



Influence of Higher Education Students' Loans Scheme on Career Choices among University Students in Tanzania

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Abstract

Career decision-making among university students has become increasingly complex due to personal, institutional, and economic factors. In Tanzania, the alignment between students' academic choices and the structure of the Higher Education Students' Loans Scheme (HESLS) has raised concerns about the autonomy of career decisions. This study investigates the extent to which HESLS influences students' selection of degree programmes, using a cross-sectional survey of 480 loan beneficiaries from four selected universities. The sample size was determined using Yamane's (1967) formula. Data were collected through semi-structured questionnaires and analysed using descriptive and inferential statistics, including Spearman's correlation and a multinomial logistic regression. Findings revealed that while students' aspirations play a role in academic decision-making, these aspirations are significantly shaped by government loan policies that prioritize specific degree programmes. The MNL regression results revealed a statistically significant association ($p < 0.001$) between loan allocation priorities and students' programme choices. On the other hand, Spearman's correlation with strong ($p \leq 0.000$) confirmed that a substantial number of students shifted from their preferred careers due to loan eligibility constraints. The study concludes that the current structure of HESLS significantly constrains students' freedom to pursue their preferred careers. The study recommends a policy review that balance national development goals with students' academic interests to foster a more future motivated and capable workforce.

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Introduction

Globally, the inadequate or lack of funding for higher education has emerged as a significant barrier for many families, particularly in developing nations (Cloete et al, 2011; Makimu, 2017). This challenge is exacerbated by the rising costs of higher education, driven by the increasing demand for higher education, as it is widely regarded as a key driver of socio-economic development. In response

to this, many governments are actively seeking alternative funding sources to support their citizens' access to higher education (Greener, 2020; Mgaiwa, 2023; Oketch, 2016). These efforts aim to prepare a skilled workforce across various range of disciplines, thereby enhancing productivity and contributing to broader socio-economic development. In many of developing countries, particularly in Sub-Saharan Africa, governments have implemented student loan schemes as part of broader cost-sharing policies to assist talented but economically disadvantaged students in financing their education (Jansen, 2018; Ningpaunye & Susuman, 2018). However, the decision -making process regarding what and where to study has become increasingly complex for students. This complexity stems from the pressure to select courses that align with government funding preferences, thereby limiting students' freedom to pursue their preferred academic paths. As a result, many students are compelled to enrol in programmes that do not reflect their personal interests or passions, but instead, are selected primarily due to the availability of financial support (Davids, 2009; Nyamwange, 2016; Xala, 2018).

As such, the emotional well-being of students who are compelled to pursue careers based solely on available funding may be negatively impacted, as they often experience a sense of dissatisfaction and frustration. This sense of disillusionment stems from the realization that they are dedicating time and effort to studying a field that does not reflect their personal interests or career aspirations. Consequently, such students enter the workforce in roles that do not engage them fully, which in turn leads to suboptimal performance and lack of motivation, as they are not genuinely passionate about their work. Studies have shown that when students choose academic paths out of financial necessity instead of personal passion, they experience heightened levels of stress, anxiety, and career indecision, which can significantly affect their overall job satisfaction and mental health (Chen & Hsu, 2020; Wang et al., 2022). Additionally, the misalignment between students' educational pursuits and career aspirations can lead to burnout and disengagement in the workplace as they struggle to find meaning in work that does not resonate with their interests (Brown & Lent, 2019). Career misalignment is also a common predictor of lower job satisfaction and decreased productivity, as individuals who lack intrinsic motivation in their roles are less likely to excel (Harrington & Hall, 2021).

However, this situation stands in stark contrast to experiences in certain global regions, such as Western Europe and parts of Asia, where career decisions are frequently influenced by the perceived employment prospects and earning potential of specific fields of study. In these contexts, parental influence and individual aspirations play a significant role in shaping career choices, especially in families that have the financial capacity to support their children's education without relying on government -funded schemes (Ahmed et al., 2017; Giannakos et al., 2017). Moreover, in many Western European and Asian countries, funding mechanisms for higher education are designed to provide students with the autonomy to choose their academic path freely, thereby aligning their studies with their long-term career goals and personal interests. This system not only fosters greater student satisfaction but also enhances the likelihood of achieving career success, as students are more likely to be engaged and motivated in fields, they are passionate about (Gayardon & Brajkovic, 2019; Hooley et al., 2011; Hutchinson, 2018).

