To Charge or Not to Charge?

In some Nordic countries, international students may be thinking, “Alas, free education, we knew it well.”

BY CHARLOTTE WEST
That Is Tuition.

OVER THE LAST DECADE, the question of whether or not to introduce tuition for international students from outside the European Union/European Economic Area has been a hot topic in the Nordic countries, which have had a long history of offering tuition-free education through their comprehensive welfare states. Starting with Denmark in 2006, three of the Nordic countries have introduced tuition, whereas Iceland and Norway continue to offer tuition-free higher education for all, regardless of national origin. Finland introduced a trial tuition scheme for some programs and institutions in 2010, and Sweden has required non-EU students to pay tuition since fall 2011. While there is limited data from Finland, Denmark and Sweden both saw a dramatic drop in international enrollment immediately after the implementation of tuition schemes followed by a gradual recovery due to initiatives such as an increased number of scholarships and study grants.

The introduction of tuition in these countries has several implications for international student mobility and international student enrollment across the Nordic region. All of the Nordic countries offer full-degree programs where the language of instruction is English. In both Sweden and Denmark, the implementation of international tuition has significantly increased the administrative workload at individual institutions and has required them to rethink their marketing and recruitment strategies. An additional question is how competitive the region will be in the global international education market in comparison to countries such as the United Kingdom, the Netherlands, and the United States.
Tuition for Non-EU Students

According to the European Commission, it is up to individual EU member states to determine whether or not they charge tuition. However, students from other member states have the right to study and pay the same fees as local students. In other words, an Italian student who applies to study at a Dutch university would pay the same tuition as Dutch students. However, when it comes to what the EU refers to as “third-country students” —i.e., students from outside of the EU/EEA—member states may charge whatever they like.

In European countries such as Ireland, the UK, and the Netherlands, the idea of charging higher tuition fees for international students from outside the EU/EEA is nothing new. The UK introduced tuition for non-EU students in 1980, while the Netherlands introduced similar fees in the mid 1990s. For example, for the 2012–2013 academic year, an EU/EEA citizen studying at University of Amsterdam would pay €1,771 for any level of full-time study, while a third-country student would pay anywhere from €9,000 for a bachelor’s in humanities to €12,000 for a master’s in the natural sciences.²

Other countries, including Austria, France, and Germany, require domestic and international students alike to pay no or minimal fees and tuition for public higher education. The Nordic countries have had a long tradition of tuition-free higher education, as well as some of the highest rates of public spending on education in the world. However, in the last 5 to 10 years, several of the Nordic countries have introduced tuition for non-EU/EEA students, while continuing to offer free education to all their own and other EU/EEA citizens. While Iceland and Norway do not charge tuition fees, Denmark was the first Nordic country to introduce a tuition scheme for non-EU/EEA students in 2006. Finland also began a five-year tuition pilot program in 2010, and Sweden followed suit in 2011. Exchange students were not affected by the introduction of tuition in the Nordic countries, nor are
non-EU/EEA citizens who are living in these countries for other reasons than to study required to pay tuition.

According to a recent report commissioned by the Nordic Council of Ministers, both Denmark and Sweden saw a major drop in enrollment of international students from non-EU/EEA countries followed by a gradual recovery. The report questioned whether or not the region would be able to remain competitive in the face of global competition without a significant investment in scholarships at the national and institutional levels.

**The Impact of Tuition on International Student Mobility in Denmark**

Denmark is the Nordic country with the most experience in implementing tuition fees for international students. It is also the country where the impact of tuition is most evident as data can be examined over a number of years. Policy documents and government officials in both Finland and Sweden cited the Danish experience in their discussions about introducing tuition in their respective countries.

According to the Danish Parliament, tuition was introduced in part to prevent “...third countries [from] sending students to Danish universities with a view to the Danish government paying for their education in whole or in part.” This decision has in turn primarily impacted students from non-EU/EEA countries. In terms of global student mobility, government officials, and university representatives in particular, have wondered if the introduction of tuition in Denmark and the other Nordic countries will make them less competitive in the global market. For non-EU/EEA students, tuition for full-degree programs, most in English, ranges from €6,200 to €13,100 per year depending on the subject and institution.

