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Do Recovery Mechanisms Actually Recover? Student Loan Recovery Effectiveness in Higher Education Financing, Tanzania

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Abstract: ***Student loan schemes are now the core instrument for financing higher education in much of Sub-Saharan Africa; however, their revolving logic collapses when recovery flops. This article reviews the empirical literature on the effectiveness of student loan recovery mechanisms, with specific attention to the Higher Education Students' Loans Board (HESLB) in Tanzania. Twenty-two sources published between 1981 and 2026 were purposively selected and analysed thematically against two organising lenses: Credit Rationing Theory and the Theory of Planned Behaviour. Three findings stand out. First, the literature applies the term "effectiveness" to at least four incommensurable measures, namely the recovery ratio, the arrears stock, the administrative cost per unit recovered, and borrower welfare, and rarely specifies which one is meant, so comparative claims across studies are less secure than they appear. Second, the mechanisms that studies rank against one another are not independent instruments. Payroll deduction, data matching and legal enforcement all sit downstream of a single prior capability, namely the ability to identify a borrower and observe their income; where that capability is absent, no mechanism performs, and where it is present, the choice among mechanisms matters much less than the literature implies. Third, informality is treated as a residual difficulty rather than as the binding constraint it evidently is, which has allowed income-contingent repayment models designed for payroll-tax states such as England to be recommended for African contexts without adequate interrogation. The review also finds that rising arrears are routinely read as failing recovery, although a growing portfolio can produce rising arrears alongside improving collection. The article argues for a reframing of recovery effectiveness around identification capability and cost-effectiveness, and identifies a theoretical gap that the combined use of Credit Rationing Theory and the Theory of Planned Behaviour is well placed to fill.***

Keywords: Student Loans, Loan Recovery, Recovery Mechanisms, Higher Education Financing

1. Introduction

Student loans are very important for higher education. A government lends against earnings that do not yet exist, on the expectation that graduates will earn enough, soon enough, and visibly enough for the money to be repaid and lent again. Where that expectation holds, the scheme turns, and each cohort partly finances the next. Where it does not, the scheme quietly becomes a grant programme with paperwork, and the fiscal burden it was designed to relieve returns in full.

Tanzania is a useful case for examining this problem because the strain is now unambiguous. University enrolment rose from 233,734 in 2019/2020 to 361,257 in 2024/2025 TCU (2025) against a base of about 6,061 students in 1994/1995. HESLB reports having supported roughly 830,000 students with about TZS 8.2 trillion since its establishment. Guardian Reporter (2025). Over roughly the same period, the Controller and Auditor General (2024) recorded outstanding beneficiary loans rising from TZS 552.97 billion in 2015/2016 to TZS 3.02 trillion in 2022/2023. Whether that trajectory represents a recovery failure or simply the arithmetic of a rapidly expanding portfolio is precisely the question this review takes seriously, and it is one the existing literature has been surprisingly casual about.

Tanzania is not unusual in facing this. England, which operates one of the world's most administratively sophisticated recovery systems, reported outstanding loan balances of £267 billion at the end of March 2025, Bolton (2025). Malaysia's PTPTN had approved close to four million loans worth about RM71 billion by the end of 2024, with more than 2.7 million still outstanding and roughly 420,000 borrowers having made no repayments Nadeswaran (2024). Kenya's HELB has reported hundreds of thousands of defaulters and a default rate of around 40 per cent Mugwe (2024) and Ngali (2020). Recovery difficulty is therefore not a symptom of institutional weakness peculiar to low-income administrations; it is a structural feature of lending against uncertain future earnings, which is why the comparative literature warrants careful rather than selective reading.

That literature has yet to settle what effective recovery would look like or under what conditions any particular mechanism produces it. Studies describe mechanisms, list obstacles, and recommend strengthening. They less often ask whether the mechanism caused the outcome attributed to it, what it cost to operate, or whether the same mechanism would function at all in an economy where most graduates are not on a payroll.

