2011 Year in Review:

Global changes in Tuition Fee Policies and Student Assistance

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HIGHER EDUCATION STRATEGY ASSOCIATES

Higher Education Strategy Associates (HESA) is a Toronto-based firm specializing in research, data and strategy. Our mission is to help universities and colleges compete in the educational marketplace based on quality; to that end we offer our clients a broad range of informational, analytical, evaluative, and advisory services.

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Table of Contents

Table of Figures

Introduction

All around the world, the pace of change in higher education is accelerating. In the face of continued increases in participation, demographic change and – in the west at least – profound fiscal crises, higher education institutions are increasingly being required to raise funds from students as opposed to relying on transfers from governments. Indeed, the pace of policy change is coming so quickly that it is difficult to keep track of all the relevant developments in different parts of the world.

In this, the second edition of *Year in Review: Tuition Fees and Student Assistance*, we outline the major changes related to higher education affordability around the world in 2011. In order to keep our sample manageable, we have kept our inquiries to a selection of 40 countries that collectively best represent the global situation (see box). Of these, we were able to secure information on tuition fees in 37 countries and on financial assistance in 39. *The Economist's* 2011 Big Mac Index of implied purchasing power parities are used to convert currencies to U.S. dollars for all countries with the exception of India, Nigeria, Saudi Arabia, the Ukraine and Vietnam. For these countries, we have used the official exchange rates.

We would not, of course, have been able to complete such a project without the assistance of friends in many countries. Our thanks therefore go especially to our HESA International Associates: Maria de los Milagros Garcia Cano (Argentina), Emmaline Bexley (Australia), Aliandra Barlete (Brazil), Shengjun Yuan (China), Jussi Kivisto (Finland), Cecile Hoareau (France), Yasemin Yagci (Germany), Vickie Yau (Hong Kong), Mousumi Mukherjee (India), Mohamad Fahmi (Indonesia), Galit Eizman (Israel), Yuki Wantabe (Japan), Hwanbo Park (Republic of Korea[1]), Mardiana Abu Bakar (Malaysia and Singapore), Aleksandra Kovac (the Netherlands), Chibueze Abara (Nigeria), Nelofer Halai (Pakistan), Charisse Reyes (the Philippines), Cezary Kościelniak (Poland), Fiona Lewis (South Africa), Angride Grisales (Spain), Gaële Goastellec (Switzerland), Wei-Chia Hung (Taiwan), Kiatanantha Lounkaew (Thailand), Yasar Kondakci (Turkey), Iryna Yuryeva (Ukraine), Alison Johnston (U.K.), Ly Thi Pham (Vietnam). Any errors or omissions, however, remain the responsibility of the authors.

The paper is organised as follows: In Chapter 1, we briefly describe the key aspects of the economic, social and political context in which Higher Education is operating. In Chapter 2, we outline the different types of tuition and student aid policies that are in operation around the world and how key policy parameters vary across countries. In Chapter 3, we summarize the main policy changes in key nations around the globe (based on data provided in the Annex) and draw conclusions from a meta-level analysis of 2011 policy changes around the globe.

The Annex consists of a series of brief thumbnail sketches of policy changes in each of our G-40 countries. In some countries, such as the United Kingdom, the descriptions of policy changes are very long and detailed; in many others, where there has been little or no policy change, they are extremely brief. The changes examined are not simply those with respect to tuition, but also

[1] The Republic of Korea is also referred to as South Korea in the text.

include changes to the administration of loans, grants, tax benefits and so on. To the extent possible, we try to situate national-level policy changes in the context of each country's longer-term trends and policy discussions.

In this paper, we focus on what we call the "G-40": forty countries (listed in the text box below) that, combined, account for over 90% of global enrolments and 90% of global research production. The G-40 is our standard focus of analysis not just for this paper and its future iterations, but also for all policy analyses conducted by Higher Education Strategy Associates. Though the G-40 is obviously not an exhaustive global list, an understanding of the main trends in these countries can allow for the emergence of a truly global picture without the need to examine all of the globe's 200-odd states.

The G-40 consists of: Argentina, Australia, Brazil, Canada, Chile, China, Colombia, Egypt, Finland, France, Germany, Hong Kong, *India,* Indonesia, *Iran,* Israel, Italy, Japan, Korea (Republic of), Malaysia, *Mexico,* the Netherlands, Nigeria, Pakistan, Philippines, Poland, Russian Federation, Saudi Arabia, Singapore, South Africa, Spain, Sweden, Switzerland, Taiwan, Thailand, Turkey, Ukraine, United Kingdom, United States, Vietnam.

Data was unfortunately not available for all countries in this list for both tuition fees and financial assistance. Countries listed above in *italics* are given more limited attention in this report due to lack of data.

Chapter 1:
Economic, Political and Social Context of Higher Education in 2011

The national and international economic, political and social environments within which higher education institutions and national and sub-national governments operate greatly influence their decisions on tuition fee and student financial assistance policy. In 2011 many public higher education systems continued to feel the effects of the global recession. Funding cuts were experienced around the world and were especially heavy in Brazil, Italy, Pakistan and the Ukraine, but also occurred in Japan, the Netherlands, the Philippines, South Korea, Spain, Thailand, the United Kingdom and the United States. Some countries, such as Germany, Malaysia and Mexico saw funding levels increase to match inflation, and others, including Chile, China, and Singapore, even managed to significantly increase funding.

Even in those countries where governments have maintained or increased higher education funding levels, however, the trend towards more private investment continues unabated. In virtually every region of the world, given increasing enrolments, rising costs and the ongoing competition for public resources from other critical public sector services, higher education institutions are being pushed to increase their income from sources such as student tuition fees, donations, faculty consulting and facility rentals. At the same time concerns about access and equity have led to changes in financial assistance policies aimed at mitigating the negative effects of decreased government investment in higher education.

Demographic changes and massification trends also continued to impact higher education systems around the world in 2011. Governments and institutions in countries where the cohorts are declining in size (such as Japan, South Korea and Taiwan) are looking to stave off contraction in the higher education sector by appealing to non-traditional local students and attracting international students. Countries in the developing world that are experiencing both significant population growth (e.g., Brazil, India, much of Africa) and rising participation rates are struggling to accommodate ever increasing numbers of qualified students into higher education with limited government resources. Moreover, many of these countries are intensifying their efforts to expand participation among previously marginalized groups of students. In Brazil, the investment Program for the Support for Restoration and Expansion Plan of Federal Universities (REUNI) created in 2007 is aimed at doubling the number of students in public institution in four years. India, with about 14 million students at present, plans to double the gross enrolment rate to 30 percent by 2030.

