some respondents indicated that their demographic information has not influenced their economic wellbeing.

Monthly student loan deduction/repayments.

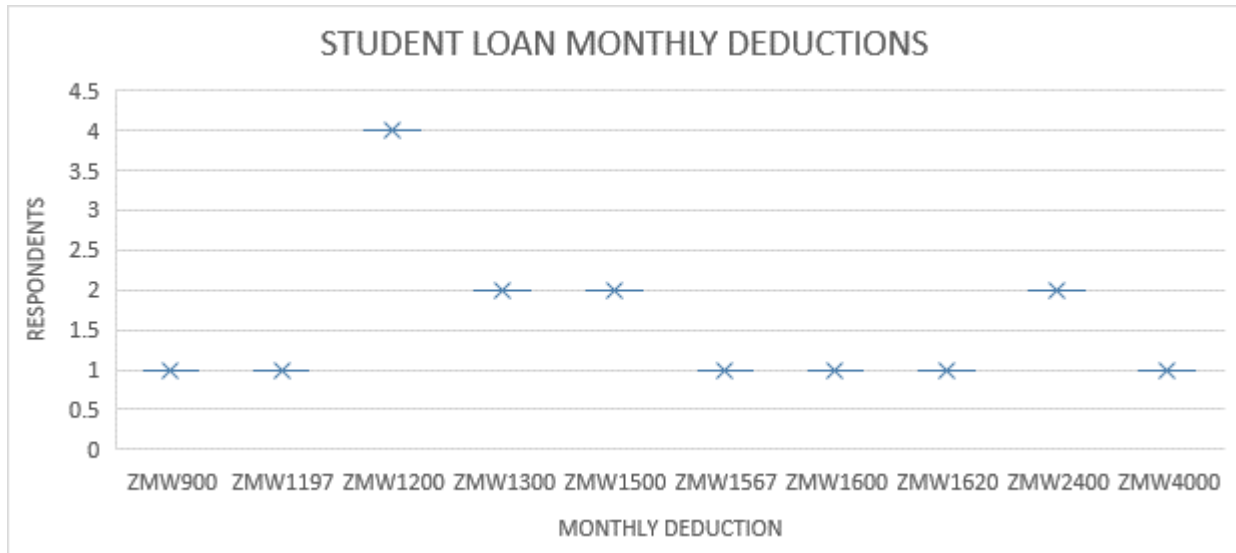


Fig. 4.9. monthly deductions

- 6.25% represented the categories of individuals whose monthly student loan repayments were ZMW900, ZMW1197, ZMW1567, ZMW1600, ZMW1620 and ZMW4000 per each category respectively.
- The categories that were at 12.5% each included those whose deductions were ZMW1300, ZMW1500 and ZMW 2400.
- 25% fell under the category that was repaying ZMW1200

Suggested changes to the student loan system:

- Reduce Deductions and Interest Rates: Some respondents suggested that the deductions and interest rates should be reduced to make the loan repayment more manageable, that is, to below ZMW 500.
- Extend Repayment Period: Few respondents suggested that the repayment period should be extended to reduce the monthly repayment amount.

- **Cancel Loan Recovery:** Many respondents suggested that the loan recovery should be cancelled as they were initially given a bursary, not a loan and others indicating that government had promised to scrap it off and were waiting upon that.

4.1.2. Data collected from interviews:

4.1.2.1. From students

To further explore the economic effects of student loan recovery on ex-beneficiaries, interviews were conducted and they comprised of seven participants and the following were the findings

Table 4.1. Interview student responses

Question	Responses
Did you consider other financing options before opting for the student loan?	All respondents did not consider other financing options. They either were not aware of any other options or believed they would receive the student loan.
How has the student loan affected your financial planning after graduation?	All respondents reported that the student loan has negatively affected their financial planning. The common issues were high deductions, low net income, and inability to save or invest.
Have you ever had to make sacrifices in order to make a loan repayment?	Some respondents reported making sacrifices due to the loan repayment, while others viewed the repayment as an imposition since it's automatically deducted from their salaries.
Have you ever considered further studies? If yes, has the student loan affected this decision?	Some respondents have considered further studies, but the student loan has put pressure on them due to the high deductions.

How has the student loan affected your savings and investment decisions?	All respondents reported that the student loan has negatively affected their ability to save and invest.
Have you ever been late on a loan repayment?	None of the respondents have been late on a loan repayment as the deductions are made directly from their salaries.
Have you ever sought financial advice to manage your student loan?	Most respondents have not sought financial advice to manage their student loan. Some mentioned discussing the issue in forums and trying to engage the government to mitigate the challenges of repaying the student loan.
Do you believe the student loan scheme is fair to all students?	Most respondents do not believe the student loan scheme is fair to all students. They mentioned issues such as high deductions, low net income, and the fact that not everyone earns the same
How has the student loan affected your ability to take on other financial commitments (e.g., mortgage, car loan)?	The student loan has negatively affected the respondents' ability to take on other financial commitments. They reported that the high deductions limit their ability to take on additional loans or start a business.
How has the student loan affected your relationships with family and friends?	Some respondents reported that the student loan has affected their relationships with family and friends, as they are often unable to provide financial help.
Have you ever felt stressed or anxious about your student loan?	Most respondents reported feeling stressed or anxious about their student loan due to the high deductions and the long repayment period.
Do you believe the student loan scheme has impacted the socio-	The respondents had mixed views on this. Some believe the student loan scheme has positively impacted socio-economic diversity by providing opportunities for people from diverse

economic diversity at the University of Zambia?	backgrounds. Others believe it has negatively impacted certain people, putting pressure on them to live beyond their means.
In your opinion, how has the student loan affected your overall quality of life after graduation?	All respondents reported that the student loan has negatively affected their quality of life after graduation. They mentioned issues such as high deductions, low net income, inability to save or invest, and the pressure to live beyond their means.

Other comments

The respondents' comments highlight three key issues related to the student loan scheme. Firstly, there is a perceived inequity in the distribution of student loans, with some respondents suggesting that loans should only be given to those who can afford and grants to those who genuinely cannot afford to pay for their education. Secondly, there is confusion and dissatisfaction regarding the calculation of loan repayments, with some respondents calling for the suspension of the program until fairer recovery methods are found as the current one targets mainly ex-beneficiaries who are in the formal sector. Lastly, while acknowledging the role of student loans in providing educational opportunities for individuals from poor backgrounds, respondents also highlighted the financial strain caused by loan repayments, which often leads to struggles in making a living. These insights provide valuable perspectives for understanding the lived experiences of student loan beneficiaries and could inform policy recommendations for improving the student loan scheme.

