

**Equity in the distribution of higher education students' loan in Tanzania:  
the case study of Higher Education Students Loan Board**

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A students' Loan scheme is one among many alternatives for financing higher education in various countries around the world. Tanzania is one of the countries that have been practicing loan scheme system for financing higher education sub-sector. The primary purpose of this study is to find out whether equity is guaranteed in the allocation of loans to university students in Tanzania, with specific objective of finding out the factors that affect equitably allocation of loan to university students and obtaining the estimates of the effect of exogenous variables on the equitably allocation of loan. The study is based on the data from the HESLB in 2007-2008 and secondary schools in Dar es Salaam which contain students who received loan in that particular year and who are the main beneficiaries of the Loan scheme. The approach applied is the ordered logit model, which is appropriate for the study of equity, since the dependent variable is ordinal (we are dealing with a dependent variable which can only take finitely many different values). STATA 11 is used for data analysis because it is simple to understand and process the collected data. The empirical results of this study show statistically negative influences of education, arts, sciences, commerce, fees, female students and private school on loan allocation. However, the results also show positive influences of male students, performance and government schools on loan allocation. In general this study recommends that the loan board should have policies that ensure that there is continued increase in the number of female students in university studies. The study also recommends the pursuing policies that ensure that students join the faculty of their interest, basing on their future career. Lastly, the study recommends that policies should consider equitably the performance of students in secondary schools.