Focusing in Tanzania, since independence, the education system has been structured to align with official development plans and national priorities (Nyerere, 1968; Cliffe, 1973; Lufunyo, 2013; Mpehongwa, 2014). In the early years, primary education was primarily designed to produce a practical, rural-based workforce that could enhance agricultural productivity. At the secondary and

higher education levels, the focus was on developing skilled manpower capable of leading the country toward innovation and effective policy-making (Nyerere, 1968; Cliffe, 1973; Mpehongwa, 2014). The establishment of various academic programmes in higher learning institutions until the early 1990s was closely linked to the country's national development objectives. Additionally, the funding models in place during this period directed students toward fields of study that were seen as crucial to national priorities, reinforcing the alignment of education with the broader development agenda (Nyerere, 1968; Cliffe, 1973; Lufunyo, 2013).

However, the policy reforms of the 1990s marked a significant shift, as the liberalization of education allowed the private sector to play a larger role and increased private financing opportunities for higher education (Makulilo, 2014; Mgaiwa, 2016). This liberalization led to the expansion of higher learning institutions and broadened enrolment opportunities. At the same time, however, the gap in access to higher education between students from affluent and disadvantaged backgrounds widened. To address this disparity, the government introduced the Higher Education Students' Loans Board (HESLB) in 2004, aimed at supporting financially disadvantaged students. The implementation of this scheme contributed to a significant increase in student enrolment in higher learning institutions, as evidenced by the growing allocation and disbursement of loans to Tanzanian youth. Table 1 summarizes these findings, highlighting the notable expansion in enrolment following the implementation of the loan scheme.

Table 1: Status of loans allocation and students' enrolment expansion trend

Year	No. of students enrolled	Allocated budget (Tshs) Billion
2013/2014	96,028	340.8
2014/2015	100,936	348.7
2015/2016	125,126	477
2016/2017	116,705	483.8
2017/2018	121,702	427.5
2018/2019	123,329	427.5
2019/2020	132,392	450
2020/2021	149,509	464
2021/2022	177,892	570
2022/2023	205,893	654

Source: (HESLB Report, 2023)

Despite the growing access to higher education in Tanzania, fuelled by the expanded allocation of loans, a significant dilemma persists regarding the alignment of career choices with the aspirations and needs of Tanzanian youths. The increased availability of financial support has expanded opportunities for many students; however, concerns have arisen about the government's narrow focus on funding specific priority degree programs, especially in the fields of Science, Technology, Engineering, Mathematics, and Statistics (STEM), categorized under Clusters I and II (Amani & Mkumbo, 2018; Mgaiwa, 2023). In stark contrast, programmes in the social sciences, classified under Cluster III, receive significantly less financial backing from the Higher Education Students' Loan Board (HESLB), leading to an inherent imbalance in the allocation of resources (HESLB Guidelines, 2023). This disparity has sparked a growing unease among students and the broader public, as many feel restricted in their academic choices, constrained by the limited financial support available for programmes outside of the STEM fields. As such, the central dilemma emerged. While

the prioritization of STEM disciplines is seen as a way to address national development goals, it might simultaneously undermine the diversity of academic and professional pathways, creating a skewed educational landscape.

Furthermore, this policy-driven allocation of funds raises critical questions about the autonomy of students in choosing their academic paths. The narrow focus on specific fields may restrict students' ability to pursue courses that align with their personal interests and long-term career goals, presenting a troubling dilemma for those passionate about non-STEM disciplines. This forced alignment of career choices with the availability of funding could lead to a misalignment between students' academic pursuits and their true professional aspirations. As a result, many students may find themselves in fields they are less passionate about, leading to dissatisfaction, disengagement, and diminished motivation. The broader implications of this dilemma are far-reaching, thus when students are unable to follow their desired academic and career paths, the long-term effects on their personal fulfilment and productivity become evident. Certainly, such misalignment may have detrimental effects on the labour market, where the lack of diverse skills may hinder the country's socio-economic progress, creating a mismatch between the skills that students possess and the dynamic needs of the economy.