Issues of university autonomy and accountability remained on the agenda of many countries in 2011, especially in Europe and Southeast Asia. University governance patterns are continuing to evolve towards greater university autonomy, especially in financial matters. Over the past decade there have been major transformations in higher education governance systems both at the system and the institutional levels. At the national level, governments in virtually every region of the world have been retreating from direct management of public universities by giving them more autonomy to set their own goals and manage their own affairs, and especially pursue non-governmental sources of funding.

At the same time, there is a growing tendency for governments to introduce new forms of control through accountability mechanisms to balance this autonomy. In Indonesia, for example, the government recently announced that it would carry out an audit to evaluate state university programs in 2011 to ensure that state funds have been used efficiently. A recent European University Association report found that the financial crisis has exacerbated this trend in Europe; not only are government funds diminishing in many countries, they are increasingly subject to restrictions put on their use or accompanied by more stringent accountability requirements that have given public authorities more steering power.[2] The report also noted that there is a general trend in Europe towards targeting public funds to strategic national priorities – such as science, technology, engineering and mathematics – that is also boosting government steering power and limiting university autonomy, especially when funds for priority programs are taken out of block grants that universities had previously controlled.

In OECD countries, the combination of a looming demographic crunch and the realities of public finance in an era of low growth and substantial public debts means that we may have hit “Peak Higher Education.” Across the OECD as a whole, government support for education only barely kept up with inflation in 2011 and the outlook for 2012 looks bleak given the debt crisis in the Eurozone. This means that higher education systems will come under greater pressure to extract revenue from students.

But this is not the entire story; much of Asia was spared the economic crisis and in countries like India, China and Singapore, increases in higher education funding have outpaced inflation. However, while public sector higher education expenditure is growing, in many cases demand is growing even faster, which means that even in countries where funding is going up, one finds upward pressure on tuition and student aid through greater payment of fees to both public and private higher education institutions. Across the 37 G-40 countries for which data is available (precise tuition fee data is missing for India, Indonesia and Mexico), tuition fees increased in 18 countries; however, in only eight countries did the increase outpace inflation.

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[2] Estermann, T., Nokkala, T. and Steinel, M. (2011). *University Autonomy in Europe II*. Brussels, Belgium: European University Association.

Chapter 2:
Types of Tuition Fee Policies and Student Financial Assistance Policies Worldwide

The term *tuition fee* is used here to indicate that portion of the per-student instructional cost that is the responsibility of the student and/or his/her family to pay. Tuition fees are considered distinct from other fees that are used to cover institutionally provided non-instructional services such as campus transportation or student health care, as well as recreational and athletic programs. The distinction between tuition fees and fees is not always clear and sometimes, the term *fees* is used deliberately to avoid political opposition to tuition fees. In Ireland, for example, no *tuition fees* are charged, but the *registration fees* are comparable to the level of tuition fees in many countries and were increased by €500 in 2011 to €2,000. Similarly in France, universities are increasingly adding supplementary fees on top of earlier nominal fees. These complementary fees introduce a differentiation between disciplines and institutions and range from €10 at some universities to over €2,000 at others.

Tuition fee policies can be divided into three main categories: i) *tuition fees for all, whether upfront or deferred*, ii) *no tuition fees* and iii) *dual track tuition fees*. Each category is closely linked to a country's view of parental financial responsibility for their children's higher education.

Upfront tuition fee policies are based on the belief that parents have a responsibility to cover some portion of their children's higher education costs. In some countries (Colombia, the Philippines, the United Kingdom prior to 2004 reforms) the amount that parents are responsible for paying is based on their income and in others (Chile, China, Canada, Hong Kong, India, Indonesia, Italy, Japan, some Länder in Germany, Malaysia, the Netherlands, Singapore, South Africa, South Korea, Spain, Switzerland, Thailand, Taiwan, Turkey and the United States) tuition fee levels do not change with a family's income level, but eligibility for aid does change and tuition fee costs are off-set by means-tested grants and/or government subsidised loans.

In those countries with *no tuition fees* or with *deferred tuition fee* policies, parents are not considered to be financially responsible for their children's higher education nor are children themselves expected to pay while they are studying. In countries with no tuition fees (e.g., Argentina, Iran and Saudi Arabia), the state covers all instructional costs for qualified students using the resources collected from its taxpayers, while the students live at home or assume the burden of living costs through subsidised student loans. In countries with a deferred tuition fee policy (Australia and England), students' parents may choose to pay the "up front" tuition fees – and generally, there is a financial incentive to do so – or they may choose to leave this burden on the children who can defer payment of their tuition fees on an income-contingent basis once their income has reached an agreed upon threshold.

In recent years, deferred tuition policies have become a popular way to reconcile the requirement that students contribute to their higher educational costs with their inability to do so while still studying. However, the difference between these policies and more North Americanstyle ones where students may access student loans to pay for up-front tuition is as much theoretical as real. In both cases, students have the means to smooth consumption for a long period of time. A distinction can be made, however, between systems where *everyone* has the ability to avoid paying real costs at the point of purchase, and where the ability to do so is limited by some kind of means test.

Income-contingent loans are one way of deferring tuition fees to the future. Graduate taxes are a variation on the income contingent loan whereby students who have attended higher education free of charge are responsible for paying an income surtax throughout their working lifetime. No country has introduced a formal graduate tax though Ethiopia calls its deferred tuition fee a "graduate tax."

Dual track tuition fee policies have been introduced in many countries including Russia and the post-communist countries of central and Eastern Europe, and other countries (Egypt and Pakistan) with either legal restrictions against, or strong popular resistance to, tuition fees. In these countries, a certain number of free (or very low cost) university places are awarded by the government based on academic merit, while other places are available to qualified, but lower performing, students on a tuition fee paying basis. Another type of dual track tuition fee policy is in force in those countries where universities set up special continuing education programs (Poland), professional courses or courses taught in a foreign language for which they charge tuition fees (Egypt and the Netherlands).

One further variation on the dual track tuition policy model is the practice of charging international students tuition fees that are higher than those charged to domestic full-fee paying students. Some European Union countries such as Sweden levy significant fees on students from countries outside the E.U. In countries such as Canada, Australia and the United Kingdom, income from differential international tuition fees has become a major source of operational funding for universities.