This article reviews the empirical evidence on the effectiveness of student loan recovery mechanisms, using Objective (iii) of the wider study, which assesses the effectiveness of the loan recovery mechanisms employed by HESLB in Tanzania, as its organising question. It pursues four aims: to map the mechanisms in use and the evidence supporting each; to interrogate how "effectiveness" has been operationalised; to identify the conditions under which mechanisms succeed or fail; and to specify the conceptual, methodological and contextual gaps that remain. Its contribution is critical rather than merely cumulative. Where the reviewed studies converge, the review asks whether the convergence reflects evidence or shared assumption.

2. Review Methodology

This is a narrative review conducted according to a documented protocol, rather than a full systematic review with meta-analysis. Meta-analysis was neither practical nor suitable: the studies vary in design, unit of analysis, and outcome definition to an extent that would make collective estimation ambiguous. Narrative synthesis with an explicit protocol is the standard compromise in this situation, and it preserves the interpretive work that the field's heterogeneity demands.

Sources were retrieved from Google Scholar, ScienceDirect, JSTOR, DOAJ and African Journals Online, supplemented by institutional and grey literature from HESLB, the National Audit Office of Tanzania, the Tanzania Commission for Universities, the World Bank, the OECD and the UK House of Commons Library. Search strings combined the terms student loan, loan recovery, loan repayment, default, higher education financing, cost sharing, and income-contingent repayment with country and regional qualifiers. Reference lists of retrieved studies were hand-searched, yielding several of the Zambian and Malawian sources that keyword searching alone had missed.

Table 1: Review protocol: Inclusion and exclusion criteria

S/N	Dimension	Included	Excluded
1	Focus	Studies addressing recovery, repayment, default or enforcement in publicly backed student-loan schemes	Studies on admission, allocation or means testing only
2	Geography	Sub-Saharan Africa prioritised; comparator evidence from England, the United States, Malaysia and India retained.	Studies with no transferable institutional or behavioural insight
3	Period	2017–2026 for empirical evidence; earlier works retained where foundational.	Dated empirical work superseded by subsequent studies in the same jurisdiction
4	Type	Peer-reviewed articles, theses, audit reports, official statistics, policy briefs.	Opinion pieces and undocumented press commentary, except for corroborated statistics
5	Language	English	Other languages, on capacity grounds
6	Theory	Works establishing the analytical frame Ajzen (1991); Stiglitz and Weiss (1981)	None

Source: Authors' Literature Review (2026).

Screening proceeded from title and abstract to full text. Of roughly ninety records identified, twenty-two were retained for close analysis; thirteen of these are empirical studies of recovery or repayment and form the evidentiary core. The remainder offer theory, official statistics, or comparative context. Analysis followed the thematic procedure as established by Braun & Clarke (2006): constant reading, open coding of findings and stated limits, and clustering of codes into the themes presented in Section 5. Themes were derivative inductively from the studies rather than executed by the theoretical frame, however the frame informed their interpretation.

Two limitations should be stated naturally. Restriction to English excludes Francophone and Lusophone African proof, which matters given that several important schemes operate in those authorities. And publication bias in this field probably runs towards documented failure, since audit offices and doctoral researchers are both institutionally disposed to investigate what is not working. Recovery systems performing adequately may therefore be underrepresented, and the review's picture may be slightly darker than the underlying reality.

Table 2: Characteristics of the core empirical studies reviewed

S/N	Study	Context	Design and Sample	Theoretical Frame	Principal Finding on Recovery
1	Kossey and Ishengoma (2017)	Tanzania	Mixed methods, descriptive; 301 students, 65 graduates, 39 HESLB officers, 4 deans, 58 parents	Cost sharing	Recovery constrained by weak legal frameworks, absent national identification, poor databases and emigration of beneficiaries
2	Mapunda (2019)	Tanzania	Qualitative exploratory; 29 respondents	Human capital	Poor recordkeeping and tracing difficulties; many beneficiaries unfamiliar with their loan contracts
3	Benjamin et al.(2019)	Ghana, Kenya, Tanzania, Rwanda, Nigeria	Comparative empirical analysis	Human capital; ability to pay	Countries with structured employer-based deduction perform better; flexibility of repayment plans matters
4	Kanelombe (2020)	Namibia	Institutional case study	None	Recovery effectiveness limited by the administrative capacity of the financial assistance fund
5	Chirwa et al. (2022)	11 African countries	Documentary review; multiple case study; thematic analysis	Comparative policy	Limited compliance among former beneficiaries and some employers; weak enforcement; inflexible schedules for informal workers

