

# Higher education funding – international comparisons

This paper gives a brief overview of tuition fee and student support arrangements internationally and summarises the position in thirteen OECD member countries.

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## **Executive Summary**

Governments across the Organisation for Economic Co-operation and Development (OECD) are facing similar issues on higher education at the start of the 21<sup>st</sup> century:

- How to have a successful and modernised higher education system;
- How to expand numbers, what level to expand to and how to fund that expansion;
- What proportion should come from the tax payer, the student and / or their family and what contribution should come from business.

This paper aims to set out the key features of higher education systems internationally, focusing on thirteen of the thirty countries who are members of the Organisation for Economic Co-operation and Development (OECD). The thirteen countries are: Australia, Canada, Denmark, France, Germany, the Republic of Ireland, Italy, Japan, Netherlands, New Zealand, Spain, Sweden, United States of America.

There is a wide range of international practice and experience in funding the diverse international higher education systems and in providing support to learners. But, a number of conclusions stand out:

### **The UK has a less than international average participation rate**

According to the OECD 'Education at a Glance 2002' report, the UK has a below average higher education participation rate of 45 per cent. New Zealand, Sweden and Australia all have participation rates above 60 per cent and nine of the thirteen competitor nations increased their participation rate between 2000 and 2001 (the latest two years worth of figures).

### **UK spending on higher education is lower than the average of our international competitors**

The Government is currently increasing spending on higher education. Between 2002/03 to 2005/06 it will rise from around £7.5 billion a year to almost £10 billion – a real terms increase of over 6 per cent each year. The extent to which this is needed is reflected in the fact that in 2000 the UK spent the equivalent of \$9,657 per student in tertiary education. This is below the OECD mean average and under half of what the US spent (\$20,358).

### **Tuition fees are becoming the international rule and not the exception**

Eight of the 13 OECD main competitor countries analysed in this paper charge tuition fees of some sort. All of these eight bar Netherlands vary their fees to some extent. Of the five remaining competitors who do not charge fees at present, Germany is discussing the issue intensely and France is planning reforms to give Universities more autonomy.

### **Many English universities are already successfully varying fees already**

Our universities already vary fees across courses for non-EU students and the success in doing so is not just confined to Russell Group universities. Two of the biggest Universities in terms of enrolments of non-EU students are Middlesex University and the University of Westminster. Both of these

universities are Modern Universities. This proves that all kinds of universities are able and successful at dealing with variable fees.

**Fees have not damaged access**

In Canada, a rise in tuition fees has not adversely affected the participation of students from lower income families. A report from Statistics Canada (October 2003) indicated that only the children of the lowest income group, those with an annual income of Can \$25,000 (£11,000) or less, increased their participation rate in university between 1991 and 1997. This was at a time when arts tuition roughly doubled over the 1990s and the fee to study at some schools of medicine, law and business more than doubled in the same period. At the same time students from high income backgrounds (annual income of Can \$100,000 plus) dropped from a high water mark of 45% attending university in 1991 to roughly 38% in 1997. In Australia, participation in higher education has increased across all social groups since higher, differential fees were introduced.

**Graduate tax is a theoretical possibility but in practice non-existent**

No country in the OECD or beyond has a Graduate Tax.

## **Introduction**

There is a wide range of international practice and experience in funding the diverse international higher education systems and in providing support to learners.

This paper aims to set out the key features of higher education systems internationally, focusing on thirteen of the thirty countries who are members of the Organisation for Economic Co-operation and Development (OECD). The thirteen countries are: Australia, Canada, Denmark, France, Germany, the Republic of Ireland, Italy, Japan, Netherlands, New Zealand, Spain, Sweden, United States of America.

It summarises:

- whether students are required to make a contribution to the cost of their studies; and if so, whether those fees are differentiated according to subject of study and when and how the student repays those fees; and
- the overall support available to students and, where this is provided, whether it is in the form of grants, loans or both.

The paper also analyses recent trends in financing higher education and compares developments in the UK with those in other parts of the world.

## **Key Messages**

Many Governments are facing similar issues relating to higher education at the start of the 21<sup>st</sup> century. How to have a successful and modernised higher education system? How to have in place the right size higher education system, providing the right numbers of graduates to meet the needs of the economy and society more widely? How to allow access to all those who have the potential to benefit, while balancing that with the need to provide appropriate resources? Common issues include:

- the appropriate rate of participation;
- the extent to which contributions to the costs of higher education learning should come from the state, the student and / or their family, and;
- the amount of support – if any - available to students and whether this is in the form of loans, grants, or a combination of the two.

Some countries have fairly comprehensive student support mechanisms in place, while others expect students or their parents to provide that support. Some countries have ruled out tuition fees altogether. Others are looking to introduce them. And still others are refining the way in which students contribute to their learning.

The pace of change is accelerating. Japan will, from 2004, allow its state universities to have greater autonomy, including the freedom to set their own tuition fee levels. Australia, under reforms carried through by both major parties, launched the Higher Education Contribution Scheme (HECS) in its Higher Education Funding Act 1988, moved to regulated differential fees in 1997, and is now allowing for higher fees and further flexibility. Many countries have been introducing, or raising, fee levels considerably, often with fee deferral or fee remission or bursary arrangements for less affluent students.

On continental Europe – particularly Germany – there is a growing belief that the status quo is unsustainable and that reform on similar lines will be needed. The issue of tuition fees is the subject of intense discussion in Germany. Universities are at present prohibited by law from introducing tuition fees but that principle has been challenged by politicians and by others.

The pace of change is also apparent in Asia. The Chinese Government plans to concentrate research funds through the creation of ten world-class universities; whilst in India, there is a national Institute of Technology, with centres on five sites across the country.

It is clear that it is not possible for any country to expand its higher education system indefinitely without considering carefully what that system should look like and how it should be paid for. This paper sets out some examples of approaches taken by other countries to inform the debate.

### **Participation rates**

The UK Government is committed to increasing participation in higher education towards 50% of those aged 18-30 by 2010. There have been criticisms that this expansion is not needed. However, the UK's participation rate in higher education (the net entry rate) is actually below the average for the 30 OECD countries.