Table 1: Tuition Fee Policies in the G-40 Countries, 2011

Upfront tuition fees		Deferred tuition fees	No or only nominal tuition fees	Dual track tuition fees
Canada	Netherlands	Australia	Argentina	Egypt
Chile	Nigeria[a]	U.K.[b]	Brazil	Pakistan
China	Philippines		Finland	Poland
Colombia	Singapore		Germany[c]	Russia
France[d]	South Africa		Iran	Ukraine
Hong Kong	Spain		Mexico (nominal)	
India	Switzerland		Saudi Arabia	
Indonesia	Taiwan		Sweden	
Italy	Thailand			
Japan	Turkey			
Korea (republic of)	USA			
Malaysia	Vietnam			

Updated from Johnstone, D.B. and Marcucci, P. (2010). *Financing Higher Education Worldwide. Who Pays? Who Should Pay?* Baltimore, MD: The Johns Hopkins University Press.

[a] Nigerian private and state universities charge tuition fees; the six federal universities do not.

[b] Deferred tuition fees are in place in England, Wales and Northern Ireland; Scotland does not require tuition fees to be paid by Scottish or EU students, but does levy tuition on students from other parts of the U.K.

[c] Tuition policy varies by Länder. Six charge no fees at all. Five charge fees only to Master's students and undergraduates who have exceeded the regular study period. Five charge relatively light fees (under 1000 Euro/year) to undergraduates.

[d] While some may consider university education in France to be tuition-free (and in some universities the fees are nominal), we are treating the *droits de scolarité* as tuition fees here given their increasing size and importance as a revenue source in many universities.

Table 1 shows tuition fee policies across the G-40. Upfront tuition fees are the dominant policy in 24 countries, deferred tuition fees in two, and dual track tuition fees in five. Education is considered to be free in eight countries. Because some countries allow multiple policies within their borders, some countries straddle these definitions. For instance, in Nigeria federal universities are free but state ones charge fees; in Germany and the UK, fee policy is not set federally and so both have some geographical sub-units in which fees are charged and some where they are not.

The locus of authority for setting tuition fee levels is changing as countries experiment with institutional autonomy in areas of governance and financial management. In the 26 countries that charge some type of tuition fee whether upfront or deferred, the central or state/local government sets the tuition fee levels (Canada, Germany, India, Israel, the Netherlands, Spain, Turkey, the United States, Vietnam) or sets maximum tuition fee levels above which institutions may not go (Australia, England, Japan, China and Malaysia) in 14 countries, while in 12 the institutions themselves theoretically have the authority to set their fees (Chile, Colombia, France, Indonesia, Italy, the Philippines, South Africa, South Korea, Singapore, Switzerland, Taiwan and Thailand). We use the term “theoretically” because in several of these countries, institutional autonomy in this area appears uncertain. For example, in Indonesia, institutional autonomy to set tuition fees is currently under discussion and in South Korea the government unilaterally announced in June 2011 that tuition fees will be cut by 30 percent by 2014.

Government-provided financial assistance is generally given to needy students to cover their tuition fee costs (or some portion of them) and/or living expenses, thereby ensuring that qualified low-income students are not precluded from attending higher education due to lack of resources. It is sometimes also used to encourage higher education participation by underrepresented minority groups, or to encourage the study of certain disciplines or, in the case of loan forgiveness, to reward desired post-graduation behavior. In some countries, however, access to financial assistance is not based on need, but on academic merit with qualified students paying no tuition fees or significantly lower tuition fees and often even having access to free or subsidised student housing.

Government-provided financial assistance to students takes three main forms:

1. Grants, which may be awarded based on family means or need (e.g., Australia, Canada and Mexico), academic merit (e.g.,. Russia and other post-communist countries, Malaysia and Indonesia) and/or attributes associated with underrepresentation such as ethnicity, gender or home region (e.g., Brazil and Canada). They are only very rarely universal (e.g., Saudi Arabia, Finland and Sweden). In both Finland and Sweden, the grant amounts are based on students’ own income only.
2. Loans, which may be subsidised in terms of interest rates or other repayment terms based on family or student means (e.g., Canada, Chile and Malaysia) or forgiven based on low lifetime earnings (e.g., England and the Netherlands), successful academic performance (e.g., the Netherlands and South Africa) or the fulfillment of some type of post-graduation behavior (e.g., United States and New Zealand).
3. Indirect assistance through universally awarded family allowances (e.g., France) or advantages delivered through the tax system such as tax credits (e.g., Canada and the United States), or deductions (e.g., United States).

Table 2 shows the types of financial assistance that are available in the G-40 countries. Close to 70 percent (27) of the countries have means-tested grant programs and about one-quarter (10) have merit based or otherwise limited grant programs. Only three countries (Finland, Sweden and Saudi Arabia) have universal grant programs. About half of the countries (20) have means-tested student loan programs, five percent (two) have otherwise limited loan programs and 41 percent (16) have universal loan programs. Note that countries can have checks in more than one column if they have multiple programs with different eligibility criteria.

Table 2: Forms of Student Financial Assistance in the G-40 Countries

Country	Grant Programs			Loan Programs		
	Means-tested	Merit or otherwise limited	Universal	Means-tested	Otherwise limited	Universal
Argentina	✓					
Australia	✓					✓
Brazil	✓			✓		
Canada	✓			✓		
Chile	✓			✓		✓
China	✓			✓		
Colombia	✓			✓		✓
Egypt[a]		✓				
England & N. Ireland[b]	✓			✓		✓
Finland[c]			✓			✓
France	✓	✓				✓
Germany	✓	✓				✓
Hong Kong				✓		
India	✓			✓		✓
Indonesia	✓	✓				
Israel[d]		✓		✓		
Italy[e]	✓				✓	
Japan				✓		
Korea (Republic of)	✓			✓		✓
Malaysia		✓		✓		
Mexico	✓				✓	
Netherlands	✓					✓
Nigeria	✓					
Pakistan	✓			✓		
Philippines	✓			✓		
Poland	✓	✓		✓		
Russia	✓	✓				✓

Table 2 (cont.)

Country	Grant Programs			Loan Programs		
	Means-tested	Merit or otherwise limited	Universal	Means-tested	Otherwise limited	Universal
Saudi Arabia			✓			
Singapore	✓					✓
South Africa	✓			✓		
Spain	✓					
Sweden[f]			✓			✓
Switzerland	✓					
Taiwan				✓		
Thailand				✓		✓
Turkey				✓		
US	✓			✓		✓
Ukraine		✓				
Vietnam	✓	✓				✓

[a] There are government grants for students studying in private higher education institutions.