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6	Herbst (2023)	United States	Quasi-experimental analysis of borrower outcomes	Incomedriven repayment	Income-driven repayment alters borrower outcomes, with trade-offs between protection and collection borrower perception and experience of debt
7	Mugala (2024)	Zambia	Pragmatic paradigm; embedded mixed methods	Human capital; ability to pay	Recovery rests on NAPSA and ZRA database matching and payroll deduction; undermined by high interest, absent loan insurance, weak information systems and untraceable informal-sector borrowers.
8	Controller and Auditor General (2024)	Tanzania	Performance audit	Audit standards	Arrears rose from TZS 552.97bn (2015/16) to TZS 3.02tn (2022/23); informal-sector repayment inconsistent and collection costs high relative to expected returns
9	De Gayardon and Callender (2025)	England	Qualitative; 47 graduates	Human capital; ability to pay	Incomecontingent repayment protects low earners, but repayment design strongly shapes borrower perception and experience of debt
10	Kasambala and Musiba (2025)	Tanzania	Cross-sectional survey; 324 beneficiaries	Behaviourism	Low awareness of obligations; repayment procedures perceived as unfair; personal expenditure prioritised over repayment
11	Mugala and Daka (2025)	Zambia	Pragmatist; embedded design; 1,425 respondents	Ability to pay	Interest rates perceived as unfair; income disparity constrains capacity; willingness improves under incomecontingent terms
12	Daka et al. (2026)	Zambia	Qualitative case study; 1 minister, 7 board staff	Institutional	Recovery via NAPSA and ZRA record retrieval and PSMD payroll deduction; tracking of beneficiaries weak
13	Moyo et al. (2026)	Malawi	Mixed methods; 289 beneficiaries, 12 board staff	Behavioural economics	Rigid salary deduction, inadequate tracking, weak enforcement; penalties lack deterrent force because applied inconsistently

Source: Authors' synthesis of reviewed literature (2026).

3. Conceptual and Theoretical Anchoring

3.1 What "Effectiveness" is taken to mean

The reviewed studies use the term effectiveness freely and define it seldom. Reading them closely, at least four distinct constructs are in circulation, and they do not move together.

Table 3: Competing operationalization of recovery effectiveness in the reviewed literature

S/N	Construct	Typical indicator	Studies employing it	What it conceals
1	Collection efficiency	Amount recovered as a proportion of amount due in a period	Daka et al. (2026) and Mugala, (2024)	Says nothing about the cost of collecting it
2	Portfolio health	Stock of arrears or default rate	Controller and Auditor General (2024); Mugwe (2024) and Ngali (2020)	Confounds stock with flow in an expanding portfolio
3	Administrative efficiency	Cost incurred per unit recovered	Controller and Auditor General (2024)	Almost never computed, so almost never constrains recommendations
4	Borrower welfare	Repayment burden relative to income; financial strain	Carales and Molina, (2023); De Gayardon and Callender (2025)	Can move inversely to collection efficiency

Source: Authors' construction (2026).

The consequences of this conceptual looseness are not trivial. A scheme can raise collection efficiency by tightening deduction rates, thereby worsening borrower welfare, as the English evidence suggests De Gayardon and Callender (2025). It can improve borrower welfare through income - contingent thresholds while allowing the arrears stock to grow, which is roughly what the £267 billion figure reported by Bolton (2025) reflects. It can appear to be failing on portfolio health while performing adequately on collection efficiency if disbursement is growing faster than the repayment cycle can mature. When studies report that recovery is ineffective without specifying which construct they are using, readers cannot know what has been demonstrated.