This study aims to address these concerns by exploring the influence of the Higher Education Students' Loan Schemes (HESLS) on the career choices of university students in Tanzania. Specifically, it seeks to investigate whether the current loan allocation model affects students' ability to choose programmes that align their personal interests and long-term career goals. The findings of this study offer insights into the unintended consequences of the current funding structure and propose recommendations for reforming the loan scheme to be more inclusive and client-oriented, rather than overly career-specific. This, in turn, contributes to the development of a more flexible and equitable higher education funding system in Tanzania.

Conceptual and Theoretical Review

Career choices is a life-long phenomenon an individual make in life (Gunz & Peiper, 2007; Wiseman, et al., 2010). It is considered to be the most complex and challenging task, as it requires someone to make choices among the competing alternatives. All in all, good choice of career is a key determinant of the extent to which a person attains his or her future life goals (Soenens & Vansteenkiste, 2005). In academia, the choice of a career start from types of subject's individuals attended during their schooling age traced from their ordinary levels. Studies in most Western countries show that individuals tend to choose careers aligned with their strongest abilities and core competencies, which are positively correlated with their academic performance (Buser et al., 2014; Niedexle & Osterbeck, 2014). This is contrary to most of developing countries whereby families socio-economic background and financial support systems available also have potential influence on students' choices of what and where to study (Makulilo, 2014; Mgaiwa, 2016).

However, the Theory of Social Learning (Bandura, 1977) and Theory of Planned Behaviour (Ajzen, 1991) both support two groups of factors motivating individual choices of career. These factors can be categorized into cognitive and environmental factors. Cognitive factors include self-

realization, social recognition, and personal development, often with a focus on financial success. Environmental factors encompass family influence, financial capacity, the perceived value of a course in the labour market, peer pressure, gender, and race (Bieri Buschor et al, 2014; Lent et al., 2005; Mickelson et al, 2018; Moller, 2019). While other studies have shown that educators also have a strong influence on learner decision on what to study (Clotfelter & Vigdor, 2007; Hanushek, & Kain, 2005). Nevertheless, it has been affirmed by many other studies that, the choice of career cannot be determined by single factor (Korkmaz, 2017; Parlak, 2015; Shumba et al. 2012). It has also been demonstrated that family advice, cultural background, individual passions, and the pressures of the global labour market are among the most significant factors influencing career decision-making among youth worldwide (Gardner & Billups, 2010). On the other hand, this study aimed at investigating whether government's student loans scheme influences students' preference of taking degree programmes which are of more loans priority, thus affect their decision choice of their career or not with reference to Tanzania higher education system.

Research Methods

Data for this study were collected using quantitative research methods and techniques. Four universities—University of Dar es Salaam, University of Dodoma, Saint Augustine University of Tanzania, and Saint John's University of Tanzania—were purposively selected for their diverse programme offerings and their alignment with the funding priorities of the Higher Education Students' Loans Board (HESLB). According to the Tanzania Commission for Universities (TCU) 2022/2023 report, these institutions collectively accounted for over 50.5% of national student enrolment, thereby increasing the likelihood of obtaining a representative sample. The inclusion of both public and private universities allowed the study to examine how institutional differences—particularly in tuition fees and the competitiveness of degree programmes—affect students' career decision-making processes. A total of 480 student loan beneficiaries were selected using Yamane's (1967) formula, which is appropriate for determining sample sizes from known populations and ensures a 95% confidence level with a 5% margin of error, as supported by Krejcie and Morgan (1970). Survey was employed to collect quantitative data whereby semi-structured questionnaires were directly administered to the sampled loan's beneficiaries in the selected HLIs. In some cases, the guided administration of the questionnaire was provided for clarification of questions and assurance of feedback of the filled in questionnaires as opposed to self-administered approach. Closed-ended questions were predominantly used to minimize non-responses. However, open-ended questions were also included to encourage critical thinking and allow respondents to express their views more fully, especially on issues raised by the closed-ended questions that required further clarification, as suggested by Creswell (2013); Houtkoop-Steenstra (2003); and Patton (2015).

