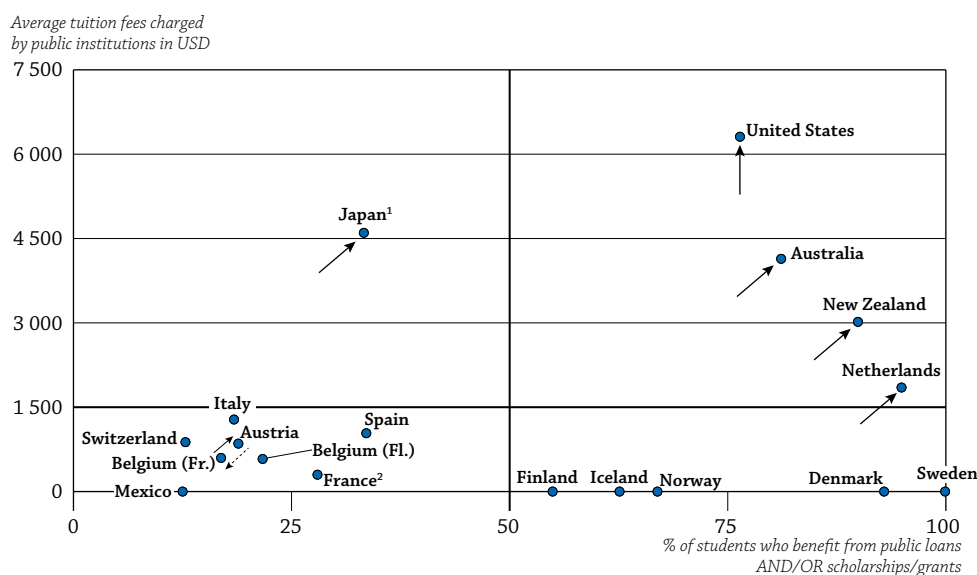


HOW MUCH DO TERTIARY STUDENTS PAY AND WHAT PUBLIC SUBSIDIES DO THEY RECEIVE?

- In eight OECD countries, public institutions charge no tuition fees, but in one-third of countries with available data, public institutions charge annual tuition fees in excess of USD 1 500 for national students.
- In 14 of the 25 countries with available data, the tuition fees charged by public educational institutions may be different for national and international students enrolled. In 14 of the 25 countries with available data, tuition fees are also differentiated by field of education, largely because of the difference in the public cost of studies.
- An average of 21% of public spending on tertiary education is devoted to supporting students, households and other private entities. In Australia, Chile, the Netherlands, New Zealand, Norway and the United Kingdom, grants/scholarships and loans are particularly developed and public subsidies to households account for at least 29% of public tertiary education budgets.

Chart B5.1. Relationships between average tuition fees charged by public institutions and proportion of students who benefit from public loans and/or scholarships/grants in tertiary-type A education (academic year 2008-09)
For full-time national students, in USD converted using PPPs



1. Tuition fees refer to public institutions but more than two-thirds of students are enrolled in private institutions.

2. Average tuition fees from USD 190 to 1 309 for university programmes dependent on the Ministry of Education.

Source: OECD. Tables B5.1 and B5.2. See Annex 3 for notes (www.oecd.org/edu/eag2011).

StatLink <http://dx.doi.org/10.1787/888932461199>

How to read this chart

This chart shows the relationships, at the tertiary-type A level of education, between annual tuition fees charged by educational institutions and public subsidies to households for students' living costs. Arrows show how the average tuition fees and the proportion of students who benefit from public subsidies have changed since 1995 further to reforms (solid arrow) and how it may alter due to changes that have been planned since 2008-09 (dash arrow).

Context

Policy decisions on tuition fees charged by educational institutions affect both the cost of tertiary education to students and the resources available to tertiary institutions. Subsidies to students and their families also serve as a way for governments to encourage participation in education – particularly among low-income students – by covering part of the cost of education and related expenses. In this way, governments can address issues of access and equality of opportunity.

The impact of such subsidies must therefore be judged, at least partly, by examining indicators of participation, retention and completion. Public subsidies to students also play an important role in indirectly financing educational institutions. Channelling funding to institutions through students may also help to increase competition among institutions. Since aid for students' living costs can serve as a substitute for income from work, public subsidies may enhance educational attainment by enabling students to work less.

Public subsidies for students come in many forms: as means-based subsidies, as family allowances for all students, as tax allowances for students or their parents, or as other household transfers. Based on a given amount of subsidies, public support, such as tax reductions or family allowances, may provide less support for low-income students than means-tested subsidies, as the former are not targeted specifically and solely to support low-income students. However, they may still help to reduce financial disparities among households with and without children in education.

■ Other findings

- Among the EU21 countries for which data are available, only **public institutions in Italy, the Netherlands, Portugal and the United Kingdom (government-dependent private institutions) charge annual tuition fees of more than USD 1 200 per full-time national student.**
- **Low annual tuition fees** charged by public tertiary-type A (largely theory-based) institutions **are not systematically associated with a small proportion of students who benefit from public subsidies.** The tuition fees charged by public tertiary-type A institutions for national students are negligible in the Nordic countries. Yet, more than 55% of students in these countries benefit from scholarships/grants and/or public loans. Finland, Iceland, Norway and Sweden are among the eight countries with the highest entry rates to tertiary-type A education.
- **OECD countries in which students are required to pay tuition fees and can benefit from particularly large public subsidies do not have below-average levels of access to tertiary-type A education.** For example, Australia (94%) and New Zealand (78%) have some of the highest entry rates to tertiary-type A education, and the Netherlands (63%), the United Kingdom (61%) and the United States (70%) are above the OECD average (60%). Higher entry rates into tertiary-type A education in Australia and New Zealand also reflect the high proportions of international students in those countries.