3.2 Credit Rationing Theory

Stiglitz and Weiss (1981) established that lenders facing information asymmetry may ration credit rather than clear the market through price, because raising the interest rate leads to adverse selection among riskier borrowers. Applied to student lending, the theory detects the main problem exactly where empirical studies keep finding it. HESLB provides to applicants whose future earnings are unobservable at the point of disbursement and, more destructively, frequently remain so subsequently Kossey and Ishengoma (2017) describe an institution not capable to locate its own borrowers; Mapunda (2019) describes records too poor to support tracing of borrowers; (Daka *et al.* (2026) and Mugala (2024) describe boards that function only to the degree that other agencies' databases can be borrowed to close the information gap. These are not four distinct results about administration. They are one result about information asymmetry, expressed four times.

The theory's limitation in this setting is that it treats borrower non-repayment as a very serious risk to be priced or controlled, whereas in a public scheme with a social access order, rationing is exactly what the scheme exists to prevent. It also says little about the institutional, political or macroeconomic determinants of recovery, and assumes a rationality that behavioural evidence disputes.

3.3 The Theory of Planned Behaviour

Ajzen (1991) holds that behaviour follows intention, which is shaped by attitude, subjective norms and perceived behavioural control. The repayment literature has generated findings that map onto all three components without generally invoking the theory. Attitude appears in Kasambala and Musiba (2025) finding that Tanzanian beneficiaries deprioritised repayment partly because they judged the procedures unfair, and in Thembisile and Webster (2024) striking finding that Eswatini beneficiaries justified default by arguing that their parents' taxes had already discharged the obligation. Subjective norms appear in Zolkeplee *et al.* (2018) identification of religiosity and parental influence as the strongest predictors of repayment perception among Malaysian undergraduates. Perceived behavioural control appears wherever unemployment, underemployment and income volatility are cited, which is nearly everywhere.

The theory's weakness here is symmetrical to that of Credit Rationing Theory. It explains willingness but not capability, and it cannot account for a graduate who fully intends to repay yet cannot be found by the lender. That symmetry is the point. Each theory explains what the other omits, thereby underpinning the theoretical argument developed in Section 7.

4. A Typology of Recovery Mechanisms

Before assessing effectiveness, it is necessary to be clear about what is being assessed. Table 4 summarises the mechanisms that recur across the reviewed studies.

Table 4: Typology of student loan recovery mechanisms and reported evidence

S/N	Mechanism	Operation	Jurisdictions evidenced	Reported strength	Reported weakness
1	Employer payroll deduction	Employer withholds a fixed proportion or amount and remits to the board	Tanzania,Zambia, Malawi, Uganda, comparator systems	Highest observed compliance among formally employed borrowers	Reaches only formal employment; rigid schedules; depends on employer compliance.
2	Inter-agency data matching	Board retrieves borrower records from pension, revenue or identity authorities.	Zambia (NAPSA, ZRA), Tanzania (partial)	Converts untraceable borrowers into traceable borrowers	Requires legal authority, interoperable systems, and a functioning national identifier
3	Income-contingent repayment	Repayment is a proportion of earnings above a threshold	England, United States	Protects low earners; sustains willingness to repay	Defers or forgoes collection; presupposes reliable income observation.
4	Direct and voluntary payment	Borrower pays via bank, mobile money or the board portal	Tanzania, Zambia, Malawi	The only route available for the self- employed	Voluntary; yields low and irregular flows
5	Legal enforcement and penalties	Demand notices, penalty interest, litigation	Tanzania, Nigeria, several African schemes	Deterrent in principle	Inconsistent application erodes deterrence; enforcement costs may exceed recovery
6	Awareness and borrower education	Campaigns, institutional outreach, financial literacy	Tanzania,Zambia, Uganda, Malaysia	Low cost; addresses attitudes and norms	Cannot overcome incapacity to pay or failure to trace
7	Digital loan management platforms	Portals, automated statements, mobile repayment	Recommended in Malawi and Uganda	Reduces transaction friction and improves record integrity	Effect on recovery not yet independently demonstrated.

Source: Authors' synthesis of reviewed literature (2026).

