Chapter 13
The Nexus Between Higher Education Funding and Return Migration Examined

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13.1 Introduction

Internationally mobile students have become one of the most significant groups of new migrants (Murphy-Lejeune 2002). The number of students pursuing higher education studies outside their country of origin between 1990 and 2012 has tripled, reaching 4.5 million students in the world (OECD 2014, p. 342). Part of international student mobility is motivated by and has resulted in what Robertson (2013) calls 'the education-migration nexus,' where international student mobility is significantly linked to national skilled migration policies (p. 3). While research suggests that most international students return home after their studies abroad, many remain in the country of study or move on to work in another country, thus becoming part of an emigrant community (Bijwaard and Wang 2016; King and Ruiz-Gelices 2003; Sykes 2012; Vertovec 2002). Furthermore, in the context of circular migration, highly skilled international graduates – described in the literature as 'global graduates' (Brooks and Waters 2013) – become part of transnational social networks (Vertovec 2012), possibly leading to a 'triple win' outcome with benefits to receiving countries, sending countries and to the global graduates themselves (Castles and Ozkul 2014).

Governments engaging in funding internationally mobile students have various rationales. As one approach, receiving countries fund students from abroad as part of their foreign aid and public diplomacy programmes (Brooks and Waters 2013, p. 144). The outcome of soft diplomacy via the funding of international students who promote a positive image of the country can also be seen in the cases of sending countries (Del Sordi 2017). Another rationale for funding international student mobility is supplying the country's labour market with highly skilled professionals. In the case of receiving countries, international students – in effect, graduates-to-be –

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R. Kaša, I. Mieriņa (eds.), *The Emigrant Communities of Latvia*,
IMISCOE Research Series, https://doi.org/10.1007/978-3-030-12092-4_13

are essentially encouraged to immigrate (Choudaha and de Wit 2014). For sending countries the goal is the opposite. They seek to ensure that their international students come home and become part of a productive society (Sagintayeva and Jumakulov 2015). Attaching conditions to the scholarships funding international student mobility is a way for governments to manage international student migration.

Campbell (2018) identifies three approaches that governments use to ensure that international students funded through scholarships return after graduation. The first approach involves a binding agreement signed in advance between a student and the government, obliging the graduate to return and using penalties as the incentives for compliance. The second approach is a social contract between a student and their government. It is made clear to the student they are expected to return after graduation and are incentivised by the prospect of opportunities for them at home when they do. The third approach involves vague post-graduation guidelines which do not explicitly compel the graduates to come back or offer incentives for return. However, this third approach occurs mostly where there is a specific context, e.g., a conflict or a humanitarian crisis in the home country of these international students.

Scholarships, however, are only one source of higher education funding for students abroad. Many international students use loans to pay for their studies. The focus of this study is specifically on international students who borrow from their home country's student loans programme to pay for their higher education abroad. Based on the examples of students from Latvia who took loans to pay for higher education in Great Britain and the Netherlands, this chapter considers whether student loan forgiveness prompts graduates to return from abroad. The chapter examines this question within the specific policy framework of student loans and governmental policy to stimulate return migration to Latvia (The Cabinet of Ministers instruction no. 356 2013), juxtaposing this policy with the perspectives of three graduates who took a student loan from Latvia to pay for their higher education in other countries. This chapter uses a sub-sample of *The Emigrant Communities of Latvia* survey data to provide context for the way international students from Latvia pay for their education abroad and what their views are about returning to their homeland. The semi-structured qualitative interview and survey data presented in this chapter were collected in 2014 and 2015 as part of the research project *The Emigrant Communities of Latvia: National Identity, Transnational Relations and Diaspora Politics*.

This chapter continues with a review of the literature on concepts central to this study; a description of the student loans system in Latvia as it relates to international student mobility, a description of methodology, findings and a concluding discussion.

