International Higher Education Financing Reform

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Outline

(i) World-wide student loan reform: the broad sweep

(ii) The essence of TBRLs

(iii) What are ICLs and what are their Implications?

(iv) RBs for TBRL Illustrated

(v) Recent CGHE research input into debates/legislation in the US (2016/17), Ireland (2017), Colombia (2016/18) and Brazil (2017/18)

(vi) Two case studies: Japan (Lorraine Dearden) and South Korea (Dung Doan)

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2   The Essence of TBRLs

(i) TBRLs have repayment obligations fixed over time (eg Stafford); ICLs have no repayment obligations unless the debtor's income is high

(ii) Thus TBRLs can mean:

Repayment hardships

Borrowing from loan sharks, or friends and family

Defaults

Low government revenue from deferment or default

High collection inefficiencies and costs from chasing loans

What are ICLs and What are Their Implications?

(i) Again, the major point relates to collection: ICLs have repayment obligations which depend on income not time

Repayment only if a debtor's income exceeds a certain level

Thus no repayment when unemployed, in low paying job

Therefore:

No repayment hardships, no struggle or anxiety

No default and credit reputation loss

No loss of future revenue from default

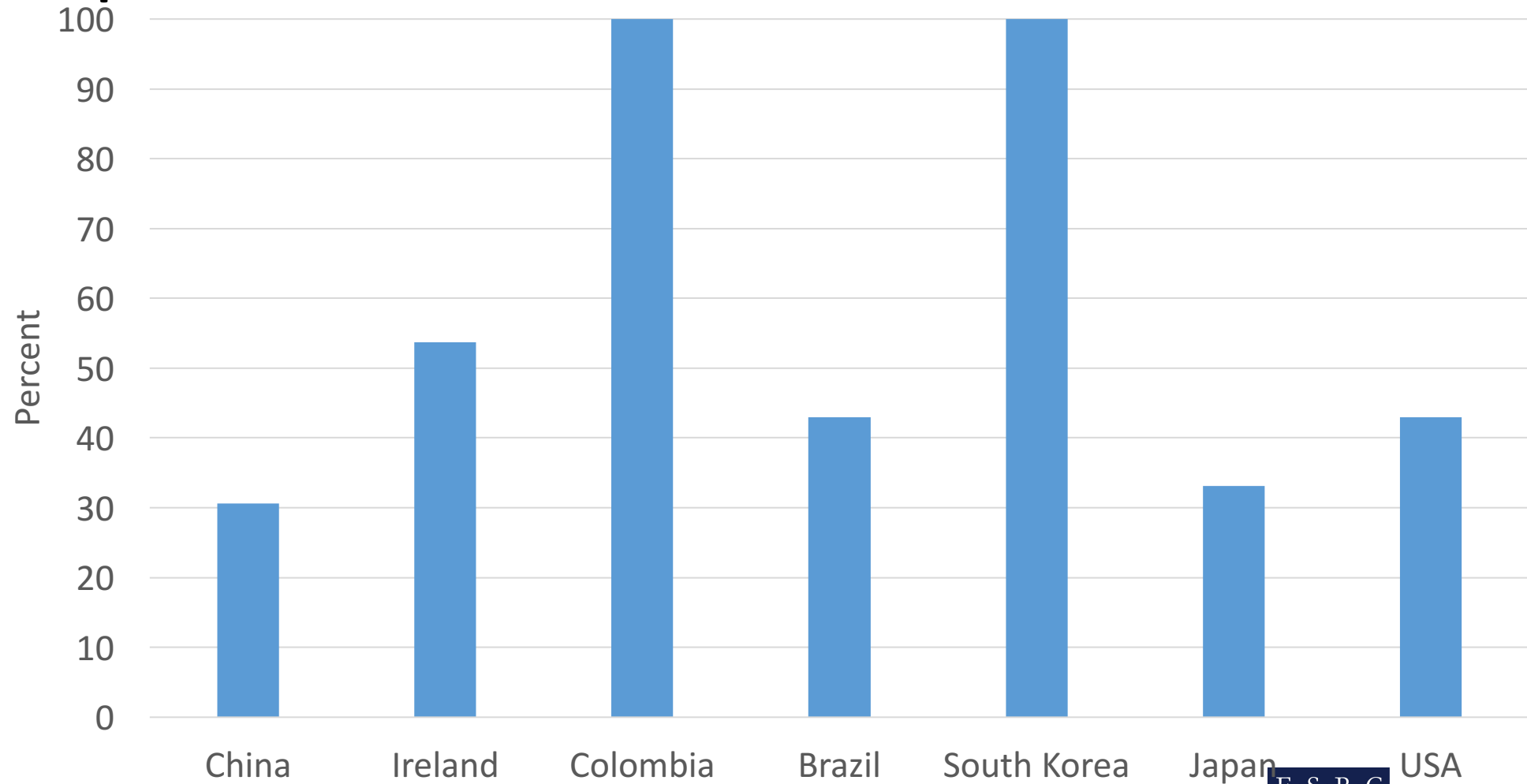## (ii) Further:

Highly efficient if collected by employers

No need for a large and expensive government administration

5 RBs for TBRL Illustrated

RB: Repayment burden in period = Loan Repayment/Income

Simply, TBRLs can't be repaid by many debtors without help from others (job choice and family formation issues must be affected)

International Comparisons of RBs with TBRLs. RBs for the bottom 20 percent of Male Graduate Incomes in Countries with TBRL
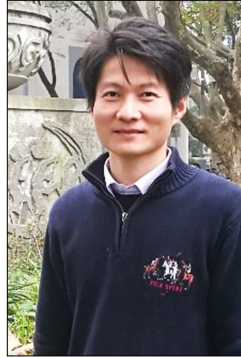
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Recent CGHE research input into debates/legislation in the US (2016/17), Ireland (2017), Colombia (2016/18) and Brazil (2017/18)
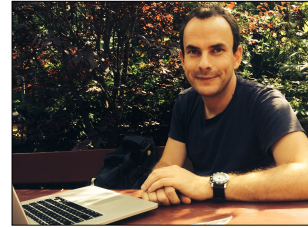
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RB Country Specific Research

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Paulo Nascimento
BRAZIL

Yu Cai
CHINA

Juan Felipe Serna &
Roberto Zarama
COLOMBIA

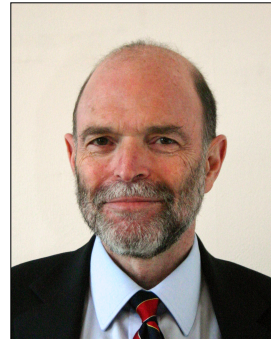Mathias
Sinning
GERMANY

Daniel Suryadarma
INDONESIA

Aedin Dorris
IRELAND

Russayani
Ismail
MALAYSIA

Kiatanantha
Lounkaew
THAILAND

Nicholas Barr   Lorraine Dearden   Susan Dynarski
USA

Amy Liu
VIETNAM

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Two Case Studies: Japan and South Korea

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10 Images of TBRLs and ICLs: The monster and the kitten

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