■ Trends

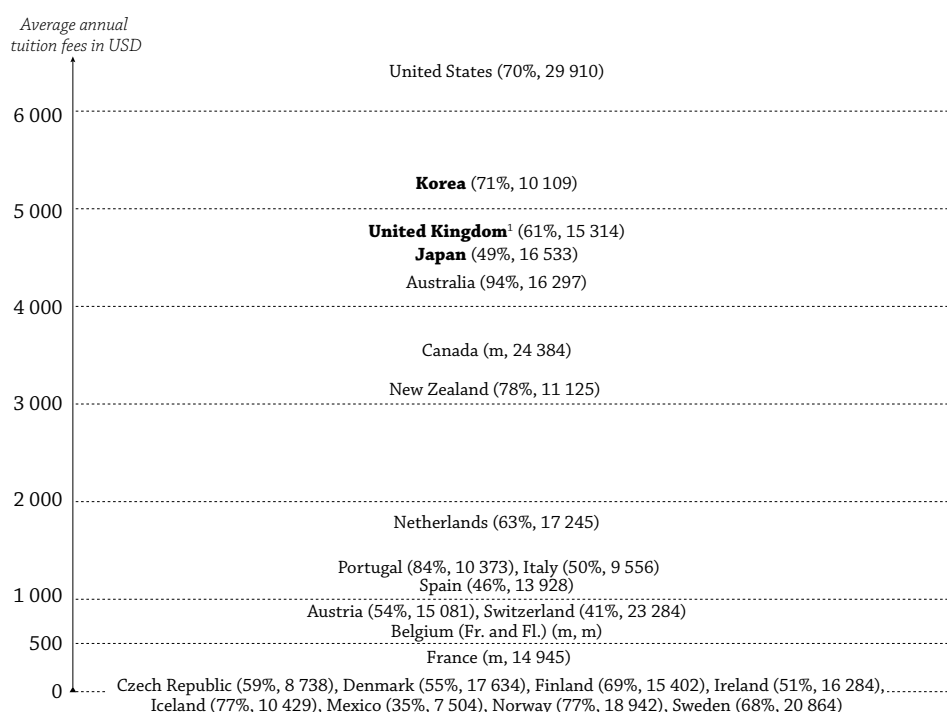
Since 1995, 14 of the 25 countries with available information implemented reforms on tuition fees. Most of these reforms led to an increase in the average level of tuition fees charged by tertiary educational institutions. In all of these 14 countries except Iceland and the Slovak Republic, the reforms were combined with a change in the level of public subsidies available to students (Box B5.1 and Chart B5.1).

Analysis

Annual tuition fees charged by tertiary-type A institutions for national students

The appropriate level of tuition fees charged by educational institutions has been debated for many years in OECD countries. On the one hand, high tuition fees increase the resources available to educational institutions, but they also put pressure on students – particularly students from low-income backgrounds – especially in the absence of a strong system of public subsidies to help them pay or reimburse the cost of their studies. On the other hand, very low tuition fees or free access to tertiary education puts pressure on educational institutions and governments to maintain an appropriate quality of education. This pressure has increased with the massive expansion of tertiary education in all OECD countries, and the economic crisis may make it more difficult for governments to invest more public funds in education.

Chart B5.2. Average annual tuition fees charged by tertiary-type A public institutions for full-time national students, in USD converted using PPPs (academic year 2008-09)



Note: This chart does not take into account grants, subsidies or loans that partially or fully offset the student's tuition fees.

1. Public institutions do not exist at this level of education and almost all students are enrolled in government-dependent private institutions.

Source: OECD. Tables B1.1a, B5.1 and Indicator C2. See Annex 3 for notes (www.oecd.org/edu/eag2011).

Please refer to the Reader's Guide for information concerning the symbols replacing the missing data.

StatLink <http://dx.doi.org/10.1787/888932461218>

How to read this chart

This chart shows the annual tuition fees charged in equivalent USD converted using PPPs. Countries in bold indicate that tuition fees refer to public institutions but more than two-thirds of students are enrolled in private institutions. The net entry rate and expenditure per student (in USD) in tertiary-type A programmes (2008) are added next to country names.

There are large differences among countries in the average tuition fees charged by tertiary-type A institutions for national students. In the five Nordic countries (Denmark, Finland, Iceland, Norway and Sweden) as well as the Czech Republic and Mexico, public institutions do not charge tuition fees. Ireland could also be included in this category as tuition fees charged by public institutions (for full-time undergraduate students from the European Union) are paid directly by the government. In contrast, in one-third of the countries with available data, public institutions (or government-dependent private institutions) charge national students annual tuition fees that exceed USD 1 500, and that reach more than USD 5 000 in Korea and the United States.

Among the EU21 countries for which data are available, only Italy, the Netherlands, Portugal and the United Kingdom have annual tuition fees that exceed USD 1 200 per full-time national student (Table B5.1 and Chart B5.2).

Differentiation of tuition fees by citizenship and field of education

National policies regarding tuition fees and financial aid to students generally cover all students studying in the country's educational institutions. Countries' policies also take international students into account. Differences between national and international students, in terms of the fees they are charged, or the financial help they may receive from the country in which they study, can, along with other factors, have an impact on the flows of international students, either by attracting students to some countries or discouraging students from studying in others (see Indicator C3).

In nearly half of the countries with available data, the tuition fees charged by public educational institutions may differ among national and international students enrolled in the same programme. In Austria, for example, the average tuition fees charged by public institutions for students who are not citizens of EU or European Economic Area (EEA) countries are twice the fees charged for citizens of these countries. Similar policies are found in Australia, Canada, Ireland, the Netherlands, New Zealand (except for foreign doctoral students), Poland (only for public institutions), the Slovak Republic, Slovenia, Switzerland, the United Kingdom and the United States, as well as in Denmark (as of 2006-07), and in Sweden (as of 2011). In these countries, the level of tuition fees varies based on citizenship or on an individual's residence (see Indicator C3 and Box C3.3).

Tuition fees are also differentiated by field of education in more than half of the countries with available data. The exceptions are Austria, Belgium (Flemish Community and French Community), Japan (in national universities), Mexico, the Netherlands, Slovenia and Switzerland, and also in the tertiary-type A educational institutions of Nordic countries that do not charge tuition fees for students, which excludes any possibility to differentiate them. The main basis for this differentiation in fees is the difference in the public cost of studies (Ireland, Italy, New Zealand, Poland and the Slovak Republic, for example). In these countries, the higher the cost of the studies, the higher the level of tuition fees charged by educational institutions.

However, in a few countries, the basis for the differentiation by field of education is the priority given to specific fields. In Australia, this type of differentiation is linked to skills shortages in the labour market. In Iceland and the United Kingdom, tuition fees vary by fields of education because of differences in both the cost of studies and labour-market opportunities (Box B5.1).

Annual tuition fees charged by private institutions

Annual tuition fees charged by private institutions vary considerably across and within countries. In most countries, private institutions charge higher tuition fees than public institutions. Finland and Sweden are the only countries with no tuition fees in either public or private institutions. Variations within countries tend to be greatest in those countries in which the largest proportions of students are enrolled in independent private tertiary-type A institutions. In contrast, in most countries tuition fees charged by institutions differ less between public and government-dependent private institutions than between public and independent private institutions. In Austria, there is no difference in the tuition fees charged by these two types of institutions. The greater level of autonomy among independent, private institutions as compared to public and government-dependent institutions partly explains this situation.