Two observations follow immediately from the table. The first is that these mechanisms are not alternatives from which a board chooses. Payroll deduction cannot operate until the borrower has been identified and located in formal employment, which requires data matching. Legal enforcement cannot proceed against a person who cannot be served. Income-contingent repayment cannot be calculated for income that is not observed. The mechanisms form a dependency chain, not a menu, and the literature's habit of comparing their relative effectiveness is, for that reason, partly misspecified.

The second point is that the strongest mechanisms in the table are also the narrowest. Payroll deduction achieves high compliance precisely because it removes borrower discretion, but it does so only for the minority of graduates whose income is processed through payroll. This is the constraint to which Section 5.6 returns.

5. What the Evidence Shows

5.1 Payroll deduction works; within a boundary it cannot cross

Across the reviewed studies, deduction at source consistently emerges as the highest-performing mechanism. Benjamin *et al.* (2019), comparing Ghana, Kenya, Tanzania, Rwanda and Nigeria, found that schemes with structured employer-based deductions achieved better repayment sustainability than those relying on borrower initiative. Moyo *et al.* (2026) found salary deduction to be the dominant collection route among employed borrowers in Malawi, and Daka *et al.* (2026) reported that Zambian recovery runs substantially through payroll deduction administered by the Public Service Management Division.

The mechanism's logic is behavioural, and the Theory of Planned Behaviour clarifies how it operates. Deduction at source operates as the link between intention and behaviour. A borrower's attitude, their sense of what their fellows do, and their perception of control over the decision all become inappropriate because the decision is no longer theirs. Every attitudinal obstacle documented by Kasambala and Musiba (2025); Thembisile and Webster (2024) is avoided rather than solved.

That strength is also a boundary. Two qualifications persist. Employer compliance is variable: Chirwa *et al.* (2022) found limited loyalty to legal repayment obligations between some employers and previous beneficiaries across eleven African countries, meaning the mechanism transfers the compliance challenges to a third party rather than removing them. Inflexibility also creates resistance. Moyo *et al.* (2026) found deduction schedules to be unbending, particularly for workers with irregular earnings, and Mugala and Daka (2025) found that Zambian beneficiaries' apparent deductions and interest as biased. Credit Rationing Theory antedates this: a lender that cannot witness borrower type enforces uniform terms, and borrowers whose circumstances differ from the assumed average experience them as biased. The apparent unfairness is not a communication failure but an expected consequence of information asymmetry.

5.2 Inter-agency data matching is the significant variable

The Zambian indication is logically the most instructive in the reviewed set, because both *Daka et al.* (2026) and Mugala (2024) describe a board whose recovery process essentially involves borrowing other agencies' pension records from NAPSA and revenue records from ZRA. Recovery in Zambia is not principally a function of the board's collection struggle. It is a role of the state's administrative interoperability.

Read against this, the Tanzanian findings take on a different meaning Kossey and Ishengoma (2017) attributed weak recovery to inadequate tracing systems, weak administrative databases, and the absence of a national identification system. Mapunda (2019) found poor record-keeping and consequent difficulty in tracing beneficiaries. These are usually presented as institutional weaknesses of HESLB. They are better understood as an absence of the upstream capability on which every other mechanism depends. A board with excellent enforcement powers and no means of locating its borrowers will recover very little; a board with modest powers and complete identity and income data will recover a great deal.

If this reading is correct, it has an uncomfortable implication for the policy literature. The standard recommendation to strengthen the board's recovery mechanisms may be addressing the wrong actor. The binding constraint often lies with national identity registries, revenue authorities, pension funds, and the legal framework governing data sharing among them, none of which a loans board controls. The reviewed studies almost never frame the problem this way, and this omission may explain why successive rounds of recommendations have produced limited change.

5.3 Income-contingent repayment protects borrowers and defers collection

Income-contingent repayment is the most frequently recommended reform in the reviewed literature and, paradoxically, the one with the least favourable evidence on collection.

De Gayardon and Callender (2025) found that income-contingent repayment in England shields lowering graduates and that the design of the repayment system materially shapes borrowers' debt experiences Herbst (2023) reached broadly similar conclusions about income-driven repayment in the United States, and Murto (2024) documents the policy shift towards earnings-linked repayment there Mugala and Daka (2025) found that some Zambian beneficiaries were positively motivated to repay under income-contingent terms, partly to support future students, a subjective-norm effect in the Ajzen framework.