[b] Loans for tuition fees are universally available, while maintenance loans are means-tested.

[c] Means-tested on students own income only.

[d] Students who tutor in a community program receive scholarships.

[e] Loans are only available to students who have completed two years of university.

[f] Means-tested on students own income only.

Chapter 3:
Global trends in tuition fee policy and financial assistance

Of the 37 countries where data was available, tuition fees in 2011 remained unchanged in 19 of the G-40 countries and increased in 18; of these, ten saw increases at or below the level of inflation leaving only eight where the increases were above the rate of inflation. In nominal terms, the country average increase was 2.15 percent and the weighted global average was 2.58 percent. Of course this hides considerable variation, ranging from zero in a number of countries to 12 percent in South Africa. However, after adjusting for inflation, tuition fees actually decreased very slightly (-1.76 percent) in real terms.

Table 3: Weighted global tuition fee increases

	Nominal change in tuition fees	CPI, 2011	Real change in tuition fees
Argentina*	0.00%	11.50%	0.00%
Australia	2.50%	3.50%	-0.97%
Brazil*	0.00%	6.50%	0.00%
Canada	4.30%	2.90%	1.36%
Chile	5.00%	3.10%	1.84%
China	0.00%	5.40%	-5.12%
Colombia	3.25%	3.25%	0.00%
Egypt	0.00%	11.00%	0.00%
Finland*	0.00%	3.10%	0.00%
France	0.00%	2.10%	-2.06%
Germany	0.00%	2.20%	-2.15%
Hong Kong	0.00%	5.50%	-5.21%
Iran*	0.00%	22.50%	0.00%
Israel	1.80%	3.43%	-1.58%
Italy	2.15%	2.60%	-0.44%
Japan	0.00%	-0.37%	0.37%
Korea	0.60%	4.45%	-3.69%
Malaysia	0.00%	3.20%	-3.10%
Netherlands	2.45%	2.50%	-0.05%

Table 3 Cont.

	Nominal change in tuition fees	CPI, 2011	Real change in tuition fees
Nigeria	6.80%	10.55%	-3.39%
Pakistan	0.00%	13.90%	-12.20%
Philippines	5.00%	4.50%	0.48%
Poland	0.00%	4.02%	-3.86%
Russia	0.00%	8.87%	-8.15%
Saudi Arabia*	0.00%	5.40%	0.00%
Singapore	4.00%	3.70%	0.29%
South Africa	12.50%	5.90%	6.23%
Spain	5.60%	2.80%	2.72%
Sweden*	0.00%	3.00%	0.00%
Switzerland	0.25%	0.70%	-0.45%
Taiwan	0.00%	1.80%	-1.77%
Thailand	0.00%	4.00%	-3.85%
Turkey	0.00%	6.00%	-5.66%
Ukraine	9.20%	9.20%	0.00%
U.K. (England & Northern Ireland)	4.50%	4.50%	0.00%
US	8.30%	2.98%	5.17%
Vietnam	1.20%	18.80%	-14.81%
Average	2.15%		-1.623%
Weighted average	2.58%		-1.762%

Inflation data from IMF World Economic Database 2011: www.imf.org/external/pubs/ft/weo/2011/02/weodata/

Notes: Data missing for Indonesia, Mexico and India.

* Free higher education systems.

The only decrease in financial assistance available to students was experienced in the United States as the year-round Pell Grant was eliminated and several other grant programs were cut or eliminated for the 2011-12 academic year. There were increases in financial aid available to students in 16 of the 39 countries for which data was available, of which 10 were increases at or below the level of inflation and six were above. There were no changes in financial aid in 22 countries. Note, of course, that even in places where no change in financial aid policy occurs, there can be significant changes in student financial aid expenditure. In Malaysia, South Korea and Japan, there were significant increases in student aid take-up which, even in the absence of program changes, led to substantial increases in public expenditure in student aid (this was also true of the United States, at least as far as loans are concerned). Similarly, in the Philippines there was a significant decrease in the financial aid budget and a decrease in the number of scholarships available, however, it is not known if individual aid amounts were reduced or if some students who had previously received an award lost their eligibility, thus affecting affordability.

Table 4: Changes in financial aid policy in 39 countries

Decrease in financial aid	No change in financial aid	Increase in financial aid	
		≤ inflation	> inflation
United States	Argentina, Brazil, China, Finland, Egypt, Hong Kong, Israel, Italy, Japan, Malaysia, Mexico, Pakistan, Philippines , Poland, Russia, Spain, South Korea, Switzerland, Taiwan, Thailand, Turkey, United Kingdom	Australia, Canada, France, Germany, India, Netherlands, Sweden, Saudi Arabia, Ukraine, Vietnam	Chile, Colombia, Indonesia, Nigeria, Singapore, South Africa