13.2 Conceptualising International Student Mobility and Higher Education Funding

13.2.1 Defining International Student Mobility and Migration

In a world where the movement of people is expanding constantly, the border between mobility and migration sometimes becomes blurred. International students live on the continuum of mobility and migration. The personal experiences of international students in the host country and the professional opportunities that may present themselves shape their thoughts about returning home, staying where they are, or perhaps moving onto new horizons in another country or continent. Data in *The Emigrant Communities of Latvia* research has shown increasing numbers leaving Latvia to study, thus confirming that international student mobility offers a path for possible emigration (Kaša 2015a).

When defining the terms 'mobility' and 'migration' in relation to international students King et al. (2010) state that the term mobility implies a short stay away with a high probability of return. This is the case with students taking part in academic exchange programmes such as Erasmus. However, they say it is harder to decide how to categorise the movement of students who go abroad for full degree studies which take at least a year and more, so-called 'degree mobility' (Teichler 2017). This fits the typical statistical definition of international migration better, implying a move of at least 12 months. Yet the probability of return after graduation might be quite high and thus the term 'migration' would not be as accurate as the term 'mobility' in describing this student movement (King et al. 2010).

So when does international student mobility become migration? Research shows that the intention to immigrate to the country of studies can be present prior to a student going abroad; a phenomenon called 'higher education-migration nexus' (Gribble and Blackmore 2012; Robertson 2013; Sykes 2012). Equally, this intention can also be completely absent when starting the studies and forms upon graduation (Alberts and Hazen 2005). Students who initially did not intend to stay in the country where they studied may not actually leave due to jobs, marriage or other personal reasons. All in all, there is likely to be a set of push and pull factors associated with whether international students stay in the country where they studied after they graduate, or whether they go back home (Chankseliani 2016; Han et al. 2015; Kim et al. 2011).

While acknowledging that it is difficult to make a direct comparison of 'stay rates' of international students in different countries, Sykes (2012) estimates that on average 25% of international students in OECD countries stay on after graduating. This statistic suggests that most international students do not become what Robertson (2011) calls 'student switchers'. Also scholars note that work in one country today no longer means a complete resettlement and life away from one's home country. In her study of European student mobility within the EU, Murphy-Lejeune (2002) points out that international students - and later global graduates - enjoy the benefits of 'mobility capital', which due to their international experiences and exposure enables them to move and succeed in various contexts (p. 51). The transnational ties of international students and global graduates also mean that for many the concept of 'home' may include more than one country (Levitt 2004; Robertson 2013).

13.2.2 Public Funding as a Tool for Steering International Mobility of Students and Graduates

'The funding of higher education is of central importance to debates about student mobility,' state Brooks and Waters (2013, p. 144). Indeed, the accessibility of higher education for students abroad depends on the availability of funding as well as whether the costs of higher education are affordable (Johnstone 2001). Students cannot access higher education if they cannot get funding to cover the costs of their education and student living. At the same time, even if such funding is available, the level of these costs is important for students and their families. Research shows that unaffordable costs of higher education overseas deter students from pursuing higher education internationally (Caruso and de Wit 2014), while optimal tuition encourages international enrolments (Lange 2013). Thus, governments can use public funding to steer international student mobility.

Funding for international student mobility can be placed in a theoretical model of higher education cost-sharing (Johnstone 2003). This model distinguishes between direct and indirect grants to students. Direct grants are funds made available to students in the form of scholarships, while an indirect grant is a subsidy enclosed in a student loan (Johnstone 2006). Migration or residency related conditions can be attached to both forms of this student financial assistance.

13.2.3 Direct Grants to International Students

Research by Perna et al. (2014) into direct grants to international students globally found that 59% of scholarship programmes designed specifically for international students with direct funding available required the student to return to their home country after graduation (p. 68). The remaining 41% of international scholarship programmes did not set return conditions for students.

While special scholarships are one way of accessing international higher education, another method is through 'opening up' national student financial aid programmes for funding higher education in another country (Lam et al. 2013, p. 12).