But the outstanding English balance of £267 billion Bolton (2025) is not incidental to income-contingent repayment; it is largely driven by it. A scheme that collects nine per cent of earnings above £27,295 Ogden and Waltmann (2023) and writes off the remainder after a fixed term has opted for borrower protection over full recovery. That may be entirely defensible as social policy. It is not, however, a recovery improvement, and recommending it as one, as several of the reviewed studies do, conflates two objectives from Table 3.

The transferability question is even sharper. Income-contingent repayment presupposes that the state can observe individual earnings continuously and accurately. England can, through PAYE. Tanzania can do so for officially employed graduates and, by the Controller and Auditor General (2024) own account, cannot do so reliably for the informal sector. Importing the mechanism without the observational infrastructure that makes it treatable would spread protection to those already easiest to collect from, while leaving the hardest cases exactly where they are. The reviewed literature recommends income-contingent repayment for African schemes with outstanding rate and almost never interrogates this condition.

5.4 Legal enforcement is tough on paper and fragile in application

Approximately every reviewed authority has legal device for enforcement, and nearly every study finds it underused. Aidonojie *et al.* (2024) found that weak and vague repayment mechanisms under Nigeria's Higher Institution Loan Act 2023 contributed to default through difficulties in implementing compliance and tracking beneficiaries after graduation. Chirwa *et al.* (2022) documented weak application across eleven schemes. Moyo *et al.* (2026) informed that penalties in Malawi lacked restrictive power because they were applied incompatibly.

That last finding justifies more weight than it regularly receives. Inconsistent enforcement does not merely fail to prevent; it may actively challenge prevention by teaching borrowers that the prospect of sanction is low. In the Ajzen framework, this changes subjective norms, since non-repayment becomes noticeably common and visibly unpunished. A penalty regime applied to a minority of an untraced population may therefore leave the scheme worse off than no penalty regime at all, having incurred the administrative cost while broadcasting the ease of evasion. None of the reviewed studies tests this proposition, but it follows from their own findings and is empirically tractable.

5.5 Awareness matters at the Margin, and only at the margin

Borrower education is the most widely recommended intervention in the literature and the cheapest to implement, which may partly explain its popularity. Mapunda (2019) found that Tanzanian beneficiaries were unfamiliar with the terms of their own loan contracts. Kasambala and Musiba (2025) found low awareness of repayment obligations among 324 beneficiaries. Daka et al (2026) recommended strengthening borrower awareness, together with closer collaboration with universities, student unions and alumni networks Aidonojie *et al.* (2024), Mugala (2024) and Pakony *et al*. (2026) recommend variants of the same approach.
The consensus is real, but its scope is narrow. Awareness interventions target attitudes and norms; they do nothing for perceived behavioural control and nothing at all for traceability. A graduate who does not know they owe money and can be found will respond to information. A graduate who knows perfectly well and earns irregularly in the informal sector will not. Since the reviewed studies mostly find both problems present concurrently, and since the second is the larger, an awareness campaign is a reasonable component of a strategy and a poor substitute for one. Particularly, none of the reviewed studies reports a measured change in recovery attributable to an awareness intervention. The recommendation rests on credibility rather than demonstration.

5.6 Informality is the mandatory constraint, not a residual difficulty

Every study in the evidentiary core highlights the informal sector. Almost not any treats it as the central issue.

Mugala (2024) lists the incapacity to trace informal-sector beneficiaries together with high interest rates and weak information systems.Chirwa *et al*. (2022) note that repayment schedules are inflexible, particularly for informal workers. Moyo *et al.* (2026) make the same observation for Malawi.Controller and Auditor General (2024) goes furthest, reporting that informal-sector repayment in Tanzania is varying and unpredictable, and, critically, that collection charges there are high relative to expected returns.