4.1.2.2. Interview responses from HELBS

Questions	Responses
How do you communicate the student loan to the prospective students or beneficiaries?	We do advertise and use public social media officers. We also do campaign awareness where we go to these various

	communities and inform them about the products and the eligibility. We also use schools, as our clients are those in secondary school.
This media that you've been using, how long have you been using it for? Is it a recent thing or has it been happening even in the past?	It's been happening for a very long time.
So how do you ensure that people understand the terms and conditions of the student loan that you are giving?	First and foremost, when we do award the student, before we on board them, we do an orientation. Before they sign the document, they will be oriented to which in this orientation, there will be an overview of what the document is and what it entails
Are you only giving student loans to local students only or are you awarding grants as well currently?	We don't, it's just student loans, we give student loans
How do you determine the interest rates for the student loans that you give?	We also look for inflation rate and Bank of Zambia and many other factors which include the country's GDP. Interest rates are only added when you start repaying so this whole time when you are in school for any amount of years no interest is added during the time spent while you are in school.
Does that mean that for every person let's say let me give an example if I graduated in 2010 and I was on 70% bursary I am going to pay the exact same amount as someone who	Yes, the only difference is the repayment period and repayment amount. For some, the negotiations are made and complete repayment is done even before the 10years and others will within the 10 years. Remember, even the interest rates will vary for someone who will pay in a

<p>graduated the same year and received the same amount of the student loan?</p>	<p>shorter period as compared to another paying in a longer period.</p>
<p>Do you have a limit to say, the repayment should not exceed this amount of money?</p>	<p>We do have a limit, we'll try as much as possible, but we will leave you with 40%. Remember the government policy where you do not go beyond 40% of your incomes, that's what we do.</p>
<p>How would you rate the effectiveness of the implementation of the student loan scheme?</p>	<p>In terms of who we are targeting, we are targeting everyone who got a loan from us. That is everyone. However, from other perspectives, it might look like we are targeting the formal sector because it's easy to take because of the formal setup</p>
<p>Would you happen to have maybe statistics or even percentages of people; how many you've managed to capture in the formal sector against how many you've managed to capture in the informal sector?</p>	<p>We can say 98% of them are from the formal sector and 2% are in the informal sector.</p>
<p>Do you have penalties for defaulting?</p>	<p>Yes, our act has given us default. So for most we can go to the courts of law. We can surcharge you, there are penalties that the act provides for us.</p>
<p>So under what conditions can one apply for a default and under what conditions are there for somebody to be surcharged?</p>	<p>That one I'll let you find from the Act, it's already provided.</p>
<p>How often are beneficiaries, when it comes to bringing themselves to your institution to</p>	<p>That one I think that we really haven't tried because in terms of the numbers that are increasing on a monthly basis adding to the pot. For those repaying, some are from the</p>

<p>introduce themselves and discuss repayment of the student loan?</p>	<p>formal and informal. But we want to see to check the numbers how they'll be this year especially after listing on CRB.</p>
<p>Do you have penalties for defaulting?</p>	<p>Yes, our Act has given us default. So for most we can go to the courts of law. We can surcharge you, there are penalties that the act provides for us.</p>
<p>Do you have statistics of people who've come to your offices and say can you reduce for me, I may have my own private arrangements or I am just struggling because it's a little bit too much for me to repay at the moment?</p>	<p>No statistics had been given at time of presentation, however only a few ex-beneficiaries had visited the institution to talk of alternatives.</p>
<p>How decentralised are your offices?</p>	<p>Currently we only have the main office here in Lusaka and another one at CBU. We are still trying to decentralise to other parts of the country.</p>
<p>How easily accessible are you to the ex-beneficiaries to repay the student loan?</p>	<p>Our online platforms are always available. We use Facebook which is our most active seconded by WhatsApp and then Gmail. One of our Facebook platforms is strictly for the loan repayment.</p>
<p>For most financial and money lending institutions, most of their loans are insured. Is this loan insured?</p>	<p>Our loans are insured and it's not optional for us. The institution is statutory bond and is supposed to have the loan insured. Currently with UNZA against death, mental illness and disability</p>
<p>In your opinion, at what cost do you believe the student loan scheme is a sustainable way</p>	<p>In my personal opinion, I think it would be sustainable if student loans were given at market value, that is, value</p>

to finance higher education in Zambia for beneficiaries?	being calculated from the inception of giving the student loan from first year. Additionally, not all programmes should be awarded student loans rather focus on very marketable courses or courses whose skills such as crafts that can actually be applied quickest and be converted to money fastest.
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Table 4.2. response from HELSB

Other comments

I hope when people see this research, they will value the student loan repayment and bring themselves forward so that there is continuity for future generations.

4.1.2.3.From the Ministry of Education

Presents the findings from the interview conducted with the ministry official. The data is presented in a logical manner.

Table 4.3. Response from MOE

Questions	Responses
The student loan being administered at universities, who is it really intended for?	The student loan is intended for the Zambian citizen.
In your opinion, how has the student loan scheme made higher education more	The student loan has enabled access to all students irrespective of their circumstances to access higher education. A student is able to look at a particular need

accessible to students from various social economic background?

that the student has. Even when applying, the student will apply a specific need in order to meet the cost of university education.

So when the higher education (HELSEB) was trying to come up with the calculation for the deduction, did they involve the ministry or it was something they did as a department on their own?

No, that was agreed upon by not only the ministry but a name of stakeholders. They were engaged in coming up with a student loan. It was noted that what was available the grant or the bursary was not sustainable. You find that number of people needing sponsorship were increasing at a rate in terms of increase in population requiring sponsorship. It would have to mean few and fewer people would have had access to higher education hence the loan scheme which is sustainable and as a result it has extended to other universities as in the past only UNZA and CBU were benefiting. It was only two institutions and even then the needs were not being met.

Are you aware of any of the challenges that former beneficiaries are facing in repaying the student loan?

The student repayment is at different levels; it is not one size fits all. The only thing I can say is that there are those former beneficiaries who have not yet been employed, then there is also a category that is employed and that is an umbrella of categories and depending on the level of employment, others I can tell you have

already made the repayments in full. There are various categories of employees so it difficult to tell which category of employees is having challenges. Additionally, there is a provision that if beneficiaries have a problem, they can get back to the institution and engage them so that they can agree on modalities of repayments.

For those struggling or having stress due to the repayment, what strategies have you adopted to manage that financial stress due to the repayment of the student loan?