Table 1 shows the net entry rate to higher education for OECD countries in 2001, with the country with the highest net entry rate (New Zealand) ranked first.

**Table 1**

<b>OECD Country</b>	<b>Net entry rate 2001</b>
New Zealand	76
Finland	72
Sweden	69
Poland	67
Australia	65
Norway	62
<b>OECD Country</b>	<b>Net entry rate 2001</b>

Iceland	61
Hungary	56
Netherlands	54
Korea	49
Spain	48
<b>Country average</b>	<b>47</b>
United Kingdom	45
Denmark	44
Italy	44
United States	42
Japan	41
Slovakia	40
Ireland	38
France	37
Austria	34
Switzerland	33
Belgium	32
Germany	32
Czech Republic	30
Mexico	25
Turkey	20
Canada	Data not available
Greece	Data not available
Luxembourg	Data not available
Portugal	Data not available

Source: OECD, *Education at a Glance*, 2003

The net entry rate is based on the probability of a 17 year old entering higher education by the age of 30. This is based on people entering higher education for the first time. It is a technically different measure from the more commonly quoted Initial Entry Rate (IER) figure for the proportion of 18-30 year olds in higher education which is currently 43.5%.

### **The funding of higher education**

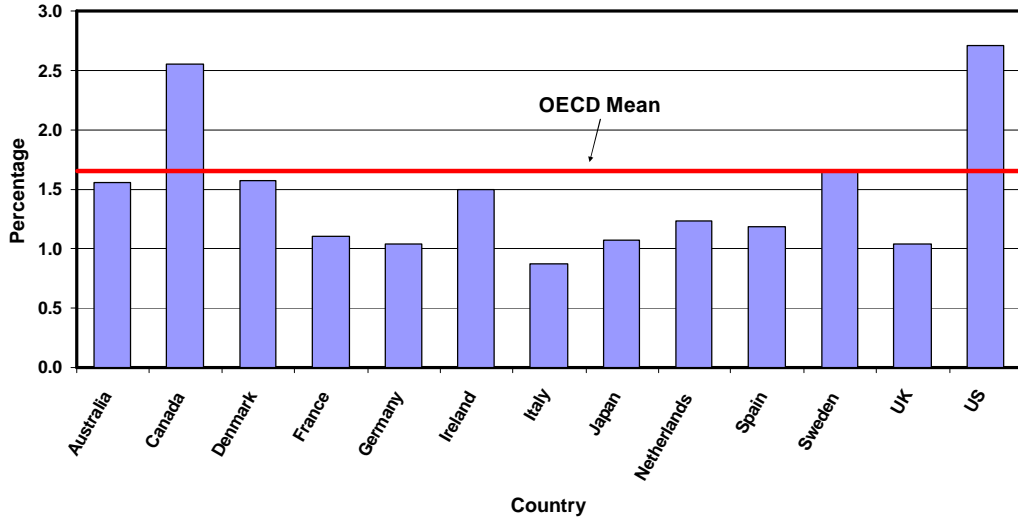
The OECD average for percentage of GDP spent on tertiary education in 2000 was 1.7%. The UK was below this, at 1.0%. This percentage is lower than every other country in this paper, except for Germany and Italy - see Table 2.

The Government is currently increasing spending on higher education. Between 2002/03 to 2005/06 it will rise from around £7.5 billion a year to almost £10 billion – a real terms increase of over 6 per cent each year. The extent to which this is needed is reflected in the fact that in 2000 the UK spent the equivalent of \$9,657 per student in tertiary education. This is below the OECD mean average and under half of what the US spent (\$20,358) - see Table 3.

**Table 2**

**Expenditure on tertiary education institutions as a percentage of GDP  
(2000)**

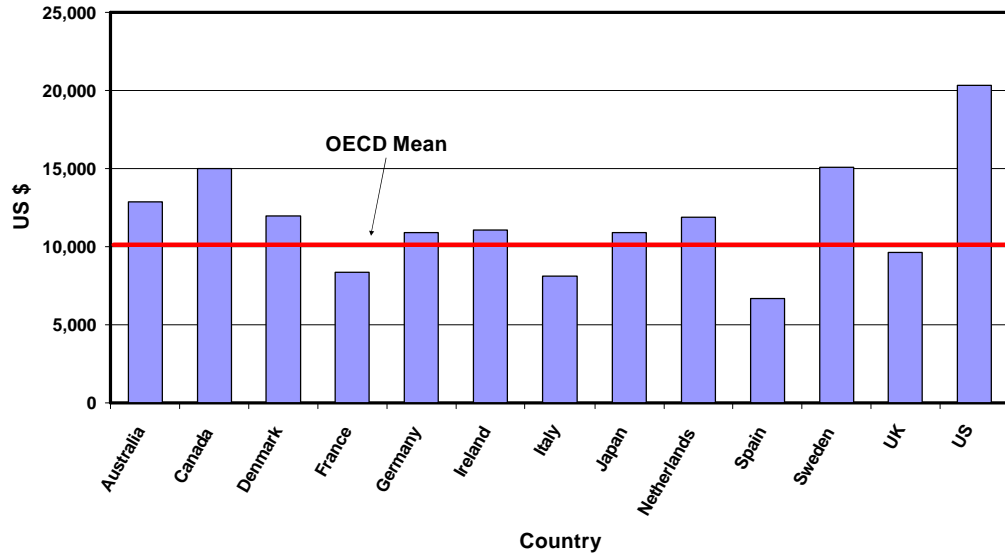
Source: Education at a Glance 2003, OECD



**Table 3**

**Annual expenditure per student in tertiary education, 2000 (US \$)**

Source: Education at a Glance 2003, OECD



## The international experience of tuition fees

Arrangements for funding higher education are varied. But of 13 countries included in this paper, eight have some form of fee system - see Table 4. Further details are given at Annex A.