Public subsidies to households and other private entities

OECD countries spend an average of 0.5% of their GDP on public subsidies to households and other private entities for all levels of education combined. The proportion of education budgets spent on subsidies to households and private entities is much higher at the tertiary level than at the primary, secondary and post-secondary non-tertiary levels, representing less than 0.3% of GDP (against less than 0.2% at lower levels of education). At the tertiary level, the subsidies are largest in relation to GDP in Norway (1.3% of GDP), followed by New Zealand (0.8%), Denmark (0.6%), Sweden (0.5%), the United Kingdom (0.5%), the Netherlands (0.4%) and Austria (0.4%) (Table B5.3 and Table B5.4, available on line).

OECD countries spend an average of 21% of their public budgets for tertiary education on subsidies to households and other private entities (Chart B5.3). In Australia, Chile, Denmark, Japan, the Netherlands, New Zealand, Norway, Sweden and the United Kingdom, public subsidies account for more than 25% of public spending on tertiary education. Only Argentina, the Czech Republic and Poland devote less than 5% of total public spending on tertiary education on subsidies. However, in these two last countries, subsidies for students' grants are directly sent to institutions, which are responsible for distributing them among students (Table B5.3).

Country approaches to funding tertiary education

Countries differ in their approach to funding tertiary education. This section provides a taxonomy of approaches to funding tertiary education in countries with available data. Countries are grouped according to two factors. The first is the extent of cost-sharing, that is, the level of contribution required from the student and/or his or her family in tertiary-type A education. The second concerns the basis for student support at this level of education.

There is no single model for financing tertiary-type A education. Some countries in which tertiary-type A institutions charge similar tuition fees may have differences in the proportion of students benefiting from public subsidies and/or differences in the average amount of these subsidies (Tables B5.1, B5.2 and B5.3, Table B5.4 available on line, and Chart B5.1). Moreover, the arrangements regarding the tuition fees charged by tertiary educational institutions have been the subject of reforms in many OECD countries since 1995, and some countries have moved from one model to another over this period (Box B5.1 and Chart B5.1).

Box B5.1. Changes in policies on tuition fees and public subsidies to students since 1995

Since 1995, **more than half of the 25 countries with available information have undertaken reforms of their systems of tuition fees (and support for students)** and have adopted different approaches. Tuition fees have been introduced in some German federal states or have been increased since 1995 in Australia, Austria, Japan, the Netherlands, New Zealand, Portugal, the United Kingdom and the United States. Similarly, Denmark, Ireland and the Slovak Republic increased tuition fees charged for international students (only international students are charged tuition fees in these countries).

However, most countries simultaneously implemented systems to limit the variation in the level of tuition fees charged in tertiary-type A institutions for each field of education or to differentiate the fees, sometimes at the state/regional level, as tuition-fee policies vary within the country (**Canada**). These could consist in linking the level of fees to labour-market opportunities, so that fields with skills shortages have lower tuitions fees than others to attract more students (**Australia**, for example), or in setting an upper limit on tuition fees to ensure that students from socio-economically disadvantaged backgrounds have access to tertiary education (**Italy**), or even in temporarily freezing the level of fees in return for a higher government subsidy (**New Zealand**).

A few countries even reduced tuition fees: in **Austria**, tuition fees introduced in the 2001-02 academic year were suppressed for the majority of students in 2009; while in **Ireland**, tuition fees for most full-time undergraduate students have been paid by the state since 1995-96 through a transfer to public institutions. In **Hungary** (not included in the table below) a general tuition-fee system was introduced in 1996, but this obligation was abolished in 1998. Since then, there has been a special dual system in operation, in which one part of tertiary students can study free of charge by state subsidy while the other part of students can study by paying a "training contribution". The status of students is determined mainly during the application and admission procedure.

...

	Reforms have been implemented since 1995	Reforms have been combined with a change in the level of public subsidies available to students	Tertiary educational institutions differentiate tuition fees between national and international students	Tertiary educational institutions differentiate tuition fees by field of education
Australia	Yes	Yes	Yes	Yes
Austria	Yes	Yes	No	No
Belgium (Fl.)	Yes	No	Yes	No
Belgium (Fr.)	No till 2008-09	No	Yes	No
Canada	Yes	Yes	Yes	Yes
Denmark	Yes	Yes	Yes	No
Finland	No	No	No	No
France	No	No	No	Yes
Iceland	Yes	No	No	Yes
Ireland	Yes	Yes	Yes	Yes
Italy	Yes	Yes	No	Yes
Japan	Yes	Yes	No	No
Korea	Yes	Yes	No	Yes
Mexico	No	No	No	No
Netherlands	Yes	Yes	Yes	No
New Zealand	Yes	Yes	Yes	Yes
Norway	No	No	No	No
Poland	Yes	Yes	Yes	Yes
Slovak Republic	Yes	No	Yes	Yes
Slovenia	No	No	Yes	No
Spain	No	No	No	Yes
Sweden	No	No	n.a.	n.a.
Switzerland	No	No	Yes	No
United Kingdom	Yes	Yes	Yes	Yes
United States	No	No	Yes	Yes

Reforms on tuition fees are usually combined with reforms in student support. Changes in support for students usually aim to give students from disadvantaged backgrounds greater access to tertiary studies or to reduce the liquidity constraints on all students, through grants/scholarships or loans, or by introducing different rates of contributions. These kinds of systems have been developed in **Australia**, **Austria** and **Canada**. A specific loan for tuition fees has even been introduced in the **Netherlands**. In some other countries, more public funds support tertiary institutions. This is the case in **New Zealand**, where the government requires institutions to freeze their fees between 2001 and 2003, in return for proportional increases in subsidies to individuals. This limits the cost of study for students, while offering funding to institutions as a way of meeting the costs of foregoing increases in fees.

Only a few countries (the **Flemish community of Belgium**, and the **Slovak Republic**) did not change student-support systems in addition to changing their systems of tuition fees. In **Belgium (Flemish Community)**, a reform aimed to make tuition fees more flexible in 2007, based on the number of credits in which students are enrolled in the programme. In the **Slovak Republic**, the reforms aimed to allow tertiary institutions to charge tuition fees for part-time students and for students who stay longer in a programme than theoretically expected.