I am not really sure if there is stress associated with the repayment but what is there is that the interest rate was adjusted from 15% to 10% by the government. The government is able to lessen and make adjustments for those that have come forth. Also that money has to be relevant hence the interest rate as it is collected over a lengthy period of time, bearing in mind this money is collected in installments. If you look at it now, tuition fees are above ZMW20,000 and for some of the beneficiaries they were receiving it when tuition fees were below ZMW 10,000. So it is just to make sure that the money which is being obtained becomes relevant as other people are accessing it.

How does the ministry understand how the student

The ministry's duty ends at graduation. It does not go into the personal economic aspect of the citizen. The

loan affects savings and investment decisions of former beneficiaries after graduation?

ministry is responsible for them only while within the education system.

Are there any public campaigns about or against the student loan, that is, protest on student loans suggesting improvement of the student loan?

The ministry official indicated awareness of the loans board's efforts to meet various stakeholders, including provinces and students about to start accessing their money. The official emphasized that the student loan is not a grant and encouraged students to only get what they need and not go for the maximum.

Most of the people repaying the student loan initially thought it was a bursary. How would it have been communicated better to the beneficiaries so they would know what they were signing?

The people now cannot be thinking about a bursary because this was introduced with the first years in the University that was at UNZA and CBU in 2004. So how does someone in 2010 say it was a bursary? Even with the forms signed in agreement between the student and HELSB and the advert, it is not a bursary or grant advert rather a student loan.

A number of people are unaware of other institutions that are offering higher education financing or similar support. Are there any and how

The official mentioned that banks and insurance companies have products specifically for higher education financing. However, another body like HELSB does not exist.

easily accessible is this information to people aspiring for higher education?

What is your comment on the presidential election campaign promise that was made to scrap off the student loan completely as it is a reference point for other beneficiaries? Is there any possibilities of further looking into this policy?

The official could not comment on the scrapping off of the student loan as they were not aware of such. They mentioned that scrapping off the loan scheme has repercussions as some people have already made payments in full, others are already paying.

Any other comments on this matter

The only contribution I can make is that HELSB engage the institutions, they provide more information. They provide more information in terms of where the student is, what measure are in place and how the students are paying and how they are able to capture those former beneficiaries that start servicing the loan.

4.1.3. The Higher Education Loans Scholarship Act No. 31 of 2016

The Higher Education Loans and Scholarships Board (HELSB) in Zambia was established by the Higher Education Loans and Scholarships Act No. 31 of 2016. This Act provides for the establishment of the Higher Education Loans and Scholarships Board and the Higher Education Loans and Scholarships Fund.

The Act outlines the procedures for granting, administering, investing, paying, and recovering loans. It also provides for the administration and granting of scholarships, and facilitates the mobilization of financial resources for loans and scholarships .

In terms of loans and scholarships, the Act specifies eligibility criteria, application procedures, and considerations for loan or scholarship decisions. It also outlines the extent of loans or scholarships, conditions of loans and scholarships, and obligations and liabilities of loan beneficiaries.

Under the Higher Education Loans and Scholarships Act No. 31 of 2016 in Zambia, a default on a student loan can occur when a beneficiary fails to repay the loan as per the terms and conditions of the loan agreement. The Act provides for penalties in case of default. However, the specific grounds for a default are not explicitly stated in the Act. It's typically understood that a default can occur due to non-payment or underpayment of the loan, or failure to comply with other terms of the loan agreement.

Under the Higher Education Loans and Scholarships Act No. 31 of 2016 in Zambia, the Higher Education Loans and Scholarships Board (HELSEB) provides student loans to Zambian students who want to access higher education. The terms and conditions of the loan include: Eligibility: The student must be a Zambian with a Green National Registration Card and must have completed their secondary education not more than three years back, Loan Coverage: The loans cater for tuition fees, accommodation fees, meal allowances, book allowances, and project allowances and Repayment: A beneficiary is expected to start paying back their student loan after the one-year grace period elapses. This one-year grace period starts after a beneficiary completes their studies

Under the Higher Education Loans and Scholarships Act No. 31 of 2016 in Zambia, the penalties for defaulting on a student loan are prescribed in part 30 which include:

30. (1) Where a loan beneficiary fails to make repayments, in accordance with the loan 009 agreement, the Board may place the loan beneficiary's name on a list of defaulting debtors published by any person or body whose business it is to compile and publish such lists. (2) The Board shall, before placing a loan beneficiary on a list referred to in subsection (1)— (a) notify the loan beneficiary of the failure to make repayments and the intention of the Board to act in terms of subsection (3); and (b) afford the loan beneficiary a reasonable opportunity to pay the amount in arrears on the loan. (3) A debt owed by a loan beneficiary who defaults on repayment of the loan is recoverable as a civil debt owing to the Board. (4) The Board shall, for the purpose of repayment of a loan — (a) enforce the debt incurred by a loan beneficiary in accordance with the applicable laws; (b) where a loan beneficiary is outside Zambia, request the Zambian mission in the country in which the defaulting loan beneficiary is located to assist in repatriating the funds owing at the loan beneficiary's own expense; and (c) add any expenses incurred by the Board and other necessary costs of a defaulting loan beneficiary to the amount loaned

These penalties are designed to encourage timely repayment and maintain the sustainability of the fund.

To address the objectives, this can be interpreted as follows:

- a. Affordability of the current student loan interest rates

The respondents reported that the student loan has negatively affected their financial planning due to high deductions and low net income. They did not mention the interest rates specifically, but the high deductions suggest that the current student loan interest rates may not be affordable for them.

According to the governing bodies, that is the HELSB and MOE, the interest rates for the student loans are determined by considering various factors such as the inflation rate, Bank of

Zambia's rates, and the country's GDP. Importantly, the interest is only added when the beneficiaries start graduate, and no interest is added during the time spent while they are in school. This approach seems to be designed to make the loan more affordable for students

b. Student loan repayment period that minimizes financial stress

Most respondents reported feeling stressed or anxious about their student loan due to the high deductions and the long repayment period. This suggests that a shorter repayment period or lower deductions could potentially minimize financial stress for former bursary beneficiaries at the University of Zambia.