This 'portability' of student financial aid allows students to use their national programmes of student aid to cover higher education costs abroad. Most countries in Europe offer students the opportunity to fund higher education abroad from the general national student aid system (p. 38). However, it is not uncommon to have special conditions attached to this source of funding. For example, 11 European countries required prospective students to demonstrate continuous residence in the country prior to their grant application and the range of countries they could choose from to study in was limited (Lam et al. 2013). Interestingly though, this study did not identify return migration-related requirements in the context of portable state grants or governmentally-subsidised loans.

Scholarships or direct funding for international students that are offered by receiving countries display both approaches; that is, some require the graduate to go home after completing their studies, while others encourage them to stay.

Among prominent examples of the 'return' requirement are scholarships provided by the US government such as Fulbright or, in the context of the Baltic States, Baltic American Freedom Foundation scholarships. Although the recipients of these scholarships can engage in optional practical training and gain work experience in the US after graduation, a general feature of these scholarships is the home residency requirement for international students after graduation. They are usually required to return to their home country for at least 2 years. There are instances when this requirement can be waived, but this is subject to a separate application (US State Department n.d.). Including a return requirement in the conditions of direct higher education grants to international students is designed to make sure their mobility is circular rather than one-way.

Receiving countries granting scholarships to international students without return requirements offer the opportunity for them to stay after graduation (Choudaha and de Wit 2014, p. 24), enabling skilled migration among global graduates and one-way rather than circular mobility. In a comparative study of policies in five European countries – Germany, France, the Netherlands, the UK and Sweden – Sykes (2012) identified a series of policy measures aimed at retaining international students as immigrants. These measures include permission to work in the country after graduation, combining work and study during the period of education, recognising the years spent studying in the country in applications for permanent residency and naturalisation, streamlining the procedures for obtaining student visas and highly skilled work permits, and creating new visa categories for international students, simplifying some of the visa requirements. It should be noted here that immigration and work restrictions which apply to non-EU students who want to study in the European Union are not relevant for intra-European international students. EU citizens can study in any member state according to the same rules as the local nationals (European Commission 2011). International students of EU origin can work after their graduation in any other EU country.

13.2.4 Indirect Grants to International Students

Indirect grants as student loan subsidies are another source of national funding for students. The hypothesis linked to the education-migration nexus associated with this financial tool is to do with student debt forgiveness.

An indirect subsidy or an effective grant (Johnstone 2006) within the scope of the student loan programme may involve a subsidised interest rate, a government-funded period of grace on repayments, a government guarantee against default or cancellation of the debt altogether. The availability of these indirect subsidies to students may depend on their migration decisions.

There is limited evidence as to whether this approach influences return migration decisions among international students. One example from the United States concerns a policy implemented in the state of Alaska for US students from 1972 to 1987 (Alaska Commission on Postsecondary Education 2014; McBeath and Morehouse 1994). Students who borrowed from the Alaska Student Loan Programme and graduated successfully could have half their overall debt cancelled if they stayed in Alaska for at least 5 years. An additional condition was that the borrowers did not default on their loan (Alaska Commission on Postsecondary Education 2014).

Only 20% of those borrowing from the state's student loan programme met all three criteria for post-graduation debt reduction, according to the Alaska Commission on Postsecondary Education (2014); completing their degree, not defaulting on the loan and living in Alaska for 5 years afterwards. This loan reduction programme was discontinued at the end of 1980s due to the worsening economic situation (McBeath and Morehouse 1994).

The Alaska student loan cancellation programme is unique, not only because one condition covered post-graduate migration behaviour but also because it did not include any workforce-contingent requirements. Workforce-contingent student loan forgiveness programmes are common in the context of the United States (Hegji et al. 2014; Kirshstein et al. 2004). These programmes also exist in other countries like Canada (Employment and Social Development Canada 2014) and Latvia, as described in the next section of this chapter.

Research into student loan forgiveness programmes usually focuses on the effectiveness of meeting society's needs for a workforce. Studies concerning the migration of international students and global graduates in turn focus on the issue of their motivation to return or emigrate (Lee and Kim 2010). The contribution of this article is in its focus on the link between student financial aid and the subsequent migration decisions of international students and global graduates.