Model 1: Countries with no or low tuition fees but generous student-support systems

This group is composed of the Nordic countries (Denmark, Finland, Iceland, Norway and Sweden). There are no (or low) financial barriers to tertiary education and there is even a high level of student aid. At 69%, the average entry rate to tertiary-type A education for this group is above the OECD average of 60% (see Indicator C2). Tuition fees charged by public educational institutions for national students are negligible for tertiary-type A education and more than 55% of students enrolled in tertiary-type A education in this group can benefit from scholarships/grants and/or public loans to finance their studies or living expenses (Tables B5.1, B5.2 and Chart B5.1).

The level of public expenditure on tertiary education as a percentage of GDP and the level of taxation on income are also among the highest in these countries. The approach to funding tertiary education reflects these countries' deeply rooted social values, such as equality of opportunity and social equity. The notion that government should provide its citizens with tertiary education at no charge to the user is a salient feature of these countries' educational culture. In its current mode, the funding of both institutions and students in these countries is based on the principle that access to tertiary education is a right, rather than a privilege (OECD, 2008a, Chapter 4). However, Denmark decided to introduce tuition fees for international students during the past decade to increase the resources available for their tertiary institutions. This solution is also envisaged in Iceland and Sweden (Box B5.1).

Model 2: Countries with high levels of tuition fees and well-developed student-support systems

A second group includes Australia, Canada, the Netherlands, New Zealand, the United Kingdom and the United States. These countries have potentially high financial barriers to entry into tertiary-type A education, but also provide large public subsidies to students. The average entry rate to tertiary-type A education for this group of countries is, at 69%, significantly above the OECD average and higher than most countries with low tuition fees (except the Nordic countries). The Netherlands and, to a lesser extent, the United Kingdom have moved from Model 4 to this group of countries since 1995 (Chart B5.1).

Tuition fees charged by public tertiary-type A institutions exceed USD 1 500 in all these countries, and more than 75% of tertiary-type A students receive public subsidies (in Australia, the Netherlands, New Zealand and the United States, the four countries for which data are available; Tables B5.1 and B5.2). Student-support systems are well developed and mostly accommodate the needs of the entire student population, with the proportion of public subsidies in total public expenditure on tertiary education higher than the OECD average (21%) in four out of the six countries: Australia (32%), the Netherlands (29%), New Zealand (42%) and the United Kingdom (53%), and nearly at the average for Canada (17%) and the United States (20%) (Table B5.3). In this group of countries, access to tertiary-type A education is not lower than in other groups. For example, Australia and New Zealand have among the highest entry rates into tertiary-type A education (94% and 78%, respectively), partly because of the high proportion of international students enrolled in tertiary-type A education. The Netherlands (63%), the United Kingdom (61%) and the United States (70%) were also above the OECD average (60%) in 2008 (see Table C2.2). These countries spend more on core services per tertiary student than the OECD average and have a relatively high level of revenue from income tax as a percentage of GDP compared to the OECD average. The Netherlands is an outlier as its level of income taxation is below the OECD average (see Table B1.1b and OECD, 2010f).

Model 3: Countries with high levels of tuition fees but less-developed student-support systems

In Japan and Korea, most students are charged high tuition fees, but student-support systems are somewhat less developed than those in Models 1 and 2. This places a considerable financial burden on students and their families. In these two countries, tertiary-type A institutions charge high tuition fees (more than USD 4 500) but a relatively small proportion of students benefit from public subsidies (around one-third of students receive public subsidies in Japan; 15% of total public expenditure on tertiary education is allocated to public subsidies in Korea). Tertiary-type A entry rates in these two countries are 49% and 71%, respectively; Japan is below and Korea is significantly above the OECD average. In Japan, some students who excel academically but have difficulty financing their studies may benefit from reduced tuition and/or admission fees or be entirely

exempted. The below-average access to tertiary-type A education is counterbalanced by an above-average entry rate into tertiary-type B (shorter and more practically oriented) programmes (see Indicator C2). These two countries are among those with the lowest levels of public expenditure allocated to tertiary education as a percentage of GDP (see Table B4.1). This partially explains the small proportion of students who benefit from public loans. However, in 2009 Japan is closer to Model 2 than it was in 1995 (Chart B5.1) because a reform was implemented to improve the student-support system. Public subsidies for students are now above the OECD average and represent 25% of total public expenditure on tertiary education. Expenditure per tertiary student is also above the OECD average (Table B5.3).

Model 4: Countries with low levels of tuition fees and less-developed student-support systems

The fourth group includes all other European countries for which data are available (Austria, Belgium, the Czech Republic, France, Ireland, Italy, Portugal, Switzerland and Spain) and Mexico. Since 1995, some reforms have also been implemented in some of these countries – mainly in Austria and Italy – to increase the level of tuition fees charged by public institutions; but all of these countries can be considered as charging moderate tuition fees compared to those in Models 2 and 3 (Chart B5.1 and Box B5.1). These countries also have relatively low financial barriers to entry into tertiary education (or no tuition-fee barriers, as in the Czech Republic, Ireland and Mexico), combined with relatively low subsidies for students, which are mainly targeted to specific groups. There is a high level of dependence on public resources for the funding of tertiary education and participation levels are typically below the OECD average. The average tertiary-type A entry rate in this group of countries is a relatively low 50%; in Belgium, this low rate is counterbalanced by high entry rates into tertiary-type B education. Similarly, expenditure per student for tertiary-type A education is also comparatively low (see Indicator B1 and Chart B5.2). While high tuition fees can raise potential barriers to student participation, this suggests that the absence of tuition fees, which is assumed to ease access to education, does not necessarily ensure high levels of access to and the quality of tertiary-type A education.