The HELSB indicated that the repayment period and amount can vary for different beneficiaries. Some beneficiaries may complete repayment before the standard 10-year period, while others may take the full 10 years. The HELSB tries to ensure that repayments do not exceed 40% of a beneficiary's income, in line with government policy. This suggests that the HELSB is making efforts to minimize financial stress for beneficiaries during the repayment period.

c. Effect of student loan repayment on savings and disposable income

All respondents reported that the student loan has negatively affected their ability to save and invest. They also mentioned that the high deductions limit their disposable income and ability to take on other financial commitments. This indicates that the student loan repayment has a significant impact on the savings and disposable income of former bursary beneficiaries at the University of Zambia.

The MOE official interviewed indicated that the ministry's duty ends at graduation and does not extend to the personal economic aspects of the citizens. However, the HELSB's policy of limiting repayments to 40% of a beneficiary's income suggests an awareness of the potential impact of repayments on beneficiaries' disposable income and savings. The reduction of the

interest rate from 15% to 10% by the government also seems to be a measure aimed at lessening the financial burden on beneficiaries.

4.2 Data Analysis

The data has been gathered, presented and interpreted. Following this process, certain themes have been identified. These themes have been established based on the principles of thematic analysis and coding, and they serve as the foundation for this data analysis.

Demographics: Theme was developed from questions on general demographics which will be coded age, gender and school and recorded based on the responses. The majority of respondents were between 25-35 years old, with a significant representation of women. Most of the respondents were from the School of Education. This demographic information provides context for the responses and may influence the themes that emerge.

Lack of Awareness of the Student Loan: A significant majority of respondents reported being very unaware of the student loan's terms and conditions. This theme had been generated from the responses that were obtained from questions answering the general awareness of the student loan's terms and conditions and from questions answering the awareness of other institutions financing higher education. For most, their understanding was that it was a bursary and not a student loan. As such some respondents expressed frustration that what was initially given as a bursary was later turned into a loan, which they did not sign up for. Besides this, they were unaware of other institutions that were offering higher education financing.

Loan Repayment Calculation: There was confusion among some respondents about how the loan repayment deductions are calculated. They believed that if people received the same student loan, the repayment should be equal, of which the majority repaying are those in the formal sector. Further suggesting that the loan repayment program should be suspended until ways can be found to recover from those in the informal and non-formal sectors. This indicates

a lack of transparency or understanding about the loan repayment calculation process, which could be a focus of the dissertation.

Financial Burden: This theme emerged from the responses to the question of affordability of current student loan interest rates. Due to high interest, the majority of respondents rated the current student loan interest rates as very unaffordable. Coupled with the influence of the graduation year, respondents had mixed views on whether their graduation year affected their ability to repay the loan. Some indicated that those who graduated earlier pay less, resulting in larger deductions for them, while others did not see any effect of their graduation year on their ability to repay the loan.

Repayment Stress: This theme was as a result of the responses arising from questions on student loan repayment period. Respondents expressed dissatisfaction with the student loan repayment period. Some of their dissatisfaction arose from a point it would take to stabilise financially and without student loan obligation. Even though a few respondents suggested an increase in period of repayment and reduction in monthly deduction, the already existing 10 years was one the major frowned at. This theme is characterized by financial stress and the impact on economic decisions and future planning due to the repayment period

Financial Strain: This theme emerged from the responses to questions about financial planning, sacrifices for loan repayment, savings and investment decisions, and ability to take on other financial commitments. All respondents reported that the student loan has caused financial strain, affecting their ability to save, invest, and take on other financial commitments. This theme was coded from responses indicating high deductions, low net income, inability to save or invest, and restrictions on day-to-day spending. Respondents indicated a high to very high effect of student loan repayment on their savings and disposable income. This theme is further supported by the challenges mentioned by respondents, such as high deductions from

their salaries and high interest rates on their student loans. These factors make it difficult for them to meet their basic needs, save money, and access other economic opportunities.

Emotional Distress: This theme was derived from responses to questions about stress and anxiety related to the student loan. Most respondents reported feeling stressed or anxious about their student loan due to the high deductions and the long repayment period. This theme was coded from responses indicating mental and emotional distress caused by the student loan.

Impact on Relationships: This theme emerged from responses to the question about the effect of the student loan on relationships with family and friends. Some respondents reported that the student loan has affected their relationships, as they are often unable to provide financial help especially to the extended families. This theme was coded from responses indicating social implications of the financial strain caused by the student loan.

Impact on Socio-Economic Diversity: This theme emerged from responses to the question about the impact of the student loan scheme on the socio-economic diversity at the University of Zambia. The respondents had mixed views on this, with some believing the student loan scheme has positively impacted socio-economic diversity in the sense that education can be viewed as an equaliser and the student loan gives a platform to all Zambians regardless of background, while others believe it has negatively impacted certain people as certain other people who fail to fit in try to live outside their lifestyle. This theme was coded from responses indicating diverse views on the socio-economic impact of the student loan scheme.

Influence of Demographic Information on Economic Wellbeing: Some respondents indicated that their demographic information has negatively influenced their economic wellbeing, mentioning factors such as high cost of living, inability to save, and low earnings. However, some respondents indicated that their demographic information has not influenced their economic wellbeing.

Eligibility and Fairness of Student Loans: Some respondents expressed concerns about the fairness of the student loan system. They suggested that student loans should only be administered to individuals who genuinely cannot afford to pay for their education. They pointed out that some individuals from well-to-do families have been granted bursaries, which have now become student loans, while individuals from humble backgrounds are left to find formal employment. This suggests a perceived inequity in the distribution of student loans, which could be explored further in the dissertation. This theme was derived from responses to the question about the fairness of the student loan scheme. Most respondents do not believe the student loan scheme is fair to all students. This theme was coded from responses indicating perceived unfairness of the student loan scheme.

Suggestions to the Student Loan System Respondents suggested several changes to the student loan system, including reducing deductions and interest rates, extending the repayment period, and cancelling loan recovery. These suggestions reflect the respondents' experiences and perceptions of the challenges posed by the current student loan scheme.

From the perspective of the authorities and government

Target Audience and Communication: The target audience for student loans in Zambia is every Zambian student who wants to access higher education. The organization communicates about the student loans to prospective students or beneficiaries through advertising, public social media officers, campaign awareness, and schools.

Loan Terms and Interest Rates: The organization only gives student loans, not grants. The interest rates for the student loans are determined based on the inflation rate and the Bank of Zambia. Interest rates are only added when the student starts repaying the loan.

Repayment Amounts and Periods: The organization tries to leave the borrower with 40% of their income. The repayment period is determined by looking at the average earnings based on the labour market and the average earnings of the country.

Defaulting and Penalties: The organization has penalties for defaulting, which are provided by their act. The conditions for defaulting or being surcharged can be found in the act.