13.3 Governmental Loans and Debt Forgiveness to International Students from Latvia

Latvia does not have a national scholarship supporting international student degree mobility (Teichler 2017). Instead, the Latvian government uses the subsidised loans programme to support the accessibility of higher education abroad for students from Latvia. It is the same programme which ensures access to higher education for students studying in Latvia (Kasa 2008). To facilitate the affordability of higher education, the government subsidises a loan's interest rate and repayment grace period, acts as the secondary and in some cases primary loan guarantor and also decides whether a student debt should be cancelled. Despite its primarily national focus, since its inception in 2001 the programme has widened to support international student mobility (The Cabinet of Ministers regulations no. 220 2001).

In 2000, there were 3005 students from Latvia at universities abroad. In 2012, this figure doubled to 6387 then decreased to 5737 students in 2016 (UNESCO 2018). In order to ensure sufficient funds for loans for students in higher education in Latvia, the government has set an annual cap on the amount of funding that can be allocated to students going abroad. Until 2014, that was 2% of the government's annual student loans budget. In 2014, due to the increased demand, the government doubled the funding to 4% of the annual amount (The Cabinet of Ministers regulations no. 230 2014). It also stipulated the maximum loan – 21,334 euros – that a student can receive for covering the costs of one degree abroad. If a student wants to acquire more than one degree abroad, the maximum loan is set at 28,458 euros in total. From 2002 to 2015, there were 1019 students who paid for their tuition abroad using the Latvian government's student loan, and 947 who used this loan to cover their living costs (Author's calculations based on data in public reports by the Administration of Studies and Research from 2002 to 2015).

Students who go abroad funded through the government's student loans programme are subject to the same rules of repayment and debt forgiveness as students in Latvia. There are no special conditions for students who borrowed to study abroad. The loans do not include conditions for international students to return home after their studies.

This did not change when the government was looking for ways to encourage return migration among Latvians abroad. What changed in 2013 was the policy rhetoric related to student debt forgiveness (Kaša 2015b). For the first time, in the policy document *Return migration support action plan for 2013–2016* the government identified those studying abroad as a special policy target group. It stated that students studying abroad could have their debts cancelled if they returned to government-approved jobs in Latvia that qualified for this measure (The Cabinet of Ministers instruction no. 356 2013). As this statement was included in the government's plan to stimulate return migration to Latvia, there was an assumption that this policy can influence the decision-making of international graduates. At the same time, this statement did not make any alterations to the policy already in place. That is, any graduate with a loan from this programme – whether they had studied abroad or in Latvia – who was working in an eligible job could have their student debt cancelled.

Given the policy context, the question remains as to whether Latvian international students see the cancellation of their loan debt as a pull factor when considering whether to return home. This research aims to address this question through the perspective of international graduates who have borrowed from the government's student loans programme to pay for their higher education abroad.

13.4 Methodology

The evidence on the nexus between higher education student subsidies and the return migration decisions of international students and global graduates from Latvia presented in this article comes from a survey and qualitative interviews conducted as part of the research project *The Emigrant Communities of Latvia*.

Using a subsample of 1013 respondents who at the time of the survey were enrolled in higher education abroad, this chapter describes the sources of funding that international students from Latvia use to pay for their education abroad. (For details of the survey methodology see Mieriņa in this volume.) A cross-tabulation method was used to identify the return intentions of international students from Latvia against the source of their higher education funding.

While the survey data provides general information about how the funding of higher education abroad intersects with the perspectives of international students on returning home after graduation, the qualitative semi-structured interview data in this study reveals very personal opinions on the opportunities for student loan debt forgiveness and their decision to stay abroad or not. This chapter presents the stories of three global graduates who used the Latvian government's student loan to pay for their education in Great Britain and the Netherlands. Through their perspectives this chapter discusses the feasibility of the policy assumption that student debt forgiveness will encourage Latvians educated internationally to return home.