Data analysis was performed using STATA software to examine the influence of loan scheme on students' career decisions. Descriptive statistics, such as frequencies and percentages, were used to summarize the distribution and characteristics of the variables. For inferential analysis, multinomial logistic regression was employed to examine the effect of loan scheme categories on the likelihood of different career decision outcomes. Additionally, the Spearman correlation coefficient was calculated to evaluate the strength and direction of monotonic relationships between ordinal or

non-normally distributed variables related to the loan scheme and career choices. Statistical significance was evaluated at a predefined p-value level, ensuring robust inference of the relationships studied.

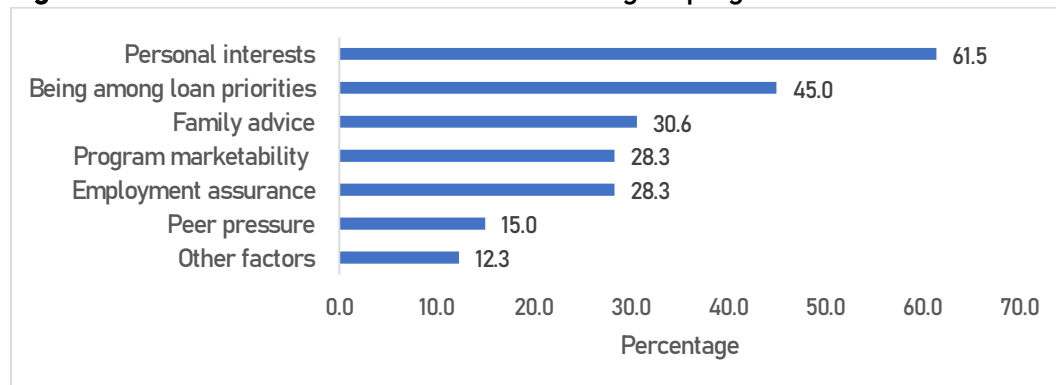
Results and Discussion

The findings of this study are organized accordance with the core research objective: to assess the factors that influence students' career choice decision. Among others the analysis examines how the variation of programme costs and the competitiveness of degree programmes between public and private universities shape students' career decision-making processes.

Factors motivated student's choice of degree programmes clusters

The findings presented in this subsection indicate that majority of respondents (61.5%) identified personal interest as the primary motivator influencing their choice of degree programmes. Financial considerations followed closely, with 45% of respondents identifying the availability of funding from the Higher Education Students' Loans Board (HESLB) as a significant influence on their decision-making. Other influences included family advice, perceived employability, and anticipated future earnings, all of which contributed to students' decision-making processes, as summarized in Figure 1.

Figure 1: Factors motivated student's choice of degree programs



Source: Field Data (2023)

The findings highlighted the complex and multidimensional nature of students' decision-making processes regarding degree programme selection. Majority of respondents identified personal interest as the primary motivating factor, indicating a strong reliance on intrinsic motivation and alignment with individual aspirations. This finding aligns with existing literature, which underlines the significance of personal values and self-determined goals in shaping academic pathways. However, financial considerations emerged as the second most influential determinant, with a significant proportion of respondents identifying access to funding from the Higher Education Students' Loans Board (HESLB) as a key factor. Notably, many students indicated that they selected degree programs prioritized by HESLB to enhance their chances of receiving financial support. This behaviour reflects a rational and adaptive response to structural funding mechanisms, particularly among students from economically disadvantaged backgrounds.