Effectiveness of the Implementation: The organization targets everyone who got a loan from them. However, it might look like they are targeting the formal sector because it's easy to take because of the formal setup. They manage to capture 98% of the people from the formal sector and 2% from the informal sector.

Challenges and Solutions: The biggest challenge is that people hope they won't be found or traced. The organization is working on engaging the Ministry of Foreign Affairs to have access to those who have gone abroad. They also list the loans in CRB so even the informal sector is affected.

From the ministry

The ministry official's responses provide valuable insights into the challenges and strategies associated with the repayment of the student loan. The official acknowledged that the repayment experience varies among beneficiaries, with some having fully repaid their loans and others facing challenges. This suggests that the impact of the student loan on beneficiaries is multifaceted and depends on various factors, including employment status and income level.

The official also highlighted the government's efforts to alleviate the financial stress associated with loan repayment. The adjustment of the interest rate from 15% to 10% is a significant measure that can make the loan more affordable for beneficiaries. Furthermore, the official emphasized the relevance of the loan amount in relation to the current tuition fees, suggesting that the loan scheme is responsive to the changing economic conditions and educational costs.

However, the official noted that the ministry's duty ends at graduation and does not extend to the personal economic aspects of the beneficiaries. This indicates a gap in the understanding

of how the student loan affects the savings and investment decisions of former beneficiaries after graduation. Further research may be needed to explore this aspect and inform policy decisions.

The official also highlighted the collaborative effort in coming up with the student loan scheme. The involvement of not only the ministry but also a number of stakeholders in the process underscores the comprehensive approach taken to ensure the sustainability of the scheme. The shift from the grant or bursary system to the loan scheme was driven by the increasing demand for sponsorship and the need to extend the scheme to other universities.

Regarding the campaign promise to scrap off the student loan, the official noted the complexity of the issue. While scrapping off the loan might provide immediate relief to some beneficiaries, it could also have repercussions, especially for those who have already made full repayments.

4.3 Summary

In conclusion, the thematic analysis reveals major themes that address the research questions, providing a comprehensive understanding of the experiences and perceptions of the respondents regarding the student loan scheme in Zambia. The student loan scheme has enabled access to higher education, but it also poses significant financial and emotional challenges for the beneficiaries after graduation. These challenges, affecting various aspects of their lives including financial planning, relationships, and overall quality of life, highlight the complexity of the system. Despite the organization's efforts to improve the system and address the challenges, more work needs to be done. This includes reaching out to the informal sector and ensuring that all beneficiaries understand the terms and conditions of the loans, thereby enhancing the effectiveness of the scheme.

CHAPTER FIVE

SUMMARY, DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introductions

Chapter Five is the culmination of the study, presenting a comprehensive summary of the findings, discussing their implications in the context of existing literature, and drawing conclusions. The discussion delves into the principles and relationships revealed by the results, highlighting any knowledge gaps and generalizations. The findings are compared with existing literature, noting any agreements or discrepancies. Any exceptions or lack of correlation are pointed out and the practical implications of the theory are discussed. Following the discussion, five clear and concise recommendations are presented in bullet form, reflecting a vision for future research directions. Finally, brief conclusions are drawn based on the study.

5.1 Summary

This study embarked on an exploration of the economic implications of student loan recovery on the alumni of the former University of Zambia. The transition from a bursary system to a student loan scheme in Zambia, which necessitated substantial adjustments for numerous individuals, served as the impetus for this research. The obligation to repay these loans can exert a considerable financial strain on graduates, potentially influencing their financial satisfaction and overall quality of life, based on finding from the former beneficiaries.

Further, insights into the Zambian student loan system were gleaned from an interview with the Higher Education Loans and Scholarships Board (HELSB). The discourse encompassed a range of topics, including the target demographic, communication strategies, loan conditions, interest rates, repayment sums and durations, defaults and penalties, the efficacy of the implementation, and the challenges and solutions.

An interview with a ministry official shed light on the challenges and strategies related to student loan repayment in Zambia. The official recognized that repayment experiences differ among beneficiaries, with some having completely repaid their loans while others encounter difficulties. This indicates that the impact of the student loan on beneficiaries is complex and contingent on various factors, including employment status and income level. This summary encapsulates the essence of the research in a professional manner suitable for a dissertation.

5.2 Discussion

For many former beneficiaries, it was unclear how the calculations for the student loans were being made. The findings of the study revealed that student debt in Zambia is calculated and distributed equally amongst beneficiaries who received the same student loan for each particular period, of course taking into consideration a number of socio-economic factors. The only variation with this is the repayment in amount and time. In the end what is owed is what is paid. The repayment which majority of the Zambian repaying find unfair is according to the findings from HELSB heavily subsidised as it is not in accordance with market value. Interest on the student unlike other loans is not calculated from inception of student funding but upon graduation.

Currently, there is no limited threshold amount that an ex-beneficiary can pay on the student loan repayment according to the findings from the loans board, the only consideration to be taken is that it should not exceed what is stipulated in the Zambian Banking and Financial Services Act in which the total amount of debt repayments and other deductions, including loans, can go up to 60% of gross pay. This means that employees must take home at least 40% of their gross pay. However, these rules can vary depending on the specific circumstances and agreements between employers, employees, and lending institutions (FSD Africa, 2024). The implication of this is that the possibility of the student loan reaching a deductible 60% for future

beneficiaries exists if higher education becomes so expensive. The cost of higher education in Zambia's public institutions has been a subject of concern. It's important to note that the cost of higher education can be influenced by a variety of factors, including government funding, inflation, operational costs of the institutions, and changes in the number of students (MacroTrends, 2024). Following the objectives, this can be expressed as:

a. Affordability of the Current Student Loan Interest Rates

The findings from the interviews with ex-beneficiaries, officials from the Ministry of Higher Education (MOE), and Higher Education Loans and Scholarships Board (HELSEB) reveal a common concern about the affordability of the current student loan interest rates. The respondents reported that the high interest rates, coupled with high deductions from their salaries, have made it difficult for them to meet their basic needs and save money. This is in line with existing literature that suggests high student loan interest rates can pose a significant financial burden on graduates, affecting their ability to achieve financial stability and independence (Dynarski, 2015).