The interview participants were recruited applying a snowballing approach, purposely seeking to recruit international students and recent global graduates from Latvia (Cohen et al. 2011). In total, 21 participants matching this profile were interviewed, yet only three of them had used student loans from the Latvian government to pay for their studies abroad. Thus, this chapter includes only their perspectives. Identifying and recruiting the interview participants in this study took place separately from their participation in *The Emigrant Communities of Latvia* survey. Their names have been changed to protect their identity.

13.5 Findings

13.5.1 Higher Education Funding Among Students from Latvia Abroad and Their Intentions to Return

International student mobility is determined by the ability of students to cover the higher costs of education abroad, which always includes student living and often tuition costs. In the case of international students from Latvia, survey data showed that 18% have to cover their living costs only since they pursue a higher education degree abroad for free, i.e., without tuition costs being charged. The other most frequently mentioned source of funding for students from Latvia to cover the costs associated with higher education were their own savings and income during the period of study (29%). The next was financial support from the family (15%). Almost one in ten respondents (9%) had received a scholarship from their host university, while 7% of all students abroad were covering their education costs with a scholarship from a foreign government. Six percent of students relied on foreign philanthropic funding. Less than 1% of students mentioned philanthropic funding from Latvia as a means to pay for higher education abroad.

The responses also showed the use of loans to pay the cost of higher education abroad. Having a loan from the host country's government was mentioned by 9% of students; 3% of students had taken out a loan from a bank abroad to pay for their higher education and 2% of respondents had government student loans from Latvia. Less than 1% of students had used a loan from a commercial bank in Latvia to fund their foreign degree.

This data shows that access to higher education abroad for students from Latvia is mostly funded by foreign sources, the student's own savings and income and their family. Only a few students rely on loans from the Latvian government to meet the costs of their education abroad. There are no Latvian government scholarships for Latvian students abroad.

The return intentions of students from Latvia at universities abroad, broken down by their source of funding, showed that most did not see themselves coming home in the near future. Interestingly however, the largest share of students who were confident or fairly confident about returning to Latvia – 33% – were those who had taken a loan from the Latvian government to pay for the cost of their education (see Table 13.1). The next highest share of students certain or nearly certain to return – 26% – were those whose families were covering their expenses.

The respondents least likely to return to Latvia in the near future were those who covered their education costs abroad from a foreign source of funding, such as a scholarship or a loan. Two-thirds of these respondents were sure or almost sure they would stay abroad.

Regardless of the source of funding for their higher education the tendency to stay abroad rather than return dominated among Latvian international students. However, one sample z-test for estimating the proportion of the population showed that the share of students funded by their family or with a loan from the Latvian

Table 13.1 The return intentions of international students from Latvia categorised by the source of funding for their education abroad

Source of funding	I am certain or fairly certain I will return		I may return in certain circumstances		I am certain or almost certain that I will not return		Total	
	N	%	N	%	N	%	N	%
Personal income and savings from income	50	12	144	34	224	54	418	100
Financial support of parents or relatives	54	26	81	39	72	35	207	100
Loan from the government's student loan programme in Latvia	9	33	8	29	11	39	28	100
Scholarship from a foreign source of funding (governmental or private)	75	13	122	21	392	67	589	100
Student loan from a foreign source of funding (governmental or private)	22	12	49	27	109	61	180	100

Source: The author, based on *The Emigrant Communities of Latvia* survey

government who were intending to come back was statistically significantly higher than those students funded by a foreign scholarship ($p < .05$), a foreign student loan ($p < .05$), or their personal income and savings ($p <. 05$).

This suggests that international students funded by a source from their home country – in this case Latvia – have a stronger inclination to return than those students funded by foreign sources.

13.5.2 The Nexus Between Loan Forgiveness and Return to Latvia

This section discusses the policy hypothesis that loan forgiveness prompts students to come back after graduating from a university abroad. The issue is considered through the perspectives of three 'global graduates' (Brooks and Waters 2013) from Latvia – Laila, Modris, and Renate, who graduated from universities in Great Britain and the Netherlands and paid for their higher education abroad using the Latvian government's student loan. At the time of the interviews, Modris and Renate had returned to Latvia. Laila was still abroad.