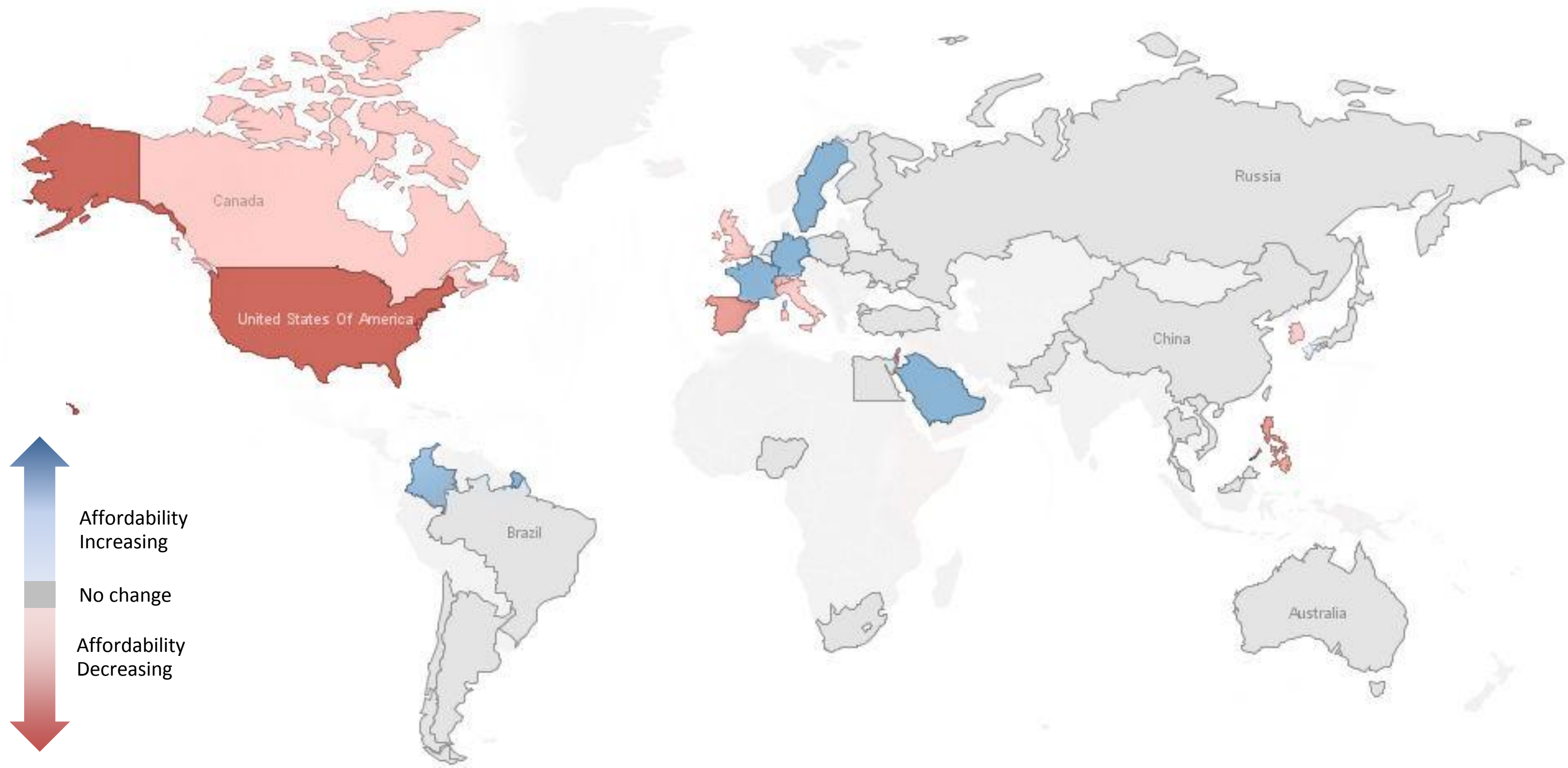
Missing country: Iran

Table 5 puts all of this information together to show in very broad strokes the combined impact of the 2011 changes in tuition fee policy and student financial assistance policy on the affordability of higher education. The columns represent financial aid, and move left to right from decreases to increases. The rows represent tuition, and move top to bottom from decreases to increases. Students from countries in cells that are shaded red are facing decreasing affordability while those shaded blue are finding the system to be increasingly affordable. Students in the grey cells would be experiencing little change in affordability.

Table 5: Changes to Higher Education Affordability in 2011 in the G-40

		Changes in financial assistance			
		Decrease in student aid	**No change in student aid**	**Small increase**	**Significant increase**
Changes in tuition fees	**Decrease in tuition**				
	No change		Argentina, Brazil, China, Egypt, Finland, Hong Kong, Japan, Malaysia, Pakistan, Poland, Russia, Taiwan, Thailand, Turkey	France, Germany, Sweden, Saudi Arabia	
	Small increase in tuition		Israel, Italy, South Korea, Switzerland, U.K.	Australia, India, Netherlands, Ukraine, Vietnam	Colombia
	Large increase (above inflation)	United States	Philippines, Spain	Canada	Chile, Nigeria, Singapore, South Africa

Chart: Changes to Higher Education Affordability in 2011 in the G-40



Mexico, Indonesia and Iran omitted. Singapore and Hong Kong not represented on map due to size.

Students in the United States appeared to experience the greatest decrease in *affordability* in 2011, as they faced increases in tuition fees that exceeded inflation coupled with decreases in available financial assistance. Neither trend is expected to reverse course in the next two years.

Students in Israel, Italy, South Korea, Switzerland, the U.K., the Philippines and Spain faced tuition fee increases (significant in the latter two countries) with no increases in financial assistance. In the Philippines, eighty percent of the public deregulated universities and colleges raised their fees by five to 10 percent in 2011 and it looks likely that the government will allow tuition fee increases in 2012 in state universities as well. In Spain, tuition fees in some autonomous communities increased by over seven percent. Students in Canada experienced increases in tuition fees that were matched by only small increases in financial assistance.

Students in France, Germany, Sweden and Saudi Arabia appear to be facing decreasing barriers to higher education as there were increases in financial assistance without any changes in tuition fees. Similarly, in Colombia, small tuition fee increases were more than matched with significant increases in financial aid.

Students in Argentina, Brazil, China, Egypt, Finland, Hong Kong, Japan, Malaysia, Pakistan, Poland, Russia, Taiwan, Thailand and Turkey saw no changes in either tuition fees or in student financial assistance. Also on the diagonal line are students in Australia, India, the Netherlands, the Ukraine and Vietnam, who faced small increases in tuition fees balanced by small increases in aid, and students in Chile, Nigeria, Singapore and South Africa, who faced substantial increases in tuition fees, which were matched by significant increases in financial assistance. In Chile, protests led to a reduction in student loan interest rates, as well as a commitment to forgive 25 percent of outstanding loans upon program completion.

Nominal tuition fees were far more likely to increase in 2011 than in 2010. In 2010, fewer than one-quarter of the countries for which data was available had increases in tuition fees, while in 2011, close to half (49 percent) of the countries did. Yet more often than not, these nominal increases did not outpace inflation. With respect to student aid, the main difference between 2011 and 2010 was that last year, fewer countries reduced their aid budgets.

Though 2012 is still in its infancy, we do have information on at least some planned changes for the coming year. We already know, for instance, that South Korea will see a major reduction in fees, and that in Germany two Länder will abolish tuition fees. Students in the U.K. can expect rises in tuition of over 125%; increases of a much less dramatic sort are also foreseen in Australia, China, France, the Netherlands, South Africa and the United States. With respect to student aid, most countries that have already signaled changes have indicated increases rather than decreases.

Table 6 compares the 2011 findings on affordability (that is, changes in tuition, adjusted for changes in student aid) with those of 2010 and with those anticipated in 2012. The 2012 data are only available for the 11 countries for which information is available on both tuition fee and financial assistance policies. The most striking finding here is the three consecutive years of decreasing affordability in the Philippines and of increasing affordability in Germany.