**Table 4**

Country	Charge tuition?	Differentiated by institution?	Differentiated by subject?	Deferred fee?	Considering changes?
Australia	Yes	Not yet – from 2005, yes	Yes	Yes	Has just made changes
Canada	Yes	Yes	Yes	No	No
Denmark	No (except open university students)	N/A	N/A	N/A	No
France	No – but private institutions charge for registration	N/A – except private HEIs, but reforms will give HEIs more autonomy	N/A	N/A	Yes, planning reforms to give HEIs more autonomy
Germany	No	N/A	N/A	N/A	Subject of much discussion
Rep of Ireland	No	N/A	N/A	N/A	No, but recently debated changes
Italy	Yes	Depends on student's circumstances	Depends on student's circumstances	No	No
Japan	Yes	Yes	Yes	No	More autonomy planned
Netherlands	Yes	No	No	No	No
New Zealand	Yes	Yes	Yes	Yes	Changes to fee maxima for 2004 have already been set
Spain	Yes	Yes	Yes	No	No
Sweden	No	N/A	N/A	N/A	No
USA	Yes	Yes	Yes	No	No

No country in this survey has introduced a pure graduate tax, although both Australia and New Zealand moved to graduate loan repayment schemes with features similar to that proposed in the Higher Education White Paper.

In particular, Australia has adopted a system of deferred fees repaid after graduation through the tax system. Students are not obliged to pay any fees up front. Instead they repay their deferred fee after graduation once their income reaches Aus\$25,000 a year (£10,900). For income above that, the repayment rate rises as income rises, from a rate of 3% of all income for those earning Aus\$25,000 (£10,900) to 6% of all income for those above Aus\$46,000 (£20,000), with payments continuing until the fee is repaid. Australia has just this month enacted a variable fee reform which will require each university to set a fee in relation to each course, up to a national cap.

In China, fees are set according to market conditions – taking into account both costs and demand. In America, fees at public and private institutions are rising – by an average of 14.1 percent from 2002-03 to 2003-04 at public institutions.

In Japan fees are £2,700 for national universities. From April 2004 these institutions will be made into Corporations and will be free to charge tuition fees as they see fit.

In Europe, the debate on tuition fees is beginning to take off in many countries. Traditionally across Europe, students have not been required to make any contribution to the costs of their tuition. This has been changing as the size of European higher education systems has been increasing. Within Europe, tuition fees are now charged in the UK, Holland, Italy and Spain, and other countries make nominal charges on their students for the services they receive.

European countries are beginning to restructure their higher education systems, according to the Bologna process of European higher education reform, into shorter, more efficient course lengths. Forty European countries have now signed up to the Bologna process, launched in 1999. Although there is no centrally prescribed length for degrees, except that first degrees should be at least three years long, many countries are moving towards a model where a Bachelors-level degree is available after three to four years, and a Masters-level degree after a total of up to five years studying. This is making their course lengths closer to those traditionally offered in the UK.

### **The UK experience**

Although UK institutions do not currently charge variable fees for full-time undergraduate students from the UK, they do apply variable fees to non-EU students. The UK is second only to the United States in terms of the numbers of international students it attracts. As Table 5 highlights universities attract students from a wide range of countries.

**Table 5**

**Sources of foreign students in UK higher education institutions in 2001/02**

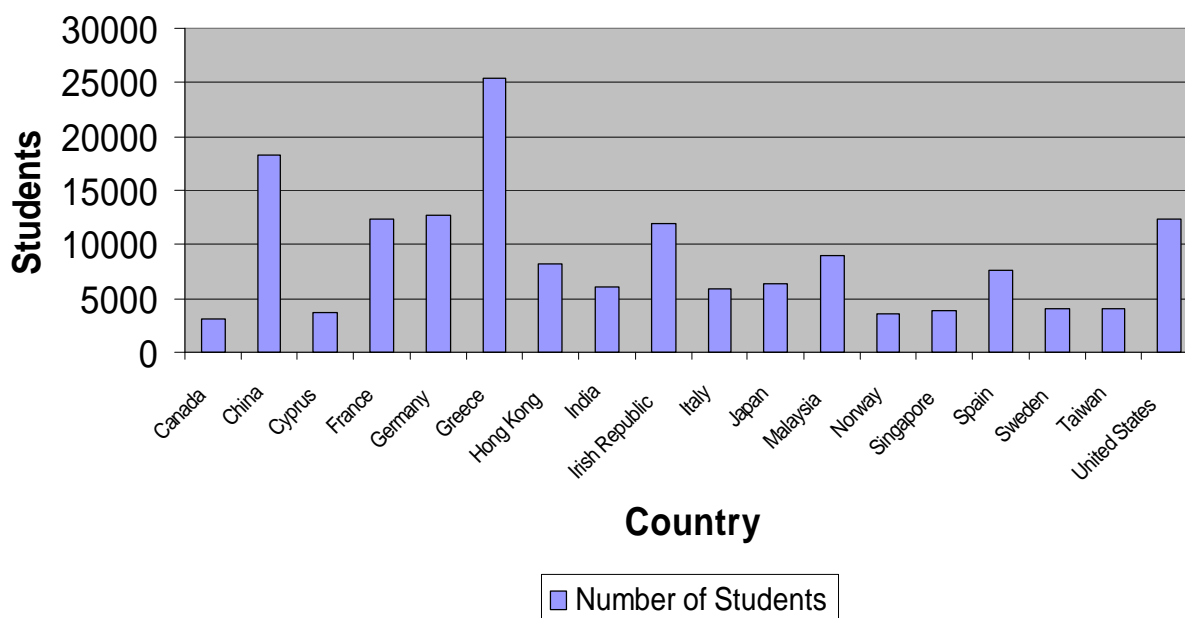


Table 5 shows only countries that sent more than 3,000 students to study in the UK.

The chart at Annex B details a breakdown of the number of non-EU students attending UK higher education institutions in 2001-02 and shows that modern universities as well as more established universities are successfully operating a variable fees regime (source: Higher Education Statistical Agency).