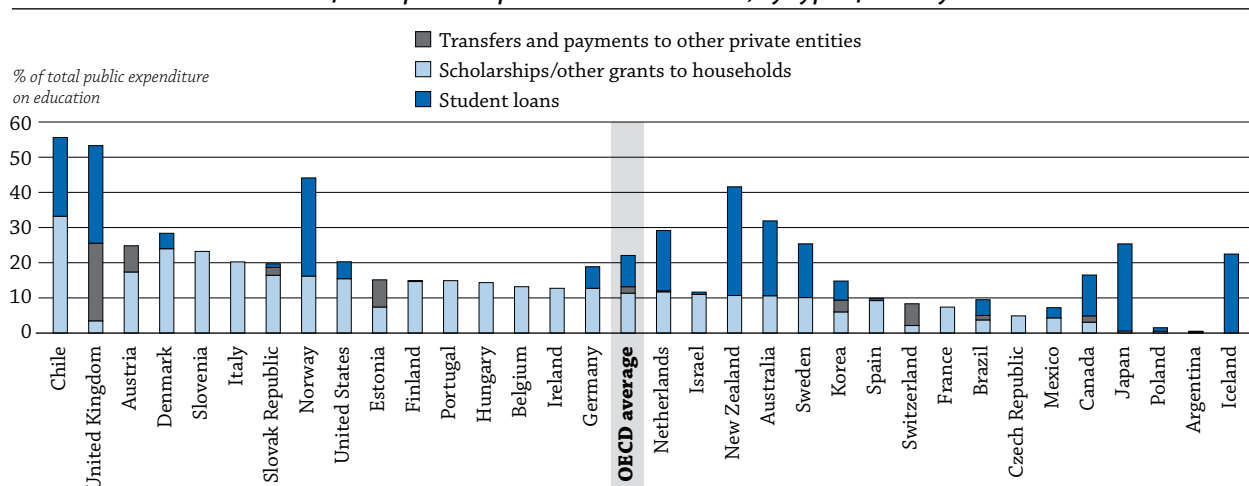
Tuition fees charged by public institutions in this group never exceed USD 1 200, and in countries for which data are available, the proportion of students who benefit from public subsidies is below 40% (Tables B5.1 and B5.2). In these countries students and their families can benefit from subsidies provided by sources other than the ministry of education (e.g. housing allowances, tax reductions and/or tax credits for education); but these are not covered in this analysis. In France, for example, housing allowances represent about 90% of scholarships/grants and about one-third of students benefit from these. Poland is notable in that some students have their studies fully subsidised by the public budget while all others pay the full costs of tuition. In other words, the burden of private contributions is borne by part of the student population rather than shared by all (see Indicator B3 in OECD, 2008b). Loan systems, such as public loans or loans guaranteed by the state, are not available or are only available to a small proportion of students in these countries (Table B5.2). At the same time, the level of public spending and the tax revenue from income as a percentage of GDP vary significantly more among this group of countries than in the other groups. Policies on tuition fees and public subsidies are not necessarily the main factors that influence students' decisions to enter tertiary-type A education.

OECD countries use different mixes of grants and loans to subsidise students' education costs

A key question in many OECD countries is whether financial subsidies for households should be provided primarily in the form of grants or loans. Governments subsidise students' living or educational costs through different mixes of these two types of subsidies. Advocates of student loans argue that loans allow available resources to be spread further: if the amount spent on grants were used to guarantee or subsidise loans instead, more aid would be available to students and overall access would increase. Loans also shift some of the cost of education to those who benefit most from educational investment. Opponents of loans argue that student loans are less effective than grants in encouraging low-income students to pursue their education. They also argue that loans may be less efficient than anticipated because of the various subsidies provided to borrowers or lenders and because of the costs of administration and servicing.

Chart B5.3. Public subsidies for education in tertiary education (2008)

Public subsidies for education to households and other private entities as a percentage of total public expenditure on education, by type of subsidy



Countries are ranked in descending order of the share of scholarships/other grants to households and transfers and payments to other private entities in total public expenditure on education.

Source: OECD. Argentina: UNESCO Institute for Statistics (World Education Indicators Programme). Table B5.3. See Annex 3 for notes (www.oecd.org/edu/eag2011).

StatLink <http://dx.doi.org/10.1787/888932461237>

Chart B5.3 presents the proportion of public educational expenditure dedicated to loans, grants and scholarships, and other subsidies to households at the tertiary level. Grants and scholarships include family allowances and other specific subsidies, but exclude tax reductions that are part of the subsidy system in Australia, Belgium (Flemish Community), Canada, the Czech Republic, Finland, France, Hungary, Italy, the Netherlands, Norway, the Slovak Republic, Switzerland and the United States (see Chart B5.3 in OECD, 2006a). More than one-third of the 32 countries for which data are available rely exclusively on scholarships/grants and transfers/payments to other private entities. The other countries provide both scholarships/grants and loans to students (except Iceland, which relies only on student loans), and both subsidies are used extensively in Australia, Chile, the Netherlands, New Zealand, Norway, Sweden, the United Kingdom and the United States. In general, the largest subsidies to students are provided by the countries that offer student loans; in most cases, these countries also spend an above-average proportion of their budgets on grants and scholarships (Chart B5.3 and Table B5.3).

Definitions

Average tuition fees charged in public and private tertiary-type A institutions does not distinguish tuition fees by type of programme. This indicator gives an overview of tuition fees at this level by type of institution and shows the proportions of students who do or do not receive scholarships/grants that fully or partially cover tuition fees. Levels of tuition fees and associated proportions of students should be interpreted with caution as they are derived from the weighted average of the main tertiary-type A programmes and do not cover all educational institutions.

Public spending transferred to students, families and other private entities includes funds that may go indirectly to educational institutions, such as the subsidies that are used to cover tuition fees, and funds that do not go, even indirectly, to educational institutions, such as subsidies for students' living costs.

Public subsidies to households include: *i*) grants/scholarships (non-repayable subsidies); *ii*) public student loans, which must be repaid; *iii*) family or child allowances contingent on student status; *iv*) public subsidies in cash or in kind, specifically for housing, transport, medical expenses, books and supplies, social, recreational and other purposes; and *v*) interest-related subsidies for private loans.

However, public subsidies do not distinguish among different types of grants or loans, such as scholarships, family allowances and in-kind subsidies. Governments can also support students and their families by providing housing allowances, tax reductions and/or tax credits for education. These subsidies are not covered here. Financial aid to students in some countries may therefore be substantially underestimated.

It is also common for governments to guarantee the repayment of loans to students made by private lenders. In some OECD countries, this indirect form of subsidy is as significant as, or even more significant than, direct financial aid to students. However, for reasons of comparability, the indicator only takes into account the amounts relating to public transfers for private loans that are made to private entities, not the total value of loans generated. Some qualitative information is nevertheless presented in some of the tables to give some insight on this type of subsidy.

Student loans refer to the full volume of student loans in order to provide information on the level of support received by current students. The gross amount of loans, including scholarships and grants, provides an appropriate measure of the financial aid to current participants in education. Interest payments and repayments of principal by borrowers should be taken into account in order to assess the net cost of student loans to public and private lenders. However, such payments are usually made by former students rather than by current students and are not covered in this indicator. In most countries, moreover, loan repayments do not flow to the education authorities, and the money is not available to them to cover other educational expenditures. OECD indicators take the full amount of scholarships and loans (gross) into account when discussing financial aid to current students. Some OECD countries also have difficulty quantifying the amount of loans to students. Therefore, data on student loans should be treated with some caution.