Table 6: Affordability in 2010, 2011 and 2012

	2010	2011	2012
Affordability decreasing	Netherlands, the Philippines, Pakistan, Singapore, Thailand, Ukraine	Canada, Israel, Italy, the Philippines, Switzerland, South Korea, Spain, United States	Philippines, United States, United Kingdom
Affordability largely unchanged	Argentina, Brazil, Canada, Colombia, France, Egypt, Finland, Hong Kong, Indonesia, Israel, Italy, Japan, Malaysia, Mexico, Poland, Saudi Arabia, South Africa, Sweden, Switzerland, Taiwan, Turkey, the United Kingdom, the United States, Vietnam	Argentina, Australia, Brazil, Chile, China, Egypt, Finland, India, Malaysia, Netherlands, Nigeria, Pakistan, Poland, Russia, Singapore, South Africa, Taiwan, Thailand, Turkey, Ukraine, Vietnam	Australia, France, South Africa
Affordability increasing	Chile, China, Germany, India, Japan, Nigeria, Russia, Spain	Colombia, France, Germany, Saudi Arabia, Sweden	Chile, Germany, Japan, Poland, South Korea

ANNEX: Country Reports

Argentina

Tuition fee policy: While the Higher Education Law of 1995 allows national universities to charge tuition fees, no institution has taken advantage of this option and education in public universities remains free for undergraduate students. Public universities do charge for graduate education, which accounts for about five percent of total university enrolments. Each university sets graduate tuition fee levels according to program costs and increases them annually in line with inflation.

Student financial assistance policy: There have been no changes in student financial assistance in Argentina, which consists of three means-tested grants: the National Program for University Grants (NPUG) for students in general science courses, Bicentennial Grants (BG) for applied and basic sciences students, and the National Program for TICS Grants (TICS) for technology and communication students.

Australia

Tuition fee policy: The Australian government determines which institutions are provided with government funding and sets the maximum level of students' fees for four bands of courses. The fee levels across all four bands were increased by 2.5 percent between 2010 and 2011 (Band three maximum grew from A$8,855 to 9,080 [US$7,768 to 7,964) and by 3.8 percent between 2011 and 2012 (Band three maximum grew from A$9,080 to 9,425 [US$7,964 to 8,267]). Students may pay these fees upfront and receive a 20 percent discount or they may defer them by taking out an interest-free government HECS-HELP loan, which is repaid on an income-contingent basis. The discount received for the upfront payment of fees will be reduced to 10 percent starting in 2012.

Student financial assistance policy: All student grants including Austudy, which is for students over the age of 25, Abstudy, for Aboriginal and Torres Strait Islander students and Youth Allowances, for low income students ages 25 or younger, were increased as a result of their being indexed to the consumer price index starting in January 2011. The loan fee on the FEE-HELP loan (loans to cover tuition fees of non-Commonwealth supported students) was increased from 20 to 25 percent for loans in 2011.

New legislation on student income support measures passed Parliament in November 2011. It introduced a relocation scholarship of up to A$4000 dollars (US$3,508) for regional students[3] studying away from home. There will also be an increase in the individual earnings exemption and an increase in the age at which students' payments are not affected by means-testing of parental income.

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[3] Inner and outer regional Australia are defined as those geographical areas where distance imposes some or moderate restrictions upon accessibility to the widest range of goods, services and opportunities for social interaction.

Brazil

Tuition fee policy: There were no significant changes in tuition fee policy compared to 2010/2011. While public higher education remains free of charge, there has been ongoing discussion about the introduction of some type of tuition fee for wealthy students. Academics, students and unions have vigorously rejected any proposal of this kind.

Student financial assistance: There were no significant changes in Brazilian student financial assistance in 2011. ProUni continues to be the main financial assistance program. Under this program, private universities offer full or partial tuition fee waivers to low-income students and in return receive tax waivers from the government. It is difficult to find out how much money has been invested as private institutions rarely allow their budgets to be publically consulted. Almost one million students have benefited from ProUni since it was launched in 2005. The Fundo de Financiamento ao Estudante do Ensino Superior (FIES) is a Ministry of Education loan program that provides low interest loans to economically disadvantaged students (especially those that benefit from ProUni) through participating commercial banks. Interest rates fell in 2010 to 3.4 percent.

Canada

Tuition fee policy: Tuition fees in Canada are regulated by the ten provinces and different fee regimes are in place in each one. Some provinces have tuition freezes in place, others permit institutions to raise tuition in small annual increments though usually there is some kind of agreement or framework in place to limit the increase in any given year. Fees also vary significantly by fields of study. For the school year starting in September 2011, fees rose nationally by an average of 4.3 percent over the previous year, to C$5,366 (US$4,791). Provincial averages varied from C$2,549 (US$2,276) in Quebec to C$6,640 (US$5,928) in Ontario. By field of study, averages ranged from just under C$4,000 (US$3,571) per year in Education to just over C$16,000 (US$14,285) in Dentistry.

The financial and political outlook for most Canadian provinces suggests that there will be little change in the coming years. Though budgets for higher education look set to decline, few if any governments seem inclined to permit institutions to offset this through substantial rises in tuition. One major proposal from 2011 which seems set to be enacted for 2012 was the proposal of the Ontario government to reduce tuition fees at both universities and colleges by 30 percent, but only for full-time students from families making under C$160,000 (US$142,857). Beginning in fall 2012, the Quebec government will increase tuition at the province's universities by C$325 (US$364) for five consecutive years.

Financial assistance policy: In terms of student aid, students in most provinces saw very little of note changed in 2011. The complicated and overlapping systems of federal and provincial aid remain intact. The federal budget in 2011 introduced a very limited work-contingent remission program, offering doctors and nurses loan forgiveness of up to C$8,000 (US$7,142) or C$4,000 (US$3,571) per year (respectively) for five years if they work in rural, remote or First Nations communities, but this does not become operational until 2013. The Government of Canada made no changes to its loan limits; its grant program became slightly more generous through indexation.

With the exception of Alberta, provincial aid programs do not index their limits and so stayed the same. At the extreme margins, there were some changes: Saskatchewan put some extra money towards scholarships for Aboriginal students and New Brunswick made a small announcement with respect to increasing bursaries.

The only province which made a major announcement on student aid was the province of Quebec, which announced that 35 percent of all money raised through its higher tuition fees would be sequestered for use in the financial aid program. For the most part, this money will be used to provide grants with the goal of providing a 100 percent offset to higher tuition for the poorest, and a more modest offset for students from the lower middle-class. Some money will also be used to expand eligibility for loans (Quebec at present has the tightest eligibility restrictions of any province for dependent students because of its very high parental contribution requirements).