That last item is the single most significant statement in the reviewed material, yet it has concerned almost no analytical attention. It states that pursuing informal-sector borrowers may cost more than it yields. If so, the recovery problem is not mainly one of institutional will, legal power or borrower attitude. It is a cost-effectiveness problem, and it indicates that some portion of the outstanding portfolio is economically given up regardless of the mechanism organised. A scheme in that position faces a genuinely different policy question: not how to recover more, but where the point lies at which further recovery effort destroys rather than creates value, and what should be done about the balance beyond it, whether write-off, restructuring, insurance, or explicit reclassification as a grant.

The literature does not address this question. It continues to recommend intensification, which is the natural recommendation if effectiveness is defined as collection efficiency and the natural error if it is defined as administrative efficiency. Table 3 shows why the two are so easily confused.

There is a matching design problem. Every mechanism in Table 4, except direct voluntary payment, presupposes formal employment or observable income. The instruments the literature recommends are, without exception, those for reaching the population that is already easiest to reach. For the remainder, the toolkit is empty, and no amount of strengthening the existing mechanisms will fill it.

5.7 The stock-flow misperception

A methodological problem runs through the way arrears figures are used, and it affects the Tanzanian case directly.

The rise in outstanding loans from TZS 552.97 billion to TZS 3.02 trillion Controller and Auditor General (2024) is regularly taken as evidence of weakening recovery. But the same figures are consistent with stable or refining recovery in a growing portfolio. Disbursements have grownup; enrolment rose by added than fifty per cent between 2019/2020 and 2024/2025 TCU (2025) and HESLB disbursed loans to 239,331 undergraduates in 2024/2025 alone. Loans also developed slowly: a borrower entering a three-year degree in 2022 will not begin repaying until unevenly 2026. A scheme growing at this rate will gather a rising stock of not-yet-due and recently-due responsibilities even if every mature cohort reimburses on schedule.

Distinguishing the two requires cohort-level analysis of recovery as a proportion of the amount that has actually fallen due for a given graduation cohort, tracked over time. None of the reviewed studies conducts such an analysis. Until one does, the claim that recovery in Tanzania is deteriorating remains plausible but not established, and the strength with which it is asserted in the literature exceeds the strength of the evidence for it.

6. Synthesis

Table 5 draws the evidence together as a set of conditional statements rather than a ranking, on the argument advanced in Section 4 that ranking mis-specifies the relationship among mechanisms.

Table 5: Conditions under which recovery mechanisms perform

S/N	Mechanism	Performs when	Fails when	Strength of evidence
1	Payroll deduction	Borrower is in formal employment, is identified, and the employer complies and remits	Employment is informal or intermittent; employer noncompliant; schedule too rigid for earnings pattern.	Moderate to strong; consistent across five jurisdictions
2	Inter-agency data matching	Legal authority to share data exists; a functioning national identifier links registers; systems interoperate	Registers are fragmented; no unique identifier; data-sharing law absent or contested	Moderate; strongest evidence from Zambia
3	Income-contingent repayment	Earnings are observable continuously; protection of low earners is an explicit objective	Earnings are unobservable; objective is to maximise collection	Moderate for borrower welfare; weak to negative for collection
4	Direct and voluntary payment	Borrower is willing, solvent and aware; channels are low-friction	Willingness is low; income is irregular; payment channels are costly	Weak; consistently reported as lowyield
5	Legal enforcement	Applied consistently and visibly; borrowers are traceable; cost is below recovery	Applied selectively; population untraced; enforcement cost exceeds yield	Weak; repeated findings of underperformance
6	Awareness and education	Non-repayment stems from ignorance or attitude among traceable, solvent borrowers	Non-repayment stems from incapacity or untraceability	Weak; no measured recovery effect reported
7	Digital platforms	Deployed on an accurate borrower register; reduce friction for willing payers	Underlying register is inaccurate; borrowers lack connectivity or means	Very weak; recommended, not yet evaluated

Source: Authors' synthesis of reviewed literature (2026).

Across the rows, a single condition dominates: whether the borrower is identified and their income observable. It appears in the "performs when" column of every mechanism and in the "fails when" column of nearly all. This supports the review's central argument. Recovery effectiveness is not primarily determined by which mechanisms a board operates. It is determined by the quality of the identification and income-observation infrastructure available to it, of which the board typically controls only a fraction.