### **Tuition fees and widening participation**

We do not have data on participation by socio-economic groups across all the countries in the survey. However, international experience (Australia and Canada in particular) suggests that higher differential fees can be introduced without adversely affecting the participation of students from less well-off families, particularly when backed by fee deferral arrangements.

In Australia, participation in higher education has increased across all social groups since higher, differential fees were introduced.

In Canada, a rise in tuition fees has not adversely affected the participation of students from less well-off families. A report from Statistics Canada, in October 2003, indicated that only the children of the lowest-income group,

those with an annual income of Can\$25,000 (£11,000) or less, increased their participation rate in university between 1991 and 1997. This was at a time when arts tuition roughly doubled over the 1990s and the fee to study at some schools of medicine, law and business more than doubled. Students from high-income backgrounds (annual income of Can\$100,000 plus) dropped from a high-water mark of 45% attending university in 1991 to roughly 38% in 1997. In middle-income families, those with an annual income between Can\$50,000 and Can\$75,000 (£22,000 to £33,000) the participation rate stayed fairly constant, in the mid-20s. Children from poorer backgrounds are nearly as likely as those from the middle-income families to attend university, with a participation rate of 22%.

## **Annexes**

Details of each country's tuition fee and student support arrangements can be found at Annex A

A table showing the number of enrolments at UK institutions by non-EU students can be found at Annex B

A glossary of terms used can be found at Annex C.

## AUSTRALIA

<b>Tuition fees</b>	
Are students charged for tuition?	Yes. Fees are banded between courses, reflecting the differences in course costs and, for law, future earnings potentials. The three bands are: <ol style="list-style-type: none"> <li>1. Humanities and Social Sciences (low fee)</li> <li>2. Maths and Engineering (medium fee)</li> <li>3. Law, dentistry, medicine, veterinary science (high fee).</li> </ol> Students can be charged up to 25% above the Higher Education Contribution Scheme levels.
If so, what is the maximum amount a home student contributes in fees?	Please see table below.
Are fees differentiated by institution?	Not yet – partial fee deregulations will be introduced from 2005.
Are fees differentiated by subject?	Differential fees were introduced in 1997. Partial fee deregulation from 2005 will allow institutions to vary fees within ranges for three different “bands” of courses. This differentiation is based on the cost of provision and also potential future earnings. There are also lower fees for courses promoted by the Government, such as nursing.
Are fees deferred?	Yes. Students can either pay their fees upfront, at a discount; or, once they are earning a set income, take out a loan and pay them back. This is the Higher Education Contribution Scheme (HECS). The income level threshold for paying back fees is currently Aus\$24,365 (£10,400) rising in 2005 to Aus\$30,000 (£12,800).
<b>Support for fees and living costs</b>	
Are students and/or their families' means assessed?	Yes.
Is there student support for fees?	Yes.
Is this support in the form of grants,	Loan only.

loans or a combination?	
If there are loans, are they subject to interest and, if so, at what rate?	Loans adjusted to cost of living.
Is there student support for living costs?	Yes.
Is this support in the form of grants, loans or a combination?	Loans. But the Student Financial Supplement Scheme (a loan scheme) ends in 2004.
If there are loans, are they subject to interest and, if so, at what rate?	Loans are currently adjusted to cost of living.
<b>Home, overseas, postgraduate students</b>	
Is there differentiation between home or overseas students?	Yes. Overseas students and other students not on Commonwealth funded places pay full costs fees, up to Aus\$50,000 (about £21,300), and receive no support for living costs. From 2005, loans for overseas students and students not on Commonwealth funded places will have to be repaid at 3.5% above inflation for ten years, before returning to a rate indexed to the consumer price index.
<b>Participation rate</b>	
Participation rate 2000	59
Participation rate 2001	65

### Notes

Australia's higher education reforms passed through their Parliament on Friday 5 December. The key elements of the reform include partial tuition fee deregulation and a loans scheme for full fee paying students.

Table showing fees for Australian students

<b>Band</b>	<b>2003 HECS level</b>	<b>Projected 2005 HECS levels</b>	<b>New Student Contribution range (set by institutions)</b>
Band 3 (Law, dentistry, medicine, veterinary science)	\$6,136 (£2,600)	\$6,427 (£2,700)	\$0 – \$8,355 (£0 - £3,400)
Band 2 (Maths, engineering etc.)	\$5,242 (£2,200)	\$5,490 (£2,300)	\$0 - \$7,137 (£0 - £3,000)
Band 1 (Humanities, social sciences)	\$3,680 (£1,600)	\$3,854 (£1,600)	\$0 – \$5,010 (£0 - £2,100)

## CANADA

<b>Tuition fees</b>	
Are students charged for tuition?	Yes.
What is the maximum amount a home student contributes in fees?	This varies from region to region, from Can\$1675 (£740) in Quebec to Can\$5557 (£2,400) in Nova Scotia. Tuition fees for 2003-04 have risen by 7.4%, the highest increase in four years and faster than the rate of inflation.
Are fees differentiated by institution?	Yes.
Are fees differentiated by subject?	Yes. The amount varies but a typical fee range is Can\$4,000 (£1,800) for arts and science courses; Can\$4,300 (£1,900) for engineering; Can\$5,700 (£2,500) for medicine; and Can\$15,300 (£6,800) for dentistry.
Are fees deferred?	No
<b>Support for fees and living costs</b>	
Are students and/or their families' means assessed?	In some cases, depending on the province
Is there student support for fees?	There are Government loans, available, through the Canada Student Loans Program. The loans are subject to interest although there can be some repayment of interest by the Government for students in need. Students generally have to start repaying the loan six months after graduating.
Is this support in the form of grants, loans or a combination?	
If there are loans, are they subject to interest and, if so, at what rate?	
Is there student support for living costs?	
Is this support in the form of grants, loans or a combination?	
If there are loans, are they subject to interest and, if so, at what rate?	
<b>Home, overseas, postgraduate students</b>	
Is there differentiation between home or overseas students?	No.
<b>Participation rate</b>	
Participation rate 2000	OECD data not available.
Participation rate 2001	OECD data not available.