The Danish Ministry of Science, Innovation, and Education reports that in 2005, before the introduction of tuition, Denmark had 4,371 international students pursuing full-degree bachelor’s and master’s programs. Of these, 1,298 were from other Nordic countries, 1,478 from other EU/EEA countries, and 1,595 from outside of the EU/EEA. The next year, enrollment of the first two groups of students increased, while the number of non-EU/EEA students dropped to 1,053. Overall, international student enrollment in Denmark dropped to 4,143 in 2006. Between 2005 and 2011, however, the number of Nordic and other European students studying in Denmark has increased every year, from less than 3,000 in 2005 to almost 8,000 in 2011. After the initial shock in 2006, the numbers of students from outside of the EU/EEA gradually recovered to 1,674 in 2009, only to decrease slightly in 2010 and 2011.

While absolute numbers of non-European students have recovered and increased slightly from pre-tuition statistics, the overall demographics of Denmark’s international student population have been altered significantly. In 2005 non-European students made up more than 36 percent of the total number of international students pursuing full-degrees in Denmark. In 2011 they accounted for 15 percent of the total international enrollment in degree programs. Exchange students were not included in government statistics as they were unaffected by the introduction of tuition.

In 2005 non-European students made up more than 36 percent of the total number of international students pursuing full-degrees in Denmark. In 2011 they accounted for 15 percent of the total.

In Denmark the majority of the decline was due to a drop-off in the number of students from Asia, particularly among Indian and Chinese students. There has also been decreased enrollment among European students from outside the EU/EEA and South Americans. At the same time, the number of African and North American students has increased. The increase in students from Africa, primarily Cameroon and Ethiopia, is attributed partly to a scholarship scheme through DANIDA, a development cooperation agency under the Ministry of Science, Innovation, and Education.

According to the Ministry, the Danish parliament implemented a scholarship fund to finance studies for the best students from non-EU/EEA countries in conjunction with the introduction of tuition. This scholarship fund was allocated the same amount of money that was estimated would be saved through the introduction of tuition fees. This funding has helped to continually attract talented international students from non-EU/EEA countries, according to the Ministry.

Total state funding for scholarships at universities, vocational institutions, and university colleges increased from just over US $5 million in 2006 to US $14 million in 2011. Institutions may also elect to
IN NOVEMBER 2010 the British government announced that universities in the UK would be allowed to charge tuition fees of up to £9,000, almost tripling the previous tuition cap, starting in autumn 2012. According to media reports, the majority of universities in England and Wales elected to charge the maximum amount. Among those institutions that did not initially raise fees, several have outlined their plans to increase tuition in autumn 2013. The tuition hike applied to both UK and European Union (EU) students studying in England and Wales. At Scottish universities, however, students from Scotland and European Union countries pay much lower tuition, or none at all, while English and Welsh students are subject to fees of up to £9,000. The Guardian also reported that the Welsh government would pay fees above £3,465 for Welsh students attending UK institutions, while fees for students from Northern Ireland were also capped at £3,465.

According to a 2013 report from the Higher Education Funding Council (HEFC) for England, there was a decline of 12 percent in UK and EU full-time undergraduate enrolled at universities and colleges in England, compared to 2011-12 and 9 percent in 2010-11. Wales and Northern Ireland saw more modest declines, while Scotland was the only country in the UK to maintain relatively stable numbers of university applications for 2012-13. For the entire UK, there was a decrease of 9.3 percent of applicants from other EU countries.

“The first year after the introduction of fees was inevitably going to see a decline in numbers going to university. This is primarily because students who would ordinarily have taken a gap year between school and university simply could not justify the trebling of tuition fees that would result from such a decision. As we are now in a situation where tuition fees are unavoidable, the number of students going to university has rebounded a little,” says Mark Huntington, managing director and founder of A Star Future, an advisory service that provides information on international higher education opportunities to British students.

Almost a year after the tuition fees were first introduced, UK and EU applications to English institutions have risen in 2013-14, according to the undergraduate applications service UCAS. The latest figures indicate that EU applications for 2013-14 are up 3.8 percent from 2012 as of April 2013.

There has been some evidence that UK students are increasingly looking abroad for degree options as a result of the tuition increase. Institutions in countries like Ireland, Sweden, and the Netherlands have reported increases in enrollment of UK students. The University of Groningen, for instance, reported 80 applicants from the UK for 2012-13 compared to 40 the year before. Marketing Coordinator Jessica Winters says they are expecting even more applicants next year.

Experts and students suggest that while the tuition increase might not be the sole reason that UK students are increasingly looking abroad, it has been one factor in the decision making process. “The increase in fees is definitely encouraging more students to investigate their options abroad and now that they are actually considering these options, many students are finding that they offer different (and for them, better) outcomes than UK higher education,” Huntington explains.