For Renate, who earned a Master's degree and a PhD in social sciences at an internationally prestigious university in Great Britain, the opportunity to return to Latvia emerged in 2010 as she was finishing work on her doctoral thesis. This opportunity was an engaging and well-compensated academic research project in her field in Latvia run by a large public university. When the research project finished, Renate continued to work as a lecturer there. Having become a salaried lecturer and still owing 25,000 euros to the government's student loans programme, Renate was happy to have her student debts cancelled:

> The student loan cancellation programme is an essential condition for me staying and working [at the university]. My current wage is enough for one as I do not have dependents and can afford more [financial] instability. I can also afford higher risks because I have a well-established social network and a well-to-do family. If I had dependents, I would struggle, but if I could see the job situation [in employment conditions] was not going to improve, I would not stay working here [in Latvia] but I would look for another job, possibly abroad.

As Renate's story shows, debt forgiveness was not a reason for her to return, but it was the reason she was able to work in a modestly paid public sector job. Thus, the student loan forgiveness worked as a retention policy for an international graduate, rather than as an incentive to return.

Modris took a student loan from the government to study in the UK but he too came home. By the time he graduated with a Bachelor's degree in social sciences, Modris owed £9000 [pounds sterling] in student loans in Great Britain and 22,000 euros to the Latvian government's student loan programme. After graduating, Modris spent 2 years working in a large international business consultancy in London before returning to Latvia in 2014, to work in a key position in a new innovative company. His motivation was homesickness: he 'missed Latvia' and did not want to spend all his life in Great Britain. While still in London he began asking about job opportunities in Latvia and was offered a leadership role at a start-up company which he considered a good opportunity, so he returned.

Modris was asked if the possibility of having his student debt cancelled if he returned was a factor in his decision:

> No. When I worked in London, I had even forgotten that the government could cancel the debt if I worked in a certain profession. Therefore I think it's very important to maintain regular communication between the Administration of Studies and Research [which administers the loans in Latvia] and the borrower. I was away for five years and it would have been logical if once every half a year I received an e-mail saying 'Hi, how are you? Do you remember there are programmes which give you the opportunity to cancel part of your loan?'

Since Modris now works in the private sector in Latvia, he is not eligible for any help with his student loan payments. He argues that the government should take a more strategic approach to identifying areas of the economy where graduates who return to work in Latvia can qualify to have some of their debts written off: '[The government] should think in a smarter and broader way about which professions will benefit Latvia [as a country]. I think the entrepreneurial sector should be included in that.'

Laila, the third participant in this study, acquired her Master's degree in the Netherlands, funded by a government student loan. She is now an entrepreneur. While Renate and Modris went to Britain specifically to study – in 2003 and 2009 respectively – Laila moved to the Netherlands in 2009 to work in the same year that she graduated from university in Latvia. This was the time of the Great Recession in Latvia when many were forced to go abroad seeking work (Hazans 2016;

McGuinness 2010). Before leaving for Amsterdam Laila was employed but was not satisfied with her job. With high unemployment and few opportunities in Latvia she applied for jobs abroad and was hired by a large production company in the Netherlands. She moved to the Netherlands and supported her parents and younger siblings at home throughout the financial crisis.

In 2010, Laila began a Master's degree in communication and marketing in the Netherlands. She explains her reasons:

> I understood that if I wanted to stay here and build a career, I would need a paper [higher education diploma] which shows I have graduated from a school recognised [abroad]. … I started putting my thoughts together about my financial options for how I could afford to study [in higher education abroad]. I realised that my only option was the Netherlands … because they support students very well financially.

Laila's studies were intensive and it was impossible for her to combine education with work. To cover the costs of her Master's degree, Laila had to take student loans. To cover the tuition fees she borrowed 1800 euros from the Latvian government's student loans programme. To cover her expenses while studying she borrowed an additional 15,000 euros from the student loan programme in the Netherlands.