Methodology

Data refer to the financial year 2008 and are based on the UOE data collection on education statistics administered by the OECD in 2010 (for details see Annex 3 at www.oecd.org/edu/eag2011).

Data on tuition fees charged by educational institutions, financial aid to students and on reforms implemented since 1995 were collected through a special survey undertaken in 2010 and refer to the academic year 2008-09. Amounts of tuition fees and amounts of loans in national currency are converted into equivalent USD by dividing the national currency by the purchasing power parity (PPP) index for GDP. Amounts of tuition fees and associated proportions of students should be interpreted with caution as they represent the weighted average of the main tertiary-type A programmes and do not cover all the educational institutions.

Public costs related to private loans guaranteed by governments are included as subsidies to other private entities. Unlike public loans, only the net cost of these loans is included.

The value of tax reductions or credits to households and students is not included.

The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.

References

OECD (2006a), *Education at a Glance 2006: OECD Indicators*, OECD, Paris.

OECD (2008a), *OECD Reviews of Tertiary Education: Tertiary Education for the Knowledge Society*, OECD, Paris.

OECD (2008b), *Education at a Glance 2008: OECD Indicators*, OECD, Paris.

OECD (2010f), *OECD Tax Statistics: Volume 2010, Issue I: Revenue Statistics*, OECD, Paris.

The following additional material relevant to this indicator is available on line:

- **Table B5.4. Public subsidies for households and other private entities as a percentage of total public expenditure on education and GDP, for primary, secondary and post-secondary non-tertiary education (2008)**


StatLink  <http://dx.doi.org/10.1787/888932464068>

Table B5.1. [1/2] Estimated annual average tuition fees charged, by tertiary-type A educational institutions¹ for national students (academic year 2008-09)

In equivalent USD converted using PPPs, by type of institution, based on full-time students

Tuition fees and associated proportions of students should be interpreted with caution as they result from the weighted average of the main tertiary-type A programmes and do not cover all educational institutions. However, the figures reported can be considered as good proxies and show the difference among countries in tuition fees charged by main educational institutions and for the majority of students.

	Percentage of tertiary full-time students enrolled in tertiary-type A programmes	Percentage of tertiary-type A full-time students enrolled in:			Annual average tuition fees in USD charged by institutions (for full-time students)			Comment
		Public institutions	Government-dependent private institutions	Independent private institutions	Public institutions	Government-dependent private institutions	Independent private institutions	
		(1)	(2)	(3)	(4)	(5)	(6)	
OECD								
Australia	84	97	a	3	4 140	a	8 933	93% of national students in public institutions are in subsidised places and pay an average USD 3 817 tuition fee, including HECS/HELP subsidies. There was a significant increase (~50%) in scholarships for domestic students from 2007 to 2009 as a result of government reforms aimed at doubling the number of Commonwealth Scholarships by 2012. The new scholarships were mostly targeted towards students studying national priority subjects, students who needed to relocate to study specialist subjects, and indigenous students.
Austria ²	87	87	13	m	853	853	235 to 11 735	As of summer term 2009, tuition fees have to be paid by national students and students from EU/EEA countries when they exceed the theoretical duration of the study programme by two semesters and by students from non-EU/EEA countries (except students from least-developed countries).
Belgium (Fl.)	69	51	49	m	x(5)	545 to 618	m	Tuition fees refer to the minimum and maximum amount that institutions may charge according to the decree (indexed figures). They refer to those for students enrolled in first (bachelor) and second (master) degree programmes. The information does not refer to further degree programmes (for example a second master's degree after a first master's degree). This information refers to students without scholarships (a student with a scholarship benefits from lower tuition fees, see more details in Annex 3).
Belgium (Fr.)	m	33	67	m	599	683	m	Tuition fees charged for programmes are the same in public as in private institutions but the distribution of students differs between public and private institutions, so the weighted average is not the same.
Canada	66	100	m	m	3 774	x(4)	x(4)	
Chile	60	m	m	m	m	m	m	
Czech Republic	86	87	a	13	No tuition fees	a	m	The average fee in public institutions is negligible because fees are paid only by students studying too long (more than the standard length of the programme plus 1 year) : about 4% of students.
Denmark ³	88	m	m	m	No tuition fees	m	a	
Estonia	62	m	m	m	a	m	m	
Finland	100	82	18	a	No tuition fees	No tuition fees	a	Excluding membership fees to student unions.
France	72	87	5	8	190 to 1 309	1 127 to 8 339	1 128 to 8 339	Tuition fees in public institutions refer to University programmes dependent from the Ministry of Education.
Germany	87	97	3	x(2)	m	m	m	There is no national nor subnational average levels of tuition fees. Since 2005, the 16 German <i>Länder</i> have been free to decide on the imposition of tuition fees. A few number of <i>Länder</i> have tuitions fees, but the level of fees differs between <i>Länder</i> . In some <i>Länder</i> , the higher education institutions themselves are free to decide on the imposition of study fees and the amount thereof. Most of the 16 <i>Länder</i> did not impose tuition fees for initial education.
Greece	60	m	m	m	m	m	m	
Hungary	90	m	m	m	m	m	m	There is no general tuition fee imposed. However, there is a special dual system in operation, in which one part of tertiary students can study free of charge with the help of State subsidy while the other part of students can study by paying a "training contribution" (the term "tuition fee" is not in use). The status of students is determined mainly during the application and admission procedure (with the principle that the State finances studies for the first degree by levels within a quota determined annually by the government). In 2008-09, the proportion of state-financed full-time students is 75% (19% for part-time students) – while the proportion of contribution-paying full-time students is 25% (81% for part-time students). The amount of training contributions is defined by higher education institutions but according to the current regulation it should be at least as high as the State-provided subsidy to the HEIs for the training of a student in the particular field of study.

1. Scholarships/grants that the student may receive are not taken into account.

2. Including students in advanced research programmes.

3. Tuition fees in total tertiary education.

Source: OECD. See Annex 3 for notes (www.oecd.org/edu/eag2011).

Please refer to the Reader's Guide for information concerning the symbols replacing missing data.


StatLink  <http://dx.doi.org/10.1787/888932464011>

Table B5.1. [2/2] Estimated annual average tuition fees charged, by tertiary-type A educational institutions¹ for national students (academic year 2008-09)

In equivalent USD converted using PPPs, by type of institution, based on full-time students

Tuition fees and associated proportions of students should be interpreted with caution as they result from the weighted average of the main tertiary-type A programmes and do not cover all educational institutions. However, the figures reported can be considered as good proxies and show the difference among countries in tuition fees charged by main educational institutions and for the majority of students.