This is confirmed by British students who have chosen to pursue a degree outside of the UK. Amy Beales, a UK undergraduate studying international law at University of Groningen, says she had already been considering studying in the Netherlands prior to the tuition increase. The initial appeal of studying abroad was the law program at UG, but the tuition hike helped her make the final decision.

“I think if the tuition fees had been cheaper I probably would have stayed in the UK. Moving away for university is a step away from your comfort zone as it is, let alone moving to another country! The tuition fees gave me the push I needed to grasp an opportunity presented to me that normally I would be too scared to take,” she says.
create their own scholarships or seek funding from the private sector. Institutions primarily use the tuition fees charged to cover the cost of the education. If the institutions charge more than the cost, they can use these funds to create more scholarships for other non-EU/EEA students.

According to a recent report from the Nordic Council of Ministers, Danish universities feel there is still too little funding for scholarships for non-EU/EEA students despite the government scholarship scheme. They find it difficult to compete internationally, as universities in other European countries receive direct support from the state for any student, regardless of national origin, attending their institution.

Copenhagen Business School (CBS), however, reports that although they had an initial decrease in international enrollment after tuition was introduced, their numbers are back up to the same level of eligible applications as previously. According to Janie Huus Tange, CBS director of international marketing and recruitment, they have not done anything in particular to increase the number of fee-paying applicants. In addition to introducing an application fee to ensure only eligible students apply, they have also worked with networks to increase exchange students (who are except from international tuition). “We are happy with the numbers we are receiving now,” she says.

In contrast with the findings of the report, she believes the introduction of tuition has actually increased their competitiveness. “We are getting more eligible applicants now, which is very good administration wise. We are happy that we do not get several hundred applications from students who do not fulfill the basic requirements. Furthermore the fact that we have been the only Scandinavian country to charge tuition fee has given us a unique selling point—it’s not necessarily better because it’s free.”

In 2007 Denmark also launched a national strategy for promoting the country as an attractive study destination, with the aim of increasing the appeal of Danish higher education to international students and researchers as well as enhancing the quality of Danish institutions. Along with the new strategy, a marketing unit at CIRIUS, an agency under the Danish Ministry of Science, was established to promote Danish higher education abroad. Their activities have included the development of a national education brand, participation in traditional recruitment activities like education fairs, and targeted events focused on the relationship between Danish education and Danish business.

**A Tuition Trial Program in Finland**

In 2010 as part of a larger reform of its university system, Finland introduced a pilot program for tuition fees, which is to run until 2014. During the trial period, universities and technical institutions (polytechnics) can decide whether or not they want to participate. Most institutions decided to try it with select programs that were the most likely to attract foreign students. As a result, some programs in Finland currently charge tuition—ranging from €5,000 to €12,000 per year—while others do not. Around 40 of the nearly 400 programs eligible are currently charging tuition. Only master’s level programs taught in English are eligible for the pilot program, and participating institutions must also offer a scholarship scheme. The study by the Nordic Council of Ministers found that Finnish universities differ widely in how they manage and fund their scholarship programs.

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Given the limited number of universities and programs participating in the trial, there is not enough data to estimate the overall impact that permanently implementing tuition would have on international student enrollment, particularly of non-EU/EEA students, in Finland.

According to the Ministry of Education, fees were charged to 110 students in 2011. More than 80 per cent of the students paying tuition fees are studying at Aalto University or at the Lappeenranta University of Technology. The majority of students who did pay tuition received a grant from their higher education institution or the Erasmus Mundus program that covered tuition either in full or partially. Some grants also offered a living stipend. Higher education institutions award grants primarily based on academic achievement. The largest groups of students paying tuition come from China, Pakistan, Russia, and Iran.

Aalto University, for instance, charges tuition fees in nine of its more than a hundred programs offered in English. According to Eva-Lena Wakonen, planning officer for Aalto’s scholarship programs, Finnish national legislation requires them to offer scholarships to students who are required to pay tuition
fees. They offer three categories of scholarships and a fourth category of no scholarship. For a few students, they offer a full tuition waiver and cover €8,000 in living expenses. Others receive a full tuition waiver but no living stipend, and others receive a 50 percent tuition waiver (€4,000). Very few students have actually been required to pay tuition, and Wakonen says it’s still too early to assess the long-term impact.

“The decision on introducing tuition fees as a permanent feature in the Finnish education system is political. Due to the political nature of the decision Aalto University has not taken a stand for or against tuition fees. The university has found the tuition fee trial as an important and useful way to gain both knowledge and experience of tuition fees,” she says.