However, it's worth noting that the interest rates are determined based on several factors as earlier alluded, including the inflation rate and the country's GDP, as explained by the officials from HELSEB and MOE. The interest rates are only added when the beneficiaries start repaying, and no interest is added during the time spent while they are in school. This policy is intended to make the student loans more affordable for the beneficiaries, but the findings suggest that it may not be sufficient to alleviate the financial stress associated with loan repayment (Miller, 2018; Carmody, 2004; Fan and Chatterjee, 2019).

b. Student Loan Repayment Period

The findings also highlight the stress associated with the student loan repayment period. The majority of the respondents indicated a repayment period of ten years, although some ranged

from two years to twelve years. The long repayment period, along with the high interest rates, has reportedly affected the respondents' financial wellbeing and their ability to plan for the future. This aligns with existing literature that suggests a longer repayment period can lead to increased financial stress and reduced financial wellbeing (Avery and Turner, 2012).

Interestingly, the officials from HELSB and MOE noted that the repayment period and amount can be negotiated, and some beneficiaries have completed their repayments even before the ten-year period. However, this option may not be well-known or accessible to all beneficiaries, suggesting a need for better communication and transparency in the administration of the student loan scheme.

c. Effect of Student Loan Repayment on Savings and Disposable Income

The effect of student loan repayment on the savings and disposable income of the former bursary beneficiaries is another significant concern raised in the findings. The respondents reported that the high deductions from their salaries due to loan repayment have negatively affected their ability to save and invest. This is consistent with existing literature that suggests high student loan debt can limit individuals' ability to save and accumulate wealth (Elliott and Lewis, 2015).

Furthermore, the findings reveal that the student loan repayment has affected the beneficiaries' ability to take on other financial commitments, such as mortgages and car loans, and has even affected their relationships with family and friends. These findings underscore the far-reaching implications of student loan debt on individuals' financial and social lives (Houle, 2014; Addo, Houle, and Simon, 2016).

While higher education personnel view student loans as highly subsidised, the perspective of the beneficiaries is different. They acknowledge and appreciate the opportunities provided by these loans, but the repayment process appears to be a financial burden for many. A good

number of these beneficiaries genuinely needed the opportunity but lacked the financial muscle. Getting higher education seemed like an equaliser and a pathway to financial freedom but have however found themselves with a long term financial obligation of repaying the student loan. For many, not reading the full terms and conditions of what they thought was a bursary turned into a student loan has had an effect on their financial wellbeing. Additionally, HELSB at the inception did not do a thorough awareness of the student loan and how it was no longer a bursary as it is evident in the expression of unawareness from many respondents. For most, going to attain an undergraduate degree at the highest learning institution was a farfetched dream that turned into a reality and now a financial burden.

The repayment amount varies widely among borrowers, depending on factors such as their educational attainment and income. This observation aligns with findings from previous studies conducted in various countries, including South Africa (Gurgand, Lorenceau, and Mélonio, 2011), Nigeria (Ogunode, Dahiru, and Jogbojogbo, 2023), Kenya (Achieng, 2019), and the United States (Looney, 2021; Miller, 2018; Woodhall, 2007). However, there is a notable lack of data on the success rates of loan repayment in Zambia, which is crucial for understanding the effectiveness of these programs and their impact on the financial well-being of graduates. The study also found that the majority of respondents expressed dissatisfaction with the student loan repayment period due to the stress levels associated with the repayment period and its effect on their financial wellbeing and future planning. The effect of the student loan repayment on savings and disposable income was also significant, with the majority of respondents indicating a high or very high effect.

5.3 Conclusions

The study concludes that the student loan scheme, while providing educational opportunities, poses significant financial and social challenges for ex-beneficiary's post-graduation. These

challenges manifest in various ways, including reduced ability to take on other financial commitments, strained relationships, increased stress and anxiety, and subsequently affects the quality of life. From the financiers perspective, student loans are highly subsidised to enable the beneficiaries of the student loan remain afloat. Although possibilities of reformation are there, just uncertain, cutting off the student loan would mean a possible future reduction of higher education financing. Therefore, it is crucial for policy makers to take these findings into account when considering future directions for the student loan scheme in Zambia. Further research is needed to investigate the perceived fairness of the student loan scheme and explore ways to make it more equitable, as well as to investigate the impact of student loans on ex-beneficiaries' decisions to pursue further studies. This study contributes to the ongoing discussions and efforts to improve the student loan scheme and hopes to inspire further research in this area.

5.4 Recommendations

1. **Implement Financial Education Programs:** Prior to opting for a student loan, students should be provided with financial education programs. These programs could equip students with the necessary knowledge and skills to manage their finances effectively, thereby mitigating the potential financial burden associated with loan repayment.
2. **Review and Revise the Student Loan Repayment Plans:** The student loan repayment plans should be reviewed and revised to consider the financial capabilities of ex-beneficiaries. This could potentially alleviate the financial stress associated with loan repayment and improve the overall well-being of ex-beneficiaries.
3. **Encourage Engagement with the Government:** Ex-beneficiaries should be encouraged to engage with the government to discuss the challenges of repaying the student loan and explore possible solutions. This could potentially lead to the development of more effective and equitable student loan schemes.

4. **Conduct Further Research:** Further research should be conducted to investigate the perceived fairness of the student loan scheme and explore ways to make it more equitable. This could potentially lead to the development of more effective and equitable student loan schemes.
5. **Improve Outreach to the Informal Sector:** The organization should develop strategies to reach out to the informal sector, which currently represents only 2% of the beneficiaries.

These recommendations aim to mitigate the economic and social effects of student loan recovery on ex-beneficiaries and point to the direction of future study. It is hoped that they will contribute to the ongoing discussions and efforts to improve the student loan scheme.

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Appendix i

Instruments for data collection

- i. Questionnaire



THE UNIVERSITY OF ZAMBIA AND ZIMBABWE OPEN UNIVERSITY POSTGRADUATE PROGRAMME. INSTITUTE OF DISTANCE EDUCATION

My name is Mubanga Kampamba and I am student currently pursuing a Master's in Business Administration at The University of Zambia in collaboration with Zimbabwe Open University. I am conducting a research titled: economic effects of student loan recovery on ex-beneficiaries: a case study of former University of Zambia students

You have been selected as a respondent and therefore, kindly requested to take part in this study and I will be asking sensitive questions and you are free to decline or stop participating at any time.

This is purely an academic research and you are therefore assured of maximum confidentiality of the information you will provide. Hence there is no need for you to indicate your name. Your responses will strictly be used for academic purposes.

Please answer all questions honestly and to the best of your ability. Your responses will remain confidential and will only be used for research purposes. Thank you for your participation.