	Percentage of tertiary full-time students enrolled in tertiary-type A programmes	Percentage of tertiary-type A full-time students enrolled in:			Annual average tuition fees in USD charged by institutions (for full-time students)			Comment
		Public institutions	Government-dependent private institutions	Independent private institutions	Public institutions	Government-dependent private institutions	Independent private institutions	
		(1)	(2)	(3)	(4)	(5)	(6)	(7)
Iceland	97	79	21	n	No tuition fees	2 311 to 6 831	8 433 to 12 650	Subsidised student loans that cover tuition fees are available for all students. Almost no scholarships/grants exist.
Ireland	74	97	a	3	2 800 to 10 000	a	m	The tuition fees charged by public institutions are paid directly by the government for full-time, undergraduate students from the European Union, only. About one half of all tuition fee income is derived from households (mainly for part-time or postgraduate or non-EU students).
Israel	76	m	m	m	a	m	m	
Italy	98	92	a	8	1281	a	4713	The annual average tuition fees do not take into account the scholarships/grants that fully cover tuition fees but partial reductions of fees cannot be excluded.
Japan	75	25	a	75	4 602	a	7 247	Excludes admission fees charged by the school for the first year (USD 2 398 on average).
Korea	74	24	a	76	5 315	a	9 586	Tuition fees in first-degree programme only. Excludes admission fees to university, but includes supporting fees.
Luxembourg	m	m	m	m	m	m	m	
Mexico	96	66	a	34	No tuition fees	a	5 365	
Netherlands	100	m	a	m	1 851	a	m	
New Zealand	77	97	2	1	3 019	4 159	m	
Norway	95	86	14	x(2)	No tuition fees	n	5 641	Student fees are representative of the dominant private ISCED 5 institution in Norway.
Poland	96	87	a	13	n	a	1 889 to 2 537	
Portugal ³	96	m	m	m	1 233	4 991	m	
Slovak Republic	96	96	a	4	Maximum 2 707	a	m	
Slovenia	72	96	4	n	m	m	m	In public and government-dependent private institutions: first and second level full-time students do not pay tuition fees. But second cycle students who already obtained a qualification/degree equivalent to the second cycle pay tuition fees.
Spain	81	87	a	13	1 038	a	m	
Sweden	86	92	8	n	No tuition fees	No tuition fees	m	Excluding mandatory membership fees to student unions.
Switzerland	83	99	m	1	879	m	7 262	
Turkey	69	m	m	m	m	a	m	
United Kingdom	87	a	100	n	a	4 840	m	English students from low-income households can access non-repayable grants and bursaries. Loans for tuition fees and living costs are available to all eligible students.
United States	80	68	a	32	6 312	a	22 852	Including non-national students.
Other G20	Argentina	m	m	m	m	m	m	
	Brazil	90	m	m	m	a	m	
	China	m	m	m	m	m	m	
	India	m	m	m	m	m	m	
	Indonesia	m	m	m	m	m	m	
	Russian Federation	75	m	m	m	a	m	
	Saudi Arabia	m	m	m	m	m	m	
	South Africa	m	m	m	m	m	m	

1. Scholarships/grants that the student may receive are not taken into account.

2. Including students in advanced research programmes.

3. Tuition fees in total tertiary education.

Source: OECD. See Annex 3 for notes (www.oecd.org/edu/eag2011).

Please refer to the Reader's Guide for information concerning the symbols replacing missing data.


StatLink  <http://dx.doi.org/10.1787/888932464011>

Table B5.2. **Distribution of financial aid to students compared to the amount of tuition fees charged in tertiary-type A education (academic year 2008-09)***Based on full-time students*

		Distribution of financial aid to students Percentage of students who:				Distribution of scholarships/grants in support of tuition fees Percentage of students who:			
		benefit from public loans only	benefit from scholarships/grants only	benefit from public loans AND scholarships/grants	DO NOT benefit from public loans OR scholarships/grants	receive scholarships/grants that are higher than the tuition fees	receive scholarships/grants whose amount is equivalent to the tuition fees	receive scholarships/grants that partially cover the tuition fees	DO NOT receive scholarships/grants in support of tuition fees
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
OECD	Australia ¹	74	1	7	19	n	n	7.3	92.7
	Austria	a	19	a	81	16.8	n	1.5	81.7
	Belgium (Fl.) ²	a	22	a	78	21.7	x(5)	x(5)	78.3
	Belgium (Fr.)	n	17	n	83	16.9	x(5)	x(5)	83.1
	Canada	m	m	m	m	m	m	m	m
	Chile	m	m	m	m	m	m	m	m
	Czech Republic	m	m	a	m	m	m	m	m
	Denmark ²	m	93	m	m	m	m	m	m
	Estonia	m	m	m	m	m	m	m	m
	Finland	a	55	a	45	a	a	a	a
	France ²	a	28	a	72	24.0	4.0	a	72.0
	Germany	m	m	m	m	m	m	m	m
	Greece	m	m	m	m	m	m	m	m
	Hungary	21	35	m	m	a	a	a	100.0
	Iceland	63	m	m	37	a	a	a	100.0
	Ireland ³	a	39	a	m	x(6)	85.5	m	14.5
	Israel	m	m	m	m	m	m	m	m
	Italy	n	18	n	82	8.2	3.1	7.0	81.7
	Japan	33	1	n	67	a	a	a	100.0
	Korea	m	m	m	m	a	1.8	38.8	59.5
	Luxembourg	m	m	m	m	m	m	m	m
	Mexico ²	1	12	m	87	m	m	m	m
	Netherlands ³	11	63	21	5	67.8	n	12.2	20.0
	New Zealand	51	4	35	10	m	m	m	m
	Norway ⁴	12	4	52	33	m	m	m	m
	Poland	m	m	m	m	m	m	m	m
	Portugal	m	m	m	m	m	m	m	m
	Slovak Republic	m	m	m	m	m	m	m	m
	Slovenia ⁵	a	21	n	m	m	m	m	m
	Spain	n	34	n	66	23.5	3.5	10.4	62.6
	Sweden	n	19	50	32	a	a	a	a
	Switzerland	2	11	m	87	m	m	m	m
	Turkey	m	m	m	m	m	m	m	m
	United Kingdom	37	8	50	6	m	m	m	42.7
	United States ²	12	27	38	24	m	m	m	m
Other G20	Argentina	m	m	m	m	m	m	m	m
	Brazil	m	m	m	m	m	m	m	m
	China	m	m	m	m	m	m	m	m
	India	m	m	m	m	m	m	m	m
	Indonesia	m	m	m	m	m	m	m	m
	Russian Federation	m	m	m	m	m	m	m	m
	Saudi Arabia	m	m	m	m	m	m	m	m
	South Africa	m	m	m	m	m	m	m	m

1. Excludes foreign students.

2. Distribution of students in total tertiary education (only public university, including tertiary-type B in France).

3. Public institutions only.

4. Data refer to academic year 2007-08.

5. Column 2 only includes scholarships.

Source: OECD. See Annex 3 for notes (www.oecd.org/edu/eag2011).