### Notes

Canada's HE system allows for each Province to set its own fees. The 2002 report, *Trends in Higher Education*, published by the Association of Universities and Colleges of Canada, suggested that by 2011, universities in Canada will need collectively to "respond to a projected 20 to 30 percent increase in demand for university enrolment".

## DENMARK

<b>Tuition fees</b>	
Are students charged for tuition?	No, except for open university programme students.
What is the maximum amount a home student contributes in fees?	N/A
Are fees differentiated by institution?	N/A
Are fees differentiated by subject?	N/A
Are fees deferred?	N/A
<b>Support for fees and living costs</b>	
Are students and/or their families' means assessed?	N/A
Is there student support for fees?	N/A
Is this support in the form of grants, loans or a combination?	N/A
If there are loans, are they subject to interest and, if so, at what rate?	N/A
Is there student support for living costs?	Yes.
Is this support in the form of grants, loans or a combination?	Grants and loans through the State Educational Grant and Loan Scheme, available to all over-18s. These are based on a voucher system – students get up to seventy vouchers, each equating to a month's study.
If there are loans, are they subject to interest and, if so, at what rate?	Low rate, repayable once the student is earning.
<b>Home, overseas, postgraduate students</b>	
Is there differentiation between home or overseas students?	No.
<b>Participation rate</b>	
Participation rate 2000	29
Participation rate 2001	44. The significant increase is likely to be due to a redefinition of Danish higher education institutions.

## FRANCE

<b>Tuition fees</b>	
Are students charged for tuition?	No. Registration charge only, although the private Grandes Ecoles charge fees of up to around £4,000. From October 2004, students at the <i>Sciences Po</i> (the Institute of Political Studies in Paris) will pay tuition fees according to their parents' income.
What is the maximum amount a home student contributes in fees?	The registration charge for all institutions was €137 (£96) for 2002-03 academic year.
Are fees differentiated by institution?	No, except for the private Grandes Ecoles.
Are fees differentiated by subject?	N/A
Are fees deferred?	N/A
<b>Support for fees and living costs</b>	
Are students and/or their families' means assessed?	N/A
Is there student support for fees?	N/A
Is this support in the form of grants, loans or a combination?	N/A
If there are loans, are they subject to interest and, if so, at what rate?	N/A
Is there student support for living costs?	Yes.
Is this support in the form of grants, loans or a combination?	Grants, based on family income and to some extent the student's own income. These are conditional on achieving good results.
If there are loans, are they subject to interest and, if so, at what rate?	N/A
<b>Home, overseas, postgraduate students</b>	
Is there differentiation between home, overseas or postgraduate students?	No.
<b>Participation rate</b>	
Participation rate 2000	37
Participation rate 2001	37

### Notes

About 80% of school leavers enter higher education in France with their Baccalaureate.

In France, students are currently demonstrating against reforms to universities, specifically reforms to shorten courses and make institutions more autonomous.

## GERMANY

<b>Tuition fees</b>	
Are students charged for tuition?	No – universities are currently prohibited by law from introducing tuition fees but that principle has been challenged by politicians and others. Students are currently expected to make a small contribution towards the social facilities of their university and the use of local public transport.
What is the maximum amount a home student contributes in fees?	N/A
Are fees differentiated by institution?	N/A
Are fees differentiated by subject?	N/A
Are fees deferred?	N/A
<b>Support for fees and living costs</b>	
Are students and/or their families' means assessed?	Yes, for living costs.
Is there student support for fees?	N/A
Is this support in the form of grants, loans or a combination?	N/A
If there are loans, are they subject to interest and, if so, at what rate?	N/A
Is there student support for living costs?	Yes, for the least well-off students.
Is this support in the form of grants, loans or a combination?	25% of all students receive a state support of between £260 and £405 a month to cover their living costs. This assistance is usually 50% grant + 50% loan.
If there are loans, are they subject to interest and, if so, at what rate?	No.
<b>Home, overseas, postgraduate students</b>	
Is there differentiation between home, overseas or postgraduate students?	No.
<b>Participation rate</b>	
Participation rate 2000	30
Participation rate 2001	32

### Notes

Six Länder, have challenged the Federal Government's ban on tuition fees before the Constitutional Court, arguing that it violates the Länders' constitutional responsibility for HE.

## REPUBLIC OF IRELAND

<b>Tuition fees</b>	
Are students charged for tuition?	No, although their reintroduction was recently debated.
What is the maximum amount a home student contributes in fees?	N/A
Are fees differentiated by institution?	N/A
Are fees differentiated by subject?	N/A
Are fees deferred?	N/A
<b>Support for fees and living costs</b>	
Are students and/or their families' means assessed for fee support?	N/A
Is there student support for fees?	N/A
Is this support in the form of grants, loans or a combination?	N/A
If there are loans, are they subject to interest and, if so, at what rate?	N/A
Is there student support for living costs?	Yes.
Is this support in the form of grants, loans or a combination?	A means-assessed grants system.
If there are loans, are they subject to interest and, if so, at what rate?	N/A
<b>Home, overseas, postgraduate students</b>	
Is there differentiation between home, overseas or postgraduate students?	No.
<b>Participation rate</b>	
Participation rate 2000	31
Participation rate 2001	38

### Notes

In May 2003, the Irish Education Minister proposed the reintroduction of college fees for the wealthy and a new student loan scheme. According to the plans, students from 'wealthy' families could be asked to pay college fees of €4,000 (£2,800) a year for arts degrees and up to €8000 (£5,600) for medicine and veterinary courses. The new fee structure was intended to reflect the cost of the course and the earning power of those who graduate in that particular discipline. However, the Government decided not to proceed with the plan.