7. Gap in the Literature

Five gaps follow from the foregoing, and they are gaps of a kind that further descriptive studies will not close.

Conceptual. Effectiveness remains undefined and is measured inconsistently, as shown in Table 3. No reviewed study reports the cost per unit recovered, despite the Controller and Auditor General (2024) indication that this ratio may be decisive for the informal-sector portfolio.

Theoretical. The literature divides into institutional explanations of recovery capacity and behavioural explanations of repayment willingness, and the two rarely intersect. Human Capital Theory and Ability-to-Pay Theory dominate; the Theory of Planned Behaviour appears occasionally Thembisile and Webster (2024); Credit Rationing Theory is essentially absent from the student loan literature, despite describing the information asymmetry that these studies keep rediscovering empirically. Since each theory explains what the other omits (capability and willingness, respectively), their combined application constitutes a genuine and specifiable contribution rather than a decorative one.

Methodological. The evidence base is overwhelmingly cross-sectional, descriptive and self-reported. No reviewed study creates a counterfactual, nor does any track cohorts longitudinally. Claims that a mechanism raised recovery are thus associational at best. Daka *et al.* (2026) interviewed eight officials, while Mapunda (2019) interviewed twenty-nine respondents. These samples are revealing about institutional processes however are too small to estimate effectiveness.

Population. Employers are central to payroll deduction however largely absent from the evidence as respondents. Chirwa *et al.* (2022) recognized employer non-compliance as a barrier without studying employers. This is a considerable omission, since the mechanism the literature rates highest depends on an actor it has scarcely examined.

Contextual. Tanzanian hint is dated relative to the scale of change. Kossey and Ishengoma (2017) and Mapunda (2019) represent the principal empirical studies of HESLB recovery, and both precede the sharpest phase of portfolio growth and the digital reforms of recent years. The most current Tanzanian evidence is an audit report instead of independent research.

8. Conclusion and Implications

The reviewed literature approves that student loan recovery in Sub-Saharan Africa fails and that the remedies are: stronger legal frameworks, better tracing, also more borrower education, more institutional collaboration, and more flexible repayment. This analysis has argued that the agreement is less informative than it performs, for three reasons.

The mechanisms associated are not independent. They create a dependency chain resting on the capacity to recognize a borrower and observe their income. When that foundation is disappeared, every mechanism above it fails, which is what the literature detects and misattributes to institutional weakness in the loans board. The word "effectiveness" carries at least four meanings that can move in opposite directions, and recommendations derived from one concept are routinely presented as improvements against another; income-contingent repayment is the strongest case, being recommended for recovery when its documented effect is on borrower well-being. And informality is treated such as difficulty one among several, even though the evidence, including the Controller and Auditor General (2024) remark about collection cost, proposes it is the limitation that binds.

Three implications follow for research. Studies of recovery effectiveness ought to specify which construct they measure and report cost together with return, since a mechanism that recovers more but costs extra than it recovers is not an improvement. Cohort-level longitudinal analysis is required to detached the arrears stock from the recovery flow; without it, claims about worsening performance in growing schemes cannot be sustained. Employers require direct study as respondents rather than treatment as a compliance variable.

For policy in Tanzania, the review suggests that effort directed at the loans board's internal mechanisms may yield less than effort directed at the interoperability of national identity, revenue and pension systems, based on Zambian evidence that recovery there depends substantially on data borrowed from other agencies. It also suggests that the informal-sector portfolio warrants an explicit policy decision rather than continued intensification of instruments that were never designed to reach it. Whether that decision is restructuring, insurance, contingent write-off or something else is a question the evidence does not settle, but the CAG's cost observation indicates that leaving it unaddressed has a price.

The wider study from which this review derives addresses these gaps by combining Credit Rationing Theory with the Theory of Planned Behaviour and by collecting data from beneficiaries, employers and HESLB officers using a single convergent parallel design. The value of that design lies less in its scale than in its coverage: it examines both sides of the information asymmetry that this review identifies as the heart of the problem.

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