Section 1: Demographic Information

1. What is your age bracket? (Please select one of the following options:

18-24, 25-34, 35-44, 45-54, 55-64, 65+

2. What is your gender?

(Please select one: Male, Female, prefer not to say)

3. What was your field of study at the University of Zambia? (Please specify)

4. In what year did you complete your studies? (Please specify)

Section 2: Understanding of Loan Scheme

In an awarene measurement scale of 1-5, 1 represents “Very Unaware”, 2 stands for “Unaware”, 3 is “Neutral”, 4 means “Aware”, and 5 signifies “Very Aware”. Rate the following:

	1	2	3	4	5
5. How adequately were you briefed about the student loan scheme’s terms and conditions when you applied?					
6. Were you aware of the interest rates associated with the student loan at the time of application?					
7. Did you understand the implications of the interest rates and repayment period at the time of application?					

Section 3: Affordability of Current Student Loan Interest Rates

In an affordability measurement scale of 1-5, 1 represents “Very Unaffordable”, 2 stands for “Unaffordable”, 3 is “Neutral”, 4 means “Affordable”, and 5 signifies “Very Affordable”. Rate the following:

	1	2	3	4	5
8. How would you assess the affordability of your student loan interest rate?					

9. How does the prevailing interest rate impact your economic wellbeing?					
10. How has the monthly repayment amount affected your financial stability?					
11. Has the perceived fairness of the interest rate influenced your commitment to repayment?					
12. How has the affordability of the interest rate affected your lifestyle choices? (Scale 1-5)					

Section 4: Student Loan Repayment Period

13. What is the duration of your student loan repayment period?

In a satisfaction measurement scale of 1-5, 1 represents “Very Dissatisfied”, 2 stands for “Dissatisfied”, 3 is “Neutral”, 4 means “Satisfied”, and 5 signifies “Very Satisfied”. Rate the following:

	1	2	3	4	5
14. How would you evaluate the stress level associated with /your student loan repayment period?					
15. How does the student loan repayment period affect your financial wellbeing?					
16. How has the stress associated with the repayment period affected your economic decisions?					
17. Has the repayment period affected your ability to plan for the future?					

Section 5: Effect of Student Loan Repayment on Savings and Disposable Income

In an effect measurement scale of 1-5, 1 represents “Very No Effect”, 2 stands for “Minimum Effect”, 3 is “Moderate Effect”, 4 means “High Effect”, and 5 signifies “Very High Effect”. Rate the following:

	1	2	3	4	5
18. How would you evaluate the effect of your student loan repayment on your savings?					
19. How would you evaluate the effect of your student loan repayment on your disposable income?					
20. How does the repayment influence access to other economic opportunities (e.g. loans)?					
21. How has the impact on savings influenced your economic security?					
22. Has the effect on disposable income changed your spending habits?					
23. How has the influence on access to other economic opportunities affected your financial growth?					

Section 6: General Questions

24. What challenges have you faced in repaying your student loan?

25. Has your graduation year affected your ability to repay the loan?

26. How has your demographic information influenced your economic wellbeing?

27. What is the amount of your monthly loan repayment? (Please specify in ZMW)?

28. What changes would you suggest to the current student loan system to make it more beneficial for ex-beneficiaries?

ii. Interview questions

Ex-beneficiaries

1. Did you consider other financing options before opting for the student loan?
2. How has the student loan affected your financial planning after graduation?
3. Have you ever had to make sacrifices in order to make a loan repayment?
4. If yes, what kind of sacrifices have you had to make?
5. Have you ever considered further studies? If yes, has the student loan affected this decision?
6. How has the student loan affected your savings and investment decisions?
7. Have you ever been late on a loan repayment?
8. If yes, what were the reasons for the late repayment?
9. Have you ever sought financial advice to manage your student loan?
10. If yes, was the advice helpful in managing your loan?
11. Have you ever faced any penalties due to late repayment or defaulting on your loan?
12. If yes, what were the penalties and how did they affect you financially?
13. Do you believe the student loan scheme is fair to all students?
14. How has the student loan affected your ability to take on other financial commitments (e.g., mortgage, car loan)?
15. How has the student loan affected your relationships with family and friends?
16. Have you ever felt stressed or anxious about your student loan?
17. Do you believe the student loan scheme has impacted the socio-economic diversity at the University of Zambia? Justify.
18. In your opinion, how has the student loan affected your overall quality of life after graduation?

MOE

1. In your opinion, has the loan scheme made higher education more accessible to students from various socio-economic backgrounds?
2. Are you aware of any public awareness campaigns about the student loan scheme?
3. Are you aware of any public awareness campaigns against the student loan scheme?
4. What strategies have you adopted to manage the financial stress associated with loan repayment?
5. What support is provided to students who struggle to make loan repayments?
6. How does the student loan scheme affect the savings and investment decisions of students after graduation?
7. At what cost do you believe the student loan scheme is a sustainable way to finance higher education in Zambia?
8. In your opinion, how can the loan scheme policy be improved to make it more effective and beneficial for the students?

HELSEB

- 1) How is the student loan scheme communicated to prospective students?
- 2) What measures are in place to ensure students understand the terms and conditions of the student loan scheme?
- 3) How do you determine the interest rates for the student loans?
- 4) What factors are considered when setting the repayment period for the student loans?
- 5) How would you rate the effectiveness of the implementation of the student loan scheme? (1 being not effective at all, 5 being very effective)
- 6) Have you ever had defaults on your loan repayment from former beneficiaries? If yes, what were the reasons associated with the defaults?
- 7) What penalties are in place for late repayment or defaulting on student loans?
- 8) What support is provided to students who struggle to make loan repayments?
- 9) How can the loan scheme policy be improved to make it more effective and beneficial for the students?
- 10) In your opinion, at what cost do you believe the student loan scheme is a sustainable way to finance higher education in Zambia for beneficiaries?

Ethical Clearance letter



THE UNIVERSITY OF ZAMBIA
DIRECTORATE OF RESEARCH AND GRADUATE STUDIES

Great East Road Campus | P.O. Box 32379 | Lusaka10101 | Tel: +260-211-290 258/291 777 Fax: (+260)-211-290 258/253 952 | E-mail: director.drgrs@unza.zm | Website: www.unza.zm

APPROVAL OF STUDY

IORG No. 0005376
HSSREC IRB No. 00006464
REF NO. HSSREC-2024-FEB-013

6th March, 2024

Ms. Kampamba Mubanga
The University of Zambia,
P.O. Box 32379
LUSAKA

Dear Ms. Mubanga

RE: **“ECONOMIC EFFECTS OF STUDENT LOAN RECOVERY ON EX-BENEFICIARIES: A CASE STUDY OF FORMER UNIVERSITY OF ZAMBIA STUDENTS.”**

Reference is made to your submission of the protocol captioned above. The HSSREC resolved to approve this study and your participation as Principal Investigator for a period of one year.