Having completed her studies in 2012, Laila moved back to Latvia. She thought this was a permanent move but it lasted less than a month. One of her former employers in the Netherlands called her and offered her an opportunity that was so good she 'packed her bags in two minutes' and got on a plane for Amsterdam. The jobs she had applied for during the few weeks she was in Latvia were slow to respond.

Laila is now an entrepreneur in Holland. She set up two small companies, one in the Netherlands and one in Latvia, and runs these businesses, visiting Riga at least twice a year. Asked about the prospects of her returning to Latvia permanently, Laila said:

> This thought crosses my mind from time to time. However, during this past year while working with business clients from Latvia I have realised that I am not sure if I want to go home [to Latvia]. … If I could have two homes, then I would go to Latvia because of our great food, people, nature and things like this. I would keep the professional [life] here [in the Netherlands] and juggle both things. However, the reality is that because I have built my professional [life] here – and because business with clients in Latvia goes up and down – it is most likely that I will settle down here [in the Netherlands].

The possibility of having her student loan cancelled is not a factor significant enough to influence Laila's decisions about where she lives. Her student debts are not big enough to feel like a 'millstone round her neck.' She says if the Latvian government rang her up and said: 'We will pay your student loan – just come back to Latvia', she would refuse.

13.6 Conclusions

In 2013, amid heightened public concern about excessive emigration, the government of Latvia adopted a plan to motivate the return migration of those who had left the country (The Cabinet of Ministers instruction no. 356 2013). Among other things, this plan proposed cancelling the debts of students who borrowed from the government's loan programme to study abroad. The aim was to incentivise return migration among highly-educated Latvian emigrants. The purpose of this chapter was to examine this policy hypothesis through the perspectives of the target group: Latvians who went abroad to study and paid for their studies with Latvian government's student loans. This chapter also provided information about how international students from Latvia pay for their higher education abroad in general, and how the source of funding intersects with their intentions to return.

Data presented in this article shows that governmental student loan forgiveness in the present policy framework does not incentivise Latvian students abroad to come home. The government grants loans for studies abroad to fulfil the goal of access to higher education. These loans are not linked to more specific policy rationales about targeted human capital building. They do not carry any obligations for recipients to return home after completing their studies abroad. Thus, although funded by a loan from their own government, whether Latvian students at universities abroad return home after graduation is an expression of their free will.

While data in this research suggests that student loan forgiveness is not an incentive for international students to return to Latvia, it can be a retention mechanism if they return and then work in moderately-paid public sector jobs in Latvia. Student debt forgiveness supplements the income of international graduates in these positions by saving them money which otherwise they would need to pay back their student loan. If their salary is low and their loan repayments high, they might not be able to remain in the public sector job. Thus, student debt cancellation provides financial support to an international graduate in employment. It works to 'keep the talent that has returned' rather than as a trigger for return migration among Latvian students abroad.

At the same time, the sustainability of the impact of cancelling student debts as a way of retaining international graduates can be questioned. Data in this study reveals that writing off student loans does not eliminate the financial instability associated with low-paid public sector jobs. Thus, the risk remains of graduates educated abroad emigrating again for better-paid jobs elsewhere.

The potential of the debt forgiveness programme to impact on return migration is also limited because of its focus on public sector jobs. Understandably, the government wants to re-invest public money in the public sector in the form of highly-educated graduates whose education has been subsidised. But at the same time, this rationale excludes those graduates who want to work in the private sector.

Data in this study shows many international students from Latvia do not see themselves returning to Latvia after graduation, no matter what the source of funding. Thus international students from Latvia have high emigration potential. Interestingly, the intentions to return are more common among students who have paid for their studies abroad either with money from their family or with a student loan from the Latvian government. The most confident about not returning to Latvia are students whose higher education abroad was funded by foreign scholarships or loans. Why there is this difference might be a topic for future research. The findings from this research suggest that 'the education-migration nexus' (Robertson 2013) exists in any scheme of international student mobility funding.

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