Chile

Tuition fee policy: Tuition fees in Chile continue to be set by individual universities. They increased by about five percent on average between 2010 and 2011. A report from the National Council of Education found that over the past six years (2005-2011), average tuition fees rose by 26 percent at public universities, making higher education in Chile among the most expensive systems in the world.

Financial assistance policy: The government allocated CLP55.408 million (US$116 million) for tuition fee grants in 2011, a real increase of 29.9 percent over the 2010 budget. In response to student protests calling for more government investment in public higher education and additional student support measures, the Chilean 2012 education budget increased the number of scholarships by 106,000. The government also plans to lower the interest rate that students must pay on their government guaranteed loans from 5.6 percent to two percent and allow defaulters to renegotiate the terms of their loans and be forgiven interest penalties.

China

Tuition fee policy: There were no changes in tuition fee policy or fee levels in China in 2011 as tuition fees are frozen through 2011. Tuition fee levels remain at 2006 levels and range from Yuan 4,200 to 10,000 (US$1,163 to 2,770). User fees, however, have increased and tuition fees are expected to rise significantly in 2012.

Financial Assistance Policy: While there were no changes in the maximum amounts that students can borrow from the student loan program (Yuan 6,000 [US$1,662] per year), the interest rate increased by 0.25 percent in 2011.

Colombia

Tuition fee policy: There were no major tuition fee policy changes. The minimum tuition fee levels are set by the government and indexed to the consumer price index. The maximum fee levels charged by universities cannot be more than four percent higher than the government determined levels. Most public universities adjust their tuition fee levels according to the socio-economic backgrounds of the students.

Financial assistance policy: In November 2011, the interest rate on Instituto Colombiano de Crédito Educativo y Estudios Técnicos en el Exterior (ICETEX) student loans was reduced from 12 percent to four percent during the in-school and grace periods and from 16 percent to 8-12 percent during the repayment period. In addition, the monthly interest payment requirement was eliminated and students who finish their programs successfully will have 25 percent of their debt forgiven. Finally, grants to cover the living costs of the very poor are also being introduced.

Egypt

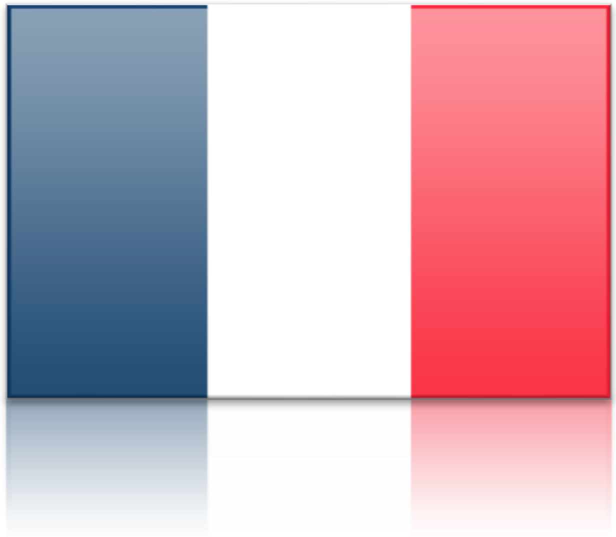
Tuition fee policy: There was no change in public tuition fee policy in Egypt in 2011. The dual track tuition fee system continues wherein many programs are free but high tuition fees are charged for programs taught in foreign languages.

Financial assistance policy: There were no changes in government student financial assistance, which is mainly in the form of scholarships to students studying at private higher education institutions.

Finland

Tuition fee policy: There was no change in tuition fee policy in 2011. Higher education is free for domestic and EU/EEC students, but from 2010 onwards, upfront tuition fees can be collected from non-EU/EEC students in selected Master's programs. In these programs, institutions (both universities and universities of applied sciences) can set their fee levels, however, they are also required (by the legislation) to provide scholarship schemes. The content of these scholarship schemes is not specified in the legislation.

Financial assistance policy: There were no changes in student financial assistance that, for most students, includes a study grant, a housing supplement and access to a government guaranteed student loan. The amount of aid to which a student is entitled is means-tested on his/her own income.



France

Tuition fee policy: Tuition fees are centrally decided by the Government. These fees tend to cover only the administrative costs of registration and they must be paid up-front. In 2011, they were set at €174 (US$189) for a Bachelor's degree, the same level as in 2010. Students also have to pay health insurance and social security if they are over 20 years of age. Fees are waived for students who receive means-tested financial aid.[4]

These largely nominal fees are, however, not entirely reflective of the real costs facing students. Universities are increasingly adding supplementary fees on top of the basic tuition fees. These fees introduce a differentiation between disciplines and they range from €10 (US$11) to several thousand Euros. A report by the Union National des Etudiants de France (UNEF) reported that about one-third of all universities (26), charge supplementary fees.[5] These fees are charged, for example, for issuing institution-specific diplomas on top of the required national diplomas. The charging of supplementary fees corresponds to longer term efforts by universities to adjust to the rising costs of higher education, while accommodating popular resistance to an official increase in tuition fees.

Financial assistance policy: The Government's financial aid budget will increase by €91 million (US$99 million) in 2012. Financial aid generally includes a mean-tested

[4] Art. 2 of the order n° 84-13 of the 5th of January 1984.

[5] UNEF (2010) 'Frais d'inscription illégaux, le palmarès 2010 des universités hors la loi', in http://www.france-info.com/IMG/pdf/5/5/b/Dossier_FII_2010_palmares.pdf

scholarship ranging from €1,606 (US$1,745) to 4,600 (US$5,000),[6] a fee waiver option, various types of aid in kind, parental tax relief, as well as subsidies for food and accommodation. Additional scholarship schemes exist for students with high test scores at the end of high school, students in particular disciplines (e.g., architecture) and students studying abroad.[7]

Government subsidies for accommodation increased in 2011 and the public agency, the Centre national des œuvres universitaires et scolaires (CNOUS), became a guarantor for student rental accommodation.

Publicly guaranteed student loan schemes are also available. These loan schemes, typically accessible to students from selective *grandes écoles,* were extended to all students in 2007. With an average value of €7,500 (US$8,152), they are allocated by commercial banks and guaranteed up to 70 percent by the public agency, Oséo.