Nevertheless, such financial pragmatism may produce unintended consequences. When students make academic decisions primarily based on funding availability rather than genuine interest, there is a significant risk of misalignment between their chosen fields of study and their intrinsic motivations. Such misalignment may result in academic disengagement, lower satisfaction, and reduced long-term fulfilment in their professional lives. Furthermore, pursuing careers driven mainly by financial incentives can increase the likelihood of stress and burnout, particularly when individuals lack a personal connection or passion for the work. Beyond financial and personal motivations, other external influences including family advice, perceived employability, and expected future earnings also emerged as relevant factors in students' decision-making processes. Taken together, these findings illustrate a nuanced interplay of personal, economic, and socio-cultural forces, demonstrating how students navigate institutional constraints and broader societal expectations in pursuit of both financial security and personal fulfilment through higher education. In contrast to personal interest and financial considerations as primary influences on degree program selection, evidence from other countries highlights different patterns shaped by unique cultural and structural contexts. For instance, in countries like India and China, family expectations and advice play a significant role in shaping students' career choices, often outweighing individual preferences or financial factors (Dickson, 2023; Hao, 2023; Morgan, 2016). In these contexts, parental authority and societal prestige associated with specific professions such as medicine, engineering, and law often guide students toward particular career paths, sometimes at the expense of personal interests. Additionally, job market trends serve as a critical determinant in shaping educational decisions, with students frequently selecting programmes based on current and projected employment opportunities.

In contrast, in countries with heavily subsidized higher education systems such as Germany and the Nordic countries, students tend to experience greater autonomy in selecting degree programmes aligning with their interests (Heine & Linden, 2018; Stenberg & Sperber, 2019; Müller & Svensson, 2019). The uniqueness of loan schemes and higher education policies in these countries lies strong emphasis on universal access, equity, and student autonomy. These systems are characterized by heavily subsidized or entirely tuition fee-free education, allowing students to pursue academic programmes without the constraint of financial barriers. Unlike systems that link financial aid to government-prioritized fields or labour market demands, countries like India and China often provide non-programme selective funding, allowing students to receive support regardless of their chosen field of study. The removal of financial barriers in these contexts enables educational choices to be driven more by intrinsic motivation than by financial necessity. Collectively, these features promote greater autonomy in students' academic and professional decision-making. These cross-national comparisons highlight the importance of structural and cultural variables in shaping student decision-making. In light of these findings, there is a clear need for comprehensive career guidance systems that balance personal interests with financial realities. Thus, revising loan programmes to provide equitable support across a broader range of disciplines not solely those deemed high demand by the government could foster more diverse and fulfilling educational and career trajectories among Tanzanian youths.

The Multinomial Logistic Regression (MNL) model was also employed to identify factors with most significance influence on students' decisions in selecting degree programmes across different clusters. These clusters (I, II, and III) are defined by the Tanzania Commission for Universities (TCU) and the Higher Education Students' Loans Board (HESLB) applications guidelines. Clusters I & II include sciences related degree programmes, while cluster III includes all social sciences degree programs. In this analysis, cluster III was set as the reference or base category, allowing for comparisons to be made between cluster III and the other two clusters (I and II). The model calculates the likelihood that students will choose either cluster I or II over cluster III, based on a range of influencing factors. This approach offers a clearer understanding of the specific motivators that affect students' choices between these programme clusters as summarised in Table 2.

Table 2: Multinomial Logistic Regression on Factors Motivated Students' Choices of Programmed Cluster