Marjo Posti, international coordinator at University of Helsinki, concurs with Wakonen’s assessment in that the tuition trial has been useful to gain experience but it is difficult to assess the potential impact. The University of Helsinki introduced tuition for two courses in its Erasmus Mundus master’s programs, and has so far had six fee-paying students in 2012. Income from the tuition fees has been spent on courses, students’ thesis preparation and program administration.

Posti adds that the limited nature of the trial at their institution has been due to the fact that the national student union has resisted the implementation of tuition for international students, as it is seen as potentially leading to tuition for domestic students.

“The National Union of University Students is a strong player in university politics and it resists actively all tuition fees and the experiment. This resistance is evident both nationally and in individual universities and their student unions,” Posti says.

Tuition-Free Education Remains in Norway

Norway has elected to continue a tradition of tuition-free education. The current government is committed to maintaining this principle.

According to Rolf Larsen, deputy director general at the Norwegian Ministry of Education and Research, international students are seen as contributing more than revenue to Norwegian society and higher education. “The Norwegian perspective is also that foreign students are a value to our higher education system, in accordance with our policies for internationalization of education, in the sense that they contribute with a different approach and new perspectives in our education system,” he says.

He also said that between 2009 and 2011, there was almost a 50 percent increase in the number of applications from foreign students to master’s programs, primarily those taught in English.

“In 2012 there were about 8,100 foreign students at Norwegian higher education institutions from countries outside EU/EEA. This number has increased by about 1,000 since Sweden introduced a fee for foreign students,” Larsen says.

The introduction of tuition in Denmark and Sweden may have boosted international enrollment in Norway, but Larsen cautions that it’s hard to substantiate a direct effect as many of these students may be in Norway for other reasons besides studying, such as family connections, marriage, employment, or refugee status.

Tuition and International Student Mobility in Sweden

Sweden introduced tuition for non-EU/EEA students in 2011. The rationale for the Swedish Parliament to introduce tuition for international students was that the Swedish education system must, above all, meet the demand for higher education among Swedish citizens. According to the Nordic Council of Ministers, the intention was also that Swedish universities should compete on equal terms with universities in other countries and attract students on the basis of a high quality—rather than free—education.

Sweden experienced an even greater decline than Denmark in enrollment of non-EU/EEA students following the introduction of tuition in 2011. According to the Swedish National Agency for Higher Education, the overall number of new international student enrollments dropped by a third between 2010 and 2011 from 22,100 to 14,700. The decline is largely attributed to students from non-European countries that are not part of an organized exchange program. Overall, there was a 79 percent decline in the number of non-EU/EEA students following the introduction of tuition fees. Based on steady growth since the initial drop, the Nordic Council of Ministers estimates that the number of non-EU/EEA students enrolled at Swedish universities will reach around 50 percent of...
the level before the fees were introduced. As in Denmark, Sweden saw the biggest drop in the number of non-EU/EEA students coming from Asia, in particular Pakistan, Nepal, and Bangladesh. Tuition for non-EU/EEA students ranges from €6,500 to €15,000 per year.

According to Tuula Kuosmanen, director of the Admissions and Student Information Department at the Swedish Council for Higher Education, the introduction of tuition has impacted both undergraduate (bachelor’s level) and graduate (master’s level) enrollment, but the doctoral level is exempt from international tuition.

In 2011 international students accounted for 37 percent of all new PhD students in Sweden, according to the Swedish National Agency for Higher Education. As of 2015, many Swedish universities are preparing to employ all PhD students from 2015, changing from the current system in which doctoral students receive a variety of funding sources. Kuosmanen added that universities anticipate difficulties recruiting doctoral students in the future in light of decline at the bachelor’s and master’s levels as many of their current candidates have previously completed bachelor’s and master’s degrees in Sweden.

As part of the reform, the government introduced several new scholarships for international students and significantly invested in additional marketing efforts.

“The funding for the marketing of Sweden as a study destination was doubled with the introduction of tuition fees. The government also launched two new scholarship programs, one of which is handled by the Swedish Institute (SI). Today the Swedish government appropriates approximately US $28 million annually for scholarships for international students,” says Niklas Tranaeus, marketing manager at the Swedish Institute.

Ivan Walulya, a Ugandan studying computer systems and networks at Chalmers University of Technology in Gothenburg, is one of the recipients of an SI scholarship. After having lived in Sweden for two years, he finds it to be a good academic destination, but admits that without the scholarship, he wouldn’t have chosen to study in Sweden. He outlined several of the disadvantages that Sweden and the other Nordic countries face in the context of the global international
education market: “The tuition fees are higher or almost the same as schools in places with a lower cost of living for students and thus making student life cheaper in the long run. Canada is one such place.”