REVIEW TYPE	ORDINARY REVIEW	APPROVAL NO. HSSREC:- 2024 - FEB - 013
Approval and Expiry Date	Approval Date: 6 th Mar, 2024	Expiry Date: 5 th Mar, 2025
Protocol Version and Date	Version - Nil.	5 th Mar, 2025
Information Sheet, Consent Forms and Dates	<input type="checkbox"/> English.	To be provided
Consent form ID and Date	Version - Nil	To be provided
Recruitment Materials	Nil	Nil
Other Study Documents	Questionnaire.	
Number of Participants Approved for Study		

Specific conditions will apply to this approval. As Principal Investigator it is your responsibility to ensure that the contents of this letter are adhered to. If these are not adhered to, the approval may be suspended. Should the study be suspended, study sponsors and other regulatory authorities will be informed.

CONDITIONS OF APPROVAL

- No participant may be involved in any study procedure prior to the study approval or after the expiration date.
- All unanticipated or Serious Adverse Events (SAEs) must be reported to HSSREC within 5 days.
- All protocol modifications must be approved by HSSREC prior to implementation unless they are intended to reduce risk (but must still be reported for approval). Modifications will include any change of investigator/s or site address.
- All protocol deviations must be reported to HSSREC within 5 working days.
- All recruitment materials must be approved by HSSREC prior to being used.
- Principal investigators are responsible for initiating Continuing Review proceedings. HSSREC will only approve a study for a period of 12 months.
- It is the responsibility of the PI to renew his/her ethics approval through a renewal application to HSSREC.
- Where the PI desires to extend the study after expiry of the study period, documents for study extension must be received by HSSREC at least 30 days before the expiry date. This is for the purpose of facilitating the review process. Documents received within 30 days after expiry will be labelled "late submissions" and will incur a penalty fee of K500.00. No study shall be renewed whose documents are submitted for renewal 30 days after expiry of the certificate.
- Every 6 (six) months a progress report form supplied by The University of Zambia Humanities and Social Sciences Research Ethics Committee as an IRB must be filled in and submitted to us. There is a penalty of K500.00 for failure to submit the report.
- When closing a project, the PI is responsible for notifying, in writing or using the Research Ethics and Management Online (REMO), both HSSREC and the National Health Research Authority (NHRA) when ethics certification is no longer required for a project.
- In order to close an approved study, a Closing Report must be submitted in writing or through the REMO system. A Closing Report should be filed when data collection has ended and the study team will no longer be using human participants or animals or secondary data or have any direct or indirect contact with the research participants or animals for the study.
- Filing a closing report (rather than just letting your approval lapse) is important as it assists HSSREC in efficiently tracking and reporting on projects. Note that some funding agencies and sponsors require a notice of closure from the IRB which had approved the study and can only be generated after the Closing Report has been filed.

- A reprint of this letter shall be done at a fee.
- All protocol modifications must be approved by HSSREC by way of an application for an amendment prior to implementation unless they are intended to reduce risk (but must still be reported for approval). Modifications will include any change of investigator/s or site address or methodology and methods. Many modifications entail minimal risk adjustments to a protocol and/or consent form and can be made on an Expedited basis (via the IRB Chair). Some examples are: format changes, correcting spelling errors, adding key personnel, minor changes to questionnaires, recruiting and changes, and so forth. Other, more substantive changes, especially those that may alter the risk-benefit ratio, may require Full Board review. In all cases, except where noted above regarding subject safety, any changes to any protocol document or procedure must first be approved by HSSREC before they can be implemented.

Should you have any questions regarding anything indicated in this letter, please do not hesitate to get in touch with us at the above indicated address.

On behalf of HSSREC, we would like to wish you all the success as you carry out your study.

Yours faithfully,



Dr. J. I. Ziwa

DR. J. I. Ziwa

**CHAIRPERSON
THE UNIVERSITY OF ZAMBIA HUMANITIES AND
SOCIAL SCIENCES RESEARCH ETHICS COMMITTEE - IRB**

cc: Director, Directorate of Research and Graduate Studies
Assistant Director (Research), Directorate of Research and Graduate Studies
Assistant Registrar (Research), Directorate of Research and Graduate Studies

Permission to conduct study MOE letter

REPUBLIC OF ZAMBIA
MINISTRY OF EDUCATION
14 MAR 2024
PERMANENT SECRETARY (A)
RECEIVED

MUBANGA KAMPAMBA,
kam-mubangs19@gmail.com,
0979 198075,
LUSAKA.

14th MARCH, 2024.

THE PERMANENT SECRETARY ADMINISTRATION,
MINISTRY OF EDUCATION,
P.O. BOX 50093,
LUSAKA.

ASPI
BT 19/03/24

Dear Sir/Madam,

RE: PERMISSION TO CONDUCT ACADEMIC RESEARCH.

My name is Mubanga Kampamba and I am currently pursuing a Master's in Business Administration at the University of Zambia in Collaboration with Zimbabwe Open University.


I am conducting a research titled: economic effects of student loan recovery on ex-beneficiaries: a case study of former University of Zambia Students.


My research requires that I collect data from your institution, hence the application.

I look forward to hearing from you and for your kind assistance.

Kindly find attached ethical clearance and interview guide.

Yours Faithfully,


MUBANGA KAMPAMBA.




Director - University Education
F-1A

ASPI
20/03/24



Appendix ii

Budget

ITEM	AMOUNT (K)
Research Materials: This budget is allocated for the procurement of research materials. This includes printing of questionnaires, purchase of recording devices for interviews, and stationery for note-taking and data organization.	7,000
Researcher Travel: This budget is reserved for the researcher's transportation costs. It could cover travel to and from the locations where interviews are conducted or where relevant documents are to be analysed. The exact amount will depend on the distance and mode of transport.	8, 000
Communication: This budget is for communication-related expenses. It could be used for phone calls or internet data for online interviews or follow-ups with participants.	3, 000
Contingency: This budget is for unexpected costs that might arise during the research process. It could cover anything from additional travel to unforeseen logistical expenses.	6, 000
TOTAL	24, 000

Gantt Chart

Activity	September- November 2023	December 2023	January 2024	February – April 2024
Proposal Development				
Presentation and Feedback				
Collection of Data				

Report Writing				
Handing in Dissertation				
Follow Up				