Variables	Cluster I				Cluster II			
	Coef.	St. Error	t-value	p-value	Coef.	St. Error	t-value	p-value
Government loans priorities - YES	0.954	0.249	3.83	0.000	1.210	0.349	3.47	0.001
Employment assurance - YES	0.279	0.263	1.06	0.289	-0.911	0.422	-2.16	0.031
Personal interest - YES	0.704	0.249	2.82	0.005	0.139	0.352	0.40	0.693
Family advice - YES	-0.730	0.252	-2.89	0.004	-1.303	0.399	-3.26	0.001
Peer pressure - YES	-0.302	0.327	-0.93	0.354	-0.196	0.485	-0.40	0.687
Program marketability - YES	0.275	0.260	1.06	0.289	-0.471	0.407	-1.16	0.248
Other factors - YES	-0.546	0.347	-1.57	0.116	-0.450	0.520	-0.87	0.386
AGE	0.302	0.077	3.94	0.000	0.189	0.099	1.91	0.056
Gender - Male	0.151	0.241	0.63	0.530	0.349	0.338	1.03	0.302
Education								
- Secondary	-0.452	0.288	-1.57	0.117	0.127	0.408	0.31	0.755
- Post-secondary	-0.086	0.367	-0.23	0.815	0.807	0.484	1.67	0.095
Parents' income	-0.047	0.077	-0.61	0.539	-0.022	0.104	-0.22	0.830
FVI performance								
- Div. II	-0.632	0.260	-2.43	0.015	1.215	0.450	2.70	0.007
- Div. III	-0.930	0.515	-1.80	0.071	-13.959	731.178	-0.02	0.985
Constant	8.014	2.049	3.91	0.000	1.236	2.712	0.46	0.649
Pseudo r-squared			0.150		Number of obs		434	
Chi-square			130.882		Prob > chi2		0.000	

Source: Field Data (2023)

The results from the MNL analysis, as presented in Table 2, revealed the determinants influencing students' selection of cluster I and Cluster II programmes relative to cluster III. For example, students who indicated that "government loan priority" was a significant factor in their decision-making were more likely to choose cluster I programmes over cluster III. The positive

coefficient ($\beta = 0.954$) suggests a strong association between government loan priorities and the likelihood of selecting cluster I programmes, while the statistically significant p-value ($p < 0.001$) confirms that this relationship is not due to chance, rather, highlights the role of financial incentives, particularly government loans in shaping students' academic choices. Students are often more likely to choose degree programmes that qualify for government loans, as this significantly alleviates their financial burden. As a result, the prioritization criteria set by the government loan scheme exert considerable influence over students' academic pathways, particularly steering them toward programs within cluster I and cluster II.

Influence of HESLB loan on student's preference versus enrolled degree programme

This study further aimed at assessing as to whether the loan scheme influenced students to shift from preferred degree programme toward the enrolled degree programme. The results show that, about 53% of the students who enrolled in cluster I and 56% of those who enrolled in cluster II-degree programmes respectively, agreed that government loans priorities motivated their shift in degree programme choices. On the other hand, majority (70%) of the students enrolled in cluster III degree programmes disagreed to have been motivated by loans based on their enrolled degree programmes. Likewise, about 86% of the students enrolled in cluster I and 73% of those who enrolled in cluster II-degree programmes would prefer degree programmes in cluster I. In contrast, majority (96%) of the students enrolled in cluster III degree programmes were found to prefer cluster III degree programmes. Table 3 summarises these results.

Table 3: Influence of HESLB loan on student's preference versus enrolled degree programme

Variable	Categories	Cluster of the degree enrolled			Spearman coefficient
		Cluster I	Cluster II	Cluster III	
Loan's priorities as a motivator	Yes	126 (53)	37 (56)	53 (30)	0.197***
	No	113 (47)	29 (44)	122 (70)	
	Total	239 (100)	66 (100)	175 (100)	
Cluster of the preferred degree program	Cluster I	201 (86)	48 (73)	2 (1)	0.847***
	Cluster II	29 (12)	17 (26)	5 (3)	
	Cluster III	4 (2)	1 (1)	168 (96)	
	Total	234 (100)	66 (100)	175 (100)	
Status of the admitted program	1 st choice	154 (64)	45 (68)	78 (45)	0.171***
	2 nd choice	62 (26)	12 (18)	70 (40)	
	3 rd choice	23 (10)	9 (14)	27 (15)	
	Total	239 (100)	66 (100)	175 (100)	

Source: Field Data (2023)

These findings shed light on the significant role that government loan priorities play in influencing students' decisions regarding their degree program choices. A significant number of students enrolled in Cluster I and II indicated that the prioritization of government loans played a crucial role in their decision to shift from their originally preferred degree programs to those within these clusters. This influence was statistically significant, with a highly robust association ($p \leq 0.000$). This suggests that the availability of government loans linked to specific degree programs is a powerful determinant in shaping students' academic choices. Students, particularly those with financial constraints, may prioritize programmes that are eligible for government loans, even if those

programs do not align with their personal academic interests or long-term career aspirations. This decision reflects a pragmatic response to financial pressures, wherein students prioritize access to financial aid that reduces the economic burden of higher education over pursuing their initially preferred academic fields. These dynamics highlight how financial considerations can sometimes override intrinsic motivations and personal academic goals.