Pembayun Sekaringtyas, an Indonesian student pursuing a master’s in urban and regional planning at Stockholm University, says the only Indonesian students to come to Sweden in 2011 were either exchange students or Erasmus Mundus scholarship holders. After the Swedish Institute included Indonesia in its list of countries eligible to receive a scholarship, there have been eight new Indonesian students who came to Sweden to study for a full bachelor’s or master’s degree. “If I didn’t get a scholarship from Swedish Institute, I wouldn’t afford to study at Stockholm University because the living cost and tuition fee are very high,” Sekaringtyas says.

Tranaeus adds that the introduction of tuition put Sweden directly into the fray of the global education market. “Swedish institutions are now competing directly with institutions in the most popular destinations (i.e., the United States, the United Kingdom, and Australia, etc.). In some respects Swedish institutions have had to adopt a more market-oriented approach, which has entailed organizational changes in order to coordinate international recruitment in the institution. There is also a greater awareness of brand value and the importance of working with alumni,” he explains.

**Increased Focus on Recruiting**

The introduction of tuition has impacted Swedish institutions differently, including where they are focusing their international recruitment efforts. “Some have chosen to focus on student exchange and some recruitment within the European Union, while others have global recruitment strategies. It is important to stress, however, that Swedish institutions do not see international students as a means to make profits. The purpose of international recruitment is essentially to maintain a global student body on campus,” Tranaeus says.

Lund University in the south of Sweden has been one of the institutions most active in terms of bolstering their international student recruitment efforts. Their enrollment of non-EU students went down from around 600 new students in 2010 to 200 new in 2011 and around 230 in 2012. Around 99.5 percent of non-EU students are studying in English in one of the 100
master’s programs and 5 bachelor’s English-language programs.

Their activities have included a new international website with a greater focus on recruitment, a printed prospectus for international students, working on increasing possibilities for international students to get a job or internship while they do their studies, a housing guarantee for fee-paying students at one of the LU dorms, and hired a team dedicated to international recruitment.

“The other Swedish universities have been a lot slower. Many universities did nothing the first year, they took a more ‘wait and see’ approach; but now several other universities are working much harder with marketing. In Lund we have a more flexible model—15 percent of the income of the fees are used for marketing, so I do not need to go begging every year for a budget. This has proven to be a good approach as universities otherwise can be quite slow in allocating resources to activities, and we need to be much quicker now in responding,” says Richard Stenelo, deputy executive director of the Lund University Division of External Relations.

He says that they see their main competitors as the United States, the United Kingdom, and the Netherlands. “We did a survey of the students that applied the first year and did not choose to come to Lund. Many of them opted for universities in the U.S., UK, or the Netherlands. Some chose Norway or Germany as it was free and they did not receive a scholarship from Lund,” Stenelo says.

He also adds that they have seen a large increase in the number of applications from the United Kingdom since that country raised tuition for domestic students in 2012, as well as southern Europe due to the underfunding of public education in the region.

Stenelo says that one of the benefits is that the quality of applicants has improved. In addition, the university has increased its focus on the services they offer to international students, something that will benefit both EU and Swedish students as well. “The negative side is that we risk having less international students in the classroom, i.e. not having a global classroom where the whole world is represented. We do not want to become dependent on just three to four countries, so we work hard on having a ‘long tail’ of countries where we recruit from. Our biggest non-EU countries are now China, the USA, India, and Turkey,” he says.

Lund University has also concentrated on creating scholarships to attract highly qualified students. Kelsey Williams, an American graduate of UC Santa Cruz, decided to pursue a master’s in human ecology, but was nervous about the potential cost of the tuition. She applied for the Lund University Global Scholarship. “If I didn’t get the scholarship, I faced the decision of either taking on a minimum of $15,000 year loan or giving up my top choice program for one of the cheaper ones,” she says.

“When I got my acceptance notification to the human ecology program I was beyond excited, but I was also filled with this sense of doom while I waited to hear back about the results for the Global Scholarship, which is based solely on merit.”

She was initially waitlisted, but then received word she had received the scholarship, which covered 100 percent of her tuition.

“I had already decided that I would take on the thousands of dollars in loans to be able to pursue my dream program, but finding out that I didn’t have to go into debt to be able to attend was an amazing feeling that made me incredibly relieved,” Williams says.

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Endnotes
1 The 27 European Union member states plus Iceland, Liechtenstein, and Norway.
2 http://studentenserviceplein.uva.nl/en/service-point/content/tuition-fees/tuition-fees.html
4 Ibid.