## ITALY

<b>Tuition fees</b>	
Are students charged for tuition?	Yes – a proportion. Students must also pay a regional tax for ‘the right to study’.
What is the maximum amount a home student contributes in fees?	Universities cannot ask for total fees in excess of 20% of the amount each university receives as financial support from the State. Generally, fees are between €2,000 - €3,000 (£1,400 - £2,100).
Are fees differentiated by institution?	In Italy, fee level is determined by the financial circumstances of the student and his/her family. Italian institutions have a degree of autonomy in setting fee levels.
Are fees differentiated by subject?	
Are fees deferred?	No.
<b>Support for fees and living costs</b>	
Are students and/or their families' means assessed for fee support?	Yes.
Is there student support for fees?	Yes
Is this support in the form of grants, loans or a combination?	Students can be totally or partially exempt from fees according to academic results and income.
If there are loans, are they subject to interest and, if so, at what rate?	
Is there student support for living costs?	Yes
Is this support in the form of grants, loans or a combination?	Grants and loans. Some institutions also offer free accommodation.
If there are loans, are they subject to interest and, if so, at what rate?	Interest free
<b>Home, overseas, postgraduate students</b>	
Is there differentiation between home, overseas or postgraduate students?	No.
<b>Participation rate</b>	
Participation rate 2000	43
Participation rate 2001	44

### Notes

Italy has, by European standards, a comparatively low graduation rate.

## JAPAN

<b>Tuition fees</b>	
Are students charged for tuition?	Yes
What is the maximum amount a home student contributes in fees?	Fees are £2,700 a year for national universities (this amount is set until April 2004) and around £5,000 a year (although there are no set limits) for private universities. From April 2004, national universities will be made into Corporations and will be free to charge tuition fees as they see fit.
Are fees differentiated by institution?	Yes, depending on whether the institution is private or national.
Are fees differentiated by subject?	Yes – science and medicine courses are more expensive in private universities.
Are fees deferred?	No
<b>Support for fees and living costs</b>	
Are students and/or their families' means assessed?	No
Is there student support for fees?	Yes
Is this support in the form of grants, loans or a combination?	Scholarships, in the form of loans for fees and living costs. The level of support depends on whether the student is living at home.  There are low-interest long term loans and shorter-term interest-free loans.
If there are loans, are they subject to interest and, if so, at what rate?	
Is there student support for living costs?	
Is this support in the form of grants, loans or a combination?	
If there are loans, are they subject to interest and, if so, at what rate?	
<b>Home, overseas, postgraduate students</b>	
Is there differentiation between home or overseas students?	No
<b>Participation rate</b>	
Participation rate 2000	39
Participation rate 2001	41

### Note

Japan is in the process of giving its universities more autonomy. There is already a fairly deregulated market for tuition fees.

Parents are often willing to pay upfront fees in full so that their children receive a university education.

## NETHERLANDS

<b>Tuition fees</b>	
Are students charged for tuition?	Yes.
What is the maximum amount a home student contributes in fees?	Currently €1,445 (£1,000) per year.
Are fees differentiated by institution?	No
Are fees differentiated by subject?	No
Are fees deferred?	No. Fees can be paid either as a full amount at the start of the academic year or in monthly instalments.
<b>Support for fees and living costs</b>	
Are students and/or their families' means assessed?	Yes.
Is there student support for fees?	Student financing is based on a mixed-funding system: basic and supplementary provisional loans of €65 - €221 (£45 - £148) can be converted to non-repayable grants if performance requirements are met. Supplementary grant is also available to students whose parental income is less than €13,000 a year. Loans of up to €245 (£170) per month are available and are repayable two years after graduation, at a discounted rate of interest.
Is this support in the form of grants, loans or a combination?	
If there are loans, are they subject to interest and, if so, at what rate?	
Is there student support for living costs?	
Is this support in the form of grants, loans or a combination?	
If there are loans, are they subject to interest and, if so, at what rate?	
<b>Home, overseas, postgraduate students</b>	
Is there differentiation between home, overseas or postgraduate students?	Not at present.
<b>Participation rate</b>	
Participation rate 2000	51
Participation rate 2001	54

## NEW ZEALAND

<b>Tuition fees</b>	
Are students charged for tuition?	Yes
What is the maximum amount a home student contributes in fees?	At present there are no maxima. From 2004, fee maxima will be set.
Are fees differentiated by institution?	Yes.
Are fees differentiated by subject?	Yes. Typical fees for 2004 are: <ul style="list-style-type: none"> <li>• Arts, social sciences, general £1,300</li> <li>• Science, computing engineering, agriculture (non-degree level), nursing etc £1,500</li> <li>• Engineering, agriculture, archaeology, audiology £1,833</li> <li>• Dentistry, veterinary, medical £3,333</li> <li>• Teaching £1,300</li> <li>• Business, law £1,400</li> </ul>
Are fees deferred?	Yes
<b>Support for fees and living costs</b>	
Are students and/or their families' means assessed?	Yes
Is there student support for fees?	Yes
Is this support in the form of grants, loans or a combination?	Both. There is a means-tested grant which is available to students with parental income of NZ\$ 50,752 (£18,900) or less. It gives a typical single under 25 year old student up to NZ\$135 (£50) a week. Loans are available for fees, course costs and living costs. Loans for fees are available for however much the course costs. Up to NZ\$1000 (£370) is available for course related costs and up to NZ\$150 (£56) per week for living costs. Where students get student allowance this decreases the amount they can borrow as a loan for living costs).
If there are loans, are they subject to interest and, if so, at what rate?	Repayments on loans are paid at 10% of all earnings over the NZ\$15,964 (£6,000) threshold. Real rates of interest are charged at 7% (higher than some commercial rates).