Factors motivated student's choices, either public or private Universities

A cross-tabulation analysis was conducted to examine the associations among categorical variables related to students' motivations for selecting their respective institutions. The results indicate that several factors significantly influenced institutional choice. Notably, students identified the affordability of tuition fees as a primary consideration, with public universities perceived as offering lower tuition costs compared to private institutions. Additionally, less competitive admission criteria in private universities were seen as advantageous by some students, making these institutions more accessible relative to the often-stringent entry requirements of public universities. Accommodation-related factors also influenced students' decision-making processes. Public universities were generally perceived as offering more affordable and reliable housing options compared to private institutions. These findings indicate that financial considerations encompassing both tuition and living expenses along with perceived accessibility based on admission criteria, are key determinants shaping students' preferences for particular institutions.

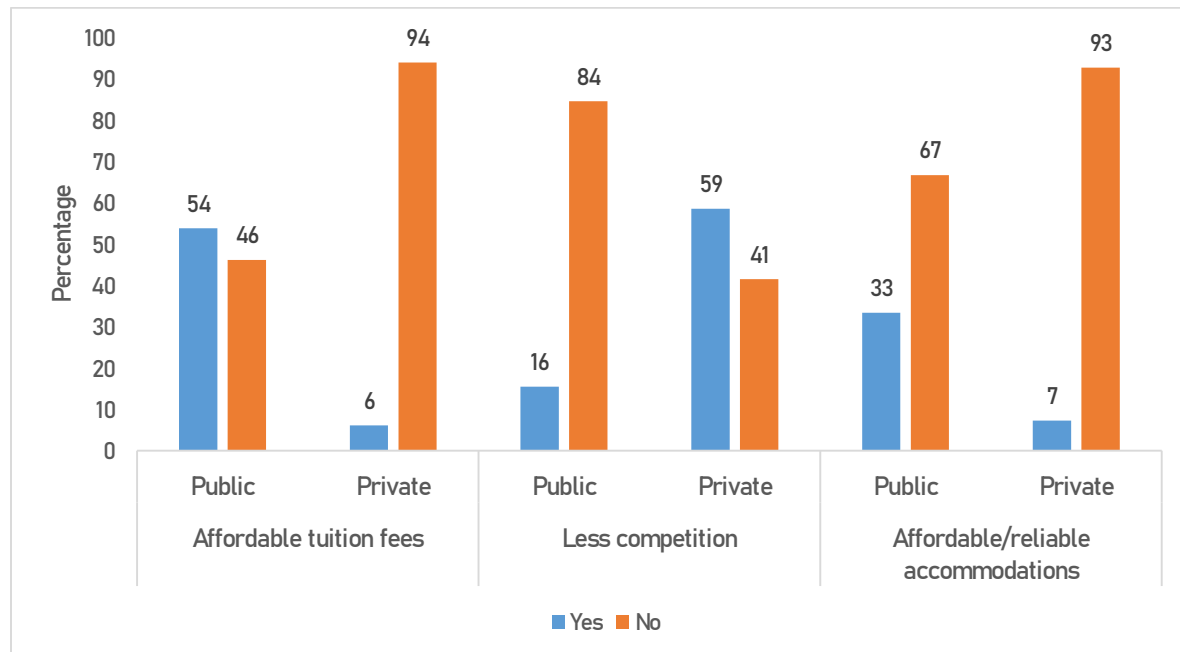


Figure 2: Factors motivated students' choices, either public or private Universities

Source: Field Data (2023)