Please refer to the Reader's Guide for information concerning the symbols replacing missing data.


StatLink  <http://dx.doi.org/10.1787/888932464030>

Table B5.3. **Public subsidies for households and other private entities as a percentage of total public expenditure on education and GDP, for tertiary education (2008)***Direct public expenditure on educational institutions and subsidies for households and other private entities*

		Direct public expenditure for institutions	Public subsidies for education to private entities					Subsidies for education to private entities as a percentage of GDP		
			Financial aid to students				Transfers and payments to other private entities		Total	
			Scholarships/ other grants to households	Student loans	Total	Scholarships/ other grants to households attributable for educational institutions				
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
OECD	Australia	68.5	10.6	21.3	31.9	1.0	n	31.5	0.31	
	Austria	75.2	17.4	a	17.4	m	7.5	24.8	0.37	
	Belgium	86.8	13.2	n	13.2	3.6	n	13.2	0.18	
	Canada ¹	83.5	3.1	11.6	14.8	m	1.8	16.5	m	
	Chile ²	44.4	33.2	22.4	55.6	21.4	m	55.6	0.40	
	Czech Republic	95.1	4.9	a	4.9	m	n	4.9	0.05	
	Denmark ³	71.6	24.0	4.4	28.4	n	n	28.4	0.62	
	Estonia	84.9	7.4	m	7.4	m	7.7	15.1	0.17	
	Finland	85.1	14.7	n	14.7	n	0.3	14.9	0.28	
	France	92.6	7.4	m	7.4	m	a	7.4	0.09	
	Germany	81.1	12.7	6.1	18.9	m	n	18.9	0.23	
	Greece	m	m	m	m	m	m	m	m	
	Hungary	85.7	14.3	n	14.3	n	n	14.3	0.15	
	Iceland	77.5	n	22.5	22.5	a	n	22.5	0.34	
	Ireland	87.3	12.7	n	12.7	1.2	n	12.7	0.17	
	Israel	88.3	11.0	0.6	11.7	10.6	n	11.7	0.11	
	Italy	79.8	20.2	n	20.2	7.5	n	20.2	0.17	
	Japan ³	74.6	0.6	24.8	25.4	m	n	25.4	0.16	
	Korea	85.2	6.0	5.4	11.5	5.4	3.3	14.8	0.10	
	Luxembourg	m	m	m	m	m	m	m	m	
	Mexico	92.8	4.3	2.9	7.2	1.5	a	7.2	0.07	
	Netherlands	70.8	11.7	17.2	28.9	a	0.3	29.2	0.44	
	New Zealand	58.4	10.7	30.9	41.6	m	n	41.6	0.80	
	Norway	55.9	16.2	27.9	44.1	m	n	44.1	1.28	
	Poland	98.4	0.5	1.0	1.5	m	n	1.6	0.02	
	Portugal	85.1	14.9	m	14.9	m	m	14.9	0.14	
	Slovak Republic ³	80.3	16.4	1.0	17.5	m	2.2	19.7	0.15	
	Slovenia	76.8	23.2	n	23.2	m	n	23.2	0.28	
	Spain	90.1	9.2	0.6	9.9	2.0	n	9.9	0.11	
	Sweden	74.6	10.1	15.3	25.4	a	a	25.4	0.46	
	Switzerland	91.7	2.1	n	2.1	m	6.2	8.3	0.11	
	Turkey	m	m	m	m	m	m	m	m	
	United Kingdom	46.7	3.5	27.7	31.2	x(4)	22.1	53.3	0.45	
	United States	79.7	15.5	4.8	20.3	m	m	20.3	0.26	
	OECD average		79.0	11.4	8.9	19.4	3.6	1.8	21.0	0.28
	EU21 average		81.5	12.6	4.6	16.4	1.6	2.2	18.5	0.24
Other G20	Argentina	99.5	0.4	n	0.4	m	0.1	0.5	n	
	Brazil	90.5	3.7	4.5	8.2	x(2)	1.3	9.5	0.08	
	China	m	m	m	m	m	m	m	m	
	India	m	m	m	m	m	m	m	m	
	Indonesia	m	m	m	m	m	m	m	m	
	Russian Federation	m	m	a	m	m	m	m	m	
	Saudi Arabia	m	m	m	m	m	m	m	m	
	South Africa	m	m	m	m	m	m	m	m	


1. Year of reference 2007.

2. Year of reference 2009.

3. Some levels of education are included with others. Refer to «x» code in Table B1.1a for details.

Source: OECD, Argentina: UNESCO Institute for Statistics (World Education Indicators Programme). See Annex 3 for notes (www.oecd.org/edu/eag2011).

Please refer to the Reader's Guide for information concerning the symbols replacing missing data.

StatLink  <http://dx.doi.org/10.1787/888932464049>



From:
Education at a Glance 2011
OECD Indicators

Access the complete publication at:
<https://doi.org/10.1787/eag-2011-en>

Please cite this chapter as:

OECD (2011), “How much do tertiary students pay and what public subsidies do they receive?”, in *Education at a Glance 2011: OECD Indicators*, OECD Publishing, Paris.

DOI: <https://doi.org/10.1787/eag-2011-20-en>

This work is published under the responsibility of the Secretary-General of the OECD. The opinions expressed and arguments employed herein do not necessarily reflect the official views of OECD member countries.

This document and any map included herein are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.

You can copy, download or print OECD content for your own use, and you can include excerpts from OECD publications, databases and multimedia products in your own documents, presentations, blogs, websites and teaching materials, provided that suitable acknowledgment of OECD as source and copyright owner is given. All requests for public or commercial use and translation rights should be submitted to rights@oecd.org. Requests for permission to photocopy portions of this material for public or commercial use shall be addressed directly to the Copyright Clearance Center (CCC) at info@copyright.com or the Centre français d'exploitation du droit de copie (CFC) at contact@cfcopies.com.