Twenty-four percent more students will become eligible for financial aid in 2012 through an increase of the threshold under which means-tested financial aid is accessible. In addition, all government scholarships have been extended for an additional month to cover a 10 month academic year.

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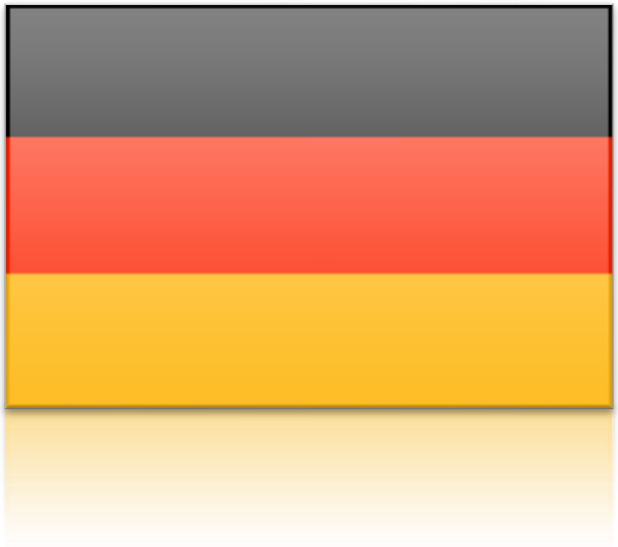
[6] CNOUS-CROUS 'Le Montant des bourses sur critères sociaux', URL : http://www.cnous.fr/_vie__dossier_15.737.271.htm

[7] CNOUS-CROUS 'Bourse sur critère sociaux', http://www.cnous.fr/_vie_15.htm

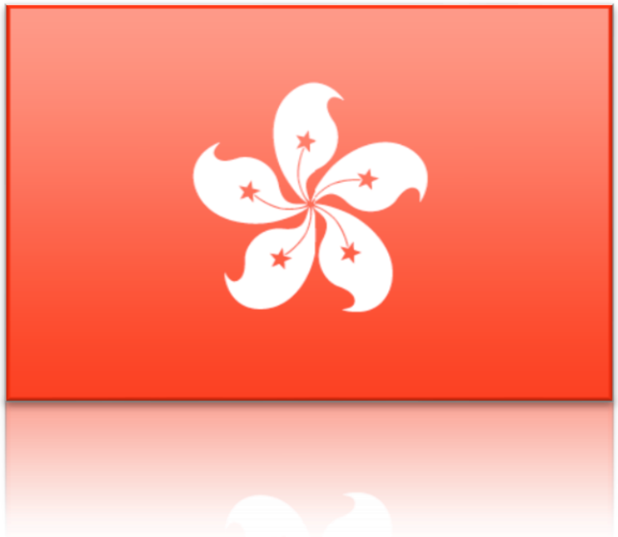


Germany

Tuition fee policy: Since the decision of the Constitutional Court in 2005 on the Framework Act for Higher Education (Hochschulrahmengesetz), the individual *Länder* can decide whether or not to charge tuition fees and how much to charge. There is not a clear formula for setting the tuition fees and they range from €375 to 500 (US$407 to 542). In 2011, tuition fees were introduced in one Lander and abolished in another leaving only six Lander that charge tuition fees to all students (five others charge tuition fees to students who exceed the normal study period or have already completed one degree). Two of these will abolish tuition fees in the 2012/13 academic year. Ten Lander charge administrative fees of €25 to 75 (US$27 to 81).

Financial assistance policy: There have been no further changes in the BAföG loan and grant programs since the maximum amounts were increased from €648 to €670 (US704 to 728) for students living alone and from €478 to €495 (US$519 to 538) for students living with their families in October 2010.

At the federal level, a new scholarship program, Germany Scholarship (Deutschland Stipendium), was introduced in 2011 with funding from the federal government and private contributions. The program aims to reward excellence and encourage a culture of scholarship in Germany and provides recipients with €300 (US$326) per month. All students (foreign and German) studying in higher education institutions in Germany are eligible. The scholarship is awarded based on merit, social commitment (as demonstrated by participating in student clubs, university politics or religious or political organisations) and personal characteristics (overcoming hardships, etc.). Ten thousand scholarships are available for the first year.



Hong Kong

Tuition fee policy: There were no changes in undergraduate tuition fee policy in 2011 and undergraduate tuition fees in 2010/11 remained at the same level as in 2009/10 (HK42,100). At the post-graduate level, fees increased for part-time student degrees in 2011 as the University Grants Commission (UGC) pulled funding from part-time programs. While part-time tuition fees were on par with full-time programs at approximately HK$42,000 per year (US$10,473) in 2010/2011, they increased to HK$50,500 per year (US$12,593) in 2011/2012.

Financial assistance policy: There were no changes in undergraduate financial assistance. At the post-graduate level, fellowship awards were increased by about HK$600 per month (US$149) to 13,600 per month (US$3,391) over the course of four years.

India

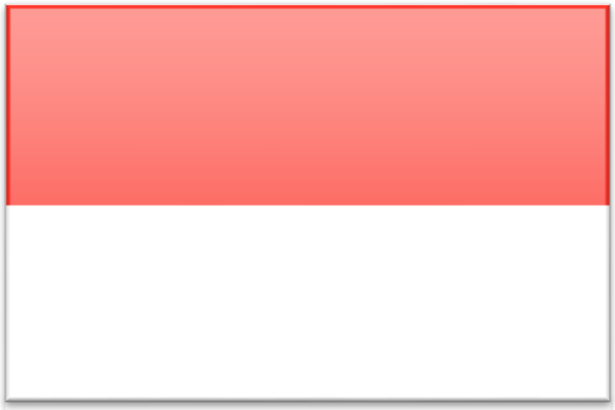
Tuition fee policy: All students pay a nominal tuition fee plus other sundry fees at public central and state universities, but fees are substantially higher at the latter and are rising more quickly. The situation may change in central universities as a committee appointed by the Human Resource Development Ministry recommended in its final report (May 2011) that central universities be given the freedom to set their own fees under broad government policy guidelines.

Financial assistance policy: The budget for student financial assistance in India was increased slightly in 2011. A new scholarship scheme, the Special Scholarship Scheme for Jammu & Kashmir, was launched by the Department of Higher Education to provide 5,000 new scholarships per year for five years for students from the State of Jammu & Kashmir. A total of Rs880 million (US$17.83 million) was allocated in the first year to cover tuition fees and accommodation costs for eligible