The cross-tabulation analysis revealed that students' institutional choices are predominantly influenced by financial and accessibility related considerations. These may have adverse implications for their career choices and long-term development. Affordability—evident in lower tuition fees and more economical accommodation options at public universities—emerged as a critical determinant, especially for students from low-income backgrounds. While this pragmatic approach to minimizing educational costs may ensure access to higher education, it often constrains students to select institutions and programs not based on their academic interests or career aspirations, but on what is financially feasible. Likewise, the preference among some students for private universities—driven by their less competitive admission requirements—highlights the significant influence of entry ease over program relevance or academic quality. Such a disconnect between institutional or program choice and students' personal interests or long-term career goals may lead to the pursuit of careers that lack intrinsic motivation and do not align with their natural strengths or aspirations. These findings align with Social Learning Theory by illustrating how students' educational decisions are influenced by observed behaviours and external social factors such as peers choosing financially feasible or easily accessible institutions. This reflects how individuals model decisions based on perceived norms and expectations in their environment. Simultaneously, the results support the Theory of Planned Behaviour by highlighting how students' intentions are shaped by perceived behavioural control (financial constraints), subjective norms (social acceptance of less competitive private universities), and attitudes (pragmatic over passionate career choices). These factors collectively drive decisions that may conflict with students' true interests or aptitudes, leading to mismatches in career paths.

Over time, this can result in disengagement, underperformance, and dissatisfaction in both academic and professional contexts. Furthermore, such compromises in educational choices perpetuate structural inequalities, as students from disadvantaged backgrounds are systematically steered toward options that may constrain their opportunities for upward mobility and diminish their prospects for personal and professional fulfilment. Thus, the findings highlight a critical tension between accessibility and autonomy in career choice, emphasizing the need for policy interventions that reduce financial and academic entry barriers while supporting student-centred career guidance.

Conclusion and recommendation

Overall objective of this study was to evaluate whether students' choices of degree programmes are primarily driven by their individual aspirations or influenced by loan schemes. The findings indicate that while many students' decisions are initially guided by personal interests, these interests are often shaped by the government's loan prioritization. The analysis revealed a notable discrepancy between students' enrolled programmes and their preferred programmes. These results suggest that while admission criteria may limit students' access to their desired degree programmes, the availability of financial support through loan schemes plays a substantial role in shaping their final choices. This highlights the complex interplay between personal aspirations and financial constraints, whereby, students' academic decisions are not solely based on intrinsic interests but are also influenced by external financial incentives.

Based on the findings of this study, it is recommended that policymakers and higher education institutions adopt a more holistic approach to align students' academic choices with their personal

aspirations, while simultaneously addressing the financial barriers they encounter. First, the government should consider reforming the student loan scheme to encompass a wider array of degree programs—not only those classified as high-demand fields—thereby ensuring that students can pursue their preferred academic paths without being disproportionately influenced by financial incentives. In parallel, universities should revise their admission policies to be more flexible and inclusive, enhancing access for students from diverse socio-economic backgrounds and reducing barriers for those whose aspirations may not conform to traditional entry criteria. Furthermore, the provision of robust career counselling and academic advising services is critical. These services should integrate financial literacy with career planning to empower students to make well-informed, future-oriented academic decisions. Lastly, expanding the availability of scholarships, grants, and work-study programs would help reduce dependency on loans, affording students the financial autonomy to choose programs aligned with their interests and long-term goals, rather than those dictated by economic necessity. These recommendations would foster a more equitable and aspirational higher education environment, enabling students to make academic choices that align with both their personal interests and long-term career goals.

Key areas for future research include examining the long-term impact of student loan schemes on career satisfaction and professional success; exploring the influence of cultural and societal factors on academic decision-making across varied economic contexts; and conducting comparative analyses of the effects of government policies and loan systems on academic trajectories in subsidized versus non-subsidized higher education systems. Other studies may examine how students from diverse socioeconomic backgrounds balance personal aspirations with financial constraints, and assess the role of career counselling and financial education in supporting aspiration-driven choices. These would offer valuable insights for policy and institutional improvement.

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