	An interest “holiday” period has recently been introduced for students while they remain on full time courses; but interest starts to accrue as soon as they leave higher education.
Is there student support for living costs?	Yes - see above.
Is this support in the form of grants, loans or a combination?	A combination of the two.
If there are loans, are they subject to interest and, if so, at what rate?	See above.
<b>Home, overseas, postgraduate students</b>	
Is there differentiation between home, overseas or postgraduate students?	No.
<b>Participation rate</b>	
Participation rate 2000	70
Participation rate 2001	76

## SPAIN

<b>Tuition fees</b>	
Are students charged for tuition?	Yes. Spain has three categories of institutions: public, private and Catholic. Public universities charge a subsidised fee. Private and Catholic universities charge the going rate.
What is the maximum amount a home student contributes in fees?	Varies according to type of institution, region and type of course attended.
Are fees differentiated by institution?	See above. Fees also vary by region. In Andalusia, for example, an average fee is €602 (£420) laboratory based, €434 (£305) non-laboratory based. Fees are generally higher in Madrid.
Are fees differentiated by subject?	Yes non-laboratory courses are considerably cheaper than laboratory based ones.
Are fees deferred?	No.
<b>Support for fees and living costs</b>	
Are students and/or their families' means assessed?	Yes
Is there student support for fees?	Yes
Is this support in the form of grants, loans or a combination?	Some universities have an internal system of grants for students from less-advantaged backgrounds.
If there are loans, are they subject to interest and, if so, at what rate?	No
Is there student support for living costs?	Yes
Is this support in the form of grants, loans or a combination?	There is a means-tested grants system. Up to 30% of students receive such a grant. Some regions offer additional grants. Interest-free loans are available from the banks, although only a minority of students - around 100,000 have made use of them.
If there are loans, are they subject to interest and, if so, at what rate?	See above.
<b>Home, overseas, postgraduate students</b>	
Is there differentiation between home and overseas students?	No.
<b>Participation rate</b>	
Participation rate 2000	48
Participation rate 2001	48

## SWEDEN

<b>Tuition fees</b>	
Are students charged for tuition?	No.
What is the maximum amount a home student contributes in fees?	N/A
Are fees differentiated by institution?	N/A
Are fees differentiated by subject?	N/A
Are fees deferred?	N/A
<b>Support for fees and living costs</b>	
Are students and/or their families' means assessed for fee support?	N/A
Is there student support for fees?	N/A
Is this support in the form of grants, loans or a combination?	N/A
If there are loans, are they subject to interest and, if so, at what rate?	N/A
Is there student support for living costs?	Yes.
Is this support in the form of grants, loans or a combination?	A combination of grants and loans.
If there are loans, are they subject to interest and, if so, at what rate?	There is a 25 year repayment period, during which the Government can rest loan interest rates.
<b>Home, overseas, postgraduate students</b>	
Is there differentiation between home and overseas students?	No.
<b>Participation rate</b>	
Participation rate 2000	67
Participation rate 2001	69

### Note

Sweden does not charge tuition fees. But like the rest of Scandinavia, it has a very high entry rate to higher education for first degree or equivalent courses. The cost of Sweden's higher education system is chiefly borne by the high rate of personal taxation.

## USA

<b>Tuition fees</b>																	
Are students charged for tuition?	Yes. Overall, the split is between public universities – who charge around \$5,000 - \$15,000 (£2,900 - £8,600) per year depending on location, type and length of course; and private universities, where fees can be as high as \$30,000 (£17,300) per year.																
What is the maximum amount a home student contributes in fees?	There is no maxima The costs of higher education in the USA has increased recently, particularly through increased tuition fees in the both public and the more expensive private universities.																
Are fees differentiated by institution?	Yes.																
Are fees differentiated by subject?	Yes. <u>US tuition fees 2002-03 and 2003-04</u> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="4" style="text-align: center;">National average annual tuition fee</th> </tr> <tr> <th></th> <th>2002-03</th> <th>2003-04</th> <th>% increase</th> </tr> </thead> <tbody> <tr> <td>4 year public</td> <td>\$4,115 (£2,400)</td> <td>\$4,694 (£2,700)</td> <td>14.1</td> </tr> <tr> <td>4 year private</td> <td>\$18,596 (£10,700)</td> <td>\$19,710 (£11,300)</td> <td>6.0</td> </tr> </tbody> </table> <p style="text-align: center;">Source: US Collegeboard, Oct 2003</p>	National average annual tuition fee					2002-03	2003-04	% increase	4 year public	\$4,115 (£2,400)	\$4,694 (£2,700)	14.1	4 year private	\$18,596 (£10,700)	\$19,710 (£11,300)	6.0
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Are fees deferred?	No.																
<b>Support for fees and living costs</b>																	
Are students and/or their families' means assessed?	Yes.																
Is there student support for fees?	Yes.																
Is this support in the form of grants, loans or a combination?	In several states, HE is essentially free for the poorest students. Many other states offer merit-based scholarships.																
If there are loans, are they subject to interest and, if so, at what rate?	Yes, interest rate depends on source.																
Is there student support for living costs?	Yes.																
Is this support in the form of grants, loans or a combination?	Predominately loans. Some grants and scholarships are also available. Students often work while studying.																
If there are loans, are they subject to interest and, if so, at what rate?	Again, depends on source. For Direct Loans, the interest rate is variable (adjusted annually) but does not exceed 8.25 percent. For July 1, 2002 to June 30,																

	2003, the interest rate for loans in repayment was 4.06 percent.
<b>Home, overseas, postgraduate students</b>	
Is there differentiation between home, overseas or postgraduate students?	As well as there being differences in fees between home and overseas students, US tuition fees vary between in-state and out-of-state provision.
<b>Participation rate</b>	
Participation rate 2000	43
Participation rate 2001	42

**THE NUMBER OF ENROLMENTS AT UK INSTITUTIONS BY NON-EU STUDENTS 2001-02**

<b>Institution</b>	<b>Number</b>
London School of Economics and Political Science	3,425
Middlesex University	3,348
The University of Oxford	3,265
The University of Cambridge	3,065
The University of Nottingham	3,042
The University of Warwick	3,038
University College London	2,933
The University of Leeds	2,855
The University of Birmingham	2,827
The Victoria University of Manchester	2,795
The University of Sheffield	2,440
The London Institute	2,105
The University of Westminster	2,104
Imperial College of Science, Technology & Medicine	2,014
University of Wales, Cardiff	2,002
The University of Edinburgh	1,961
City University	1,872
King's College London	1,869
University of Luton	1,759
The University of Leicester	1,710
Oxford Brookes University	1,679
The University of North London	1,677
The University of Central Lancashire	1,579
University of Hertfordshire	1,566
The University of Bristol	1,565
The University of Liverpool	1,544
The University of Newcastle-upon-Tyne	1,539
The University of Hull	1,533
The University of Essex	1,521
The University of Salford	1,497
The University of Reading	1,466
The University of Manchester Institute of Science & Technology	1,459
The University of Greenwich	1,453
The University of Northumbria at Newcastle	1,434
The University of Strathclyde	1,412
The University of Lancaster	1,383
The University of Portsmouth	1,363
The University of Bath	1,348
Coventry University	1,337
The University of Surrey	1,302

The University of East London	1,299
The University of Wolverhampton	1,295
Anglia Polytechnic University	1,278
South Bank University	1,239
Leeds Metropolitan University	1,204
The University of Glasgow	1,187
Queen Mary and Westfield College	1,183
The University of Southampton	1,147
De Montfort University	1,111
Loughborough University	1,109
The University of Bradford	1,108
The University of Dundee	1,108
The University of St Andrews	1,101
The University of East Anglia	1,100
The University of Kent at Canterbury	1,081
The University of Sussex	1,007
The School of Oriental and African Studies	992
Kingston University	986
The Manchester Metropolitan University	983
The Nottingham Trent University	969
The University of Central England in Birmingham	961
The University of Exeter	947
The University of Aberdeen	941
The University of Brighton	915
University of Durham	903
London Guildhall University	873
The University of Plymouth	868
Heriot-Watt University	864
Royal Holloway and Bedford New College	848
Sheffield Hallam University	847
The University of York	839
Bournemouth University	802
The University of Sunderland	789
Goldsmiths College	786
London Business School	773
Liverpool John Moores University	748
University of the West of England, Bristol	715
The Robert Gordon University	688
The Queen's University of Belfast	658
The University of Lincoln	638
University of Wales, Swansea	613
The University of Keele	606
Brunel University	560
Southampton Institute	548
University of Glamorgan	541
Staffordshire University	522
University of Ulster	489

Queen Margaret College	466
Aston University	460
Cranfield University	454
Institute of Education, University of London	453
Roehampton Institute of HE	437
The University of Stirling	427
The University of Huddersfield	403
Napier University	398
University of Derby	362
Thames Valley University	362
Glasgow Caledonian University	357
Nene College	351
London School of Hygiene and Tropical Medicine	351
University of Wales, Aberystwyth	341
Buckinghamshire College of HE	339
The University of Teesside	338
St Martin's College	251
Bolton Institute of HE	251
Liverpool Hope	250
Birkbeck College	247
University of Wales Institute, Cardiff	244
University of Abertay Dundee	236
University of Wales, Bangor	236
Kent Institute of Art and Design	229
University of Gloucestershire	226
The University of Paisley	213
The University of Wales, Lampeter	209
College of St Mark and St John	184
Surrey Institute of Art and Design	179
University of Wales College of Medicine	172
York St John College	171
Royal Academy of Music	165
University of Wales College, Newport	160
Canterbury Christ Church College	158
Edinburgh College of Art	155
Glasgow School of Art	153
The Royal Veterinary College	142
University of London (Central Institutes and activities)	139
St George's Hospital Medical School	135
Bath College of HE	116
The School of Pharmacy, University of London	113
Royal College of Art	101
Edge Hill College of HE	101
Royal College of Music	94
King Alfred's College, Winchester	88

St Mary's College	82
Rose Bruford College	80
Royal Northern College of Music	78
Ravensbourne College of Design and Communication	70
Trinity College of Music	69
Worcester College of HE	66
The North-East Wales Institute of Higher Education	64
Royal Agricultural College	62
The Arts Institute at Bournemouth	58
Falmouth College of Arts	57
Conservatoire for Dance and Drama	47
The Royal Scottish Academy of Music and Drama	41
Harper Adams Agricultural College	40
Wimbledon School of Art	39
Writtle College	39
Homerton College	37
Swansea Institute of Higher Education	35
Trinity College, Carmarthen	35
Central School of Speech and Drama	31
Royal Welsh College of Music and drama	24
The Institute of Cancer Research	23
Dartington College of Arts	22
Chichester Institute of Higher Education	21
Institute of Advanced Nursing Education	20
Trinity and All Saints College	18
UHI Millennium Institute	18
Chester College of HE	15
Norwich School of Art and Design	12
Bell College	10
Scottish Agricultural College	5
Cumbria Institute of the Arts	5
Northern School of Contemporary Dance	4
Stranmillis University College	4
Newman College	2
The Open University	1
Bishop Grosseteste College	0
The University of Wales, Registry	0
St. Mary's University College	0
Total	135,506
Source: HESA	

This table includes full-time, part-time, undergraduate and postgraduate students.

**GLOSSARY OF TERMS USED**Net entry rates / participation rates

Net entry rates to tertiary-type A courses for 2000 are taken from OECD, *Education at a Glance*, 2002.

Net entry rates to tertiary-type A courses for 2001 are taken from OECD, *Education at a Glance*, 2003.

Tertiary type-A courses are defined as being largely theory-based and are designed to provide sufficient qualifications for entry to advanced research programmes and professions with high skill requirements, such as medicine, dentistry or architecture. Tertiary type A programmes have a minimum cumulative theoretical duration (at tertiary level) of three years' full-time equivalent, although they typically last four years or more. These programmes are not exclusively offered at universities. Conversely, not all programmes nationally recognised as university programmes fulfil the criteria to be classified as tertiary type A.

Type B courses are defined as being typically shorter than those of tertiary type A and focus on practical, technical or occupational skills for direct entry into the labour market, although some theoretical foundations may be covered in the respective programmes. They have a minimum duration of two years' full-time equivalent at the tertiary level.

These definitions are derived from the OECD *Education At A Glance* 2003 book and are based on the International Standard Classification of Education (ISCED) 1997 classification.

Currency calculations

All currency figures are approximate, based on the exchange rates on 8 December 2003. Figures of more than £1,000 are rounded to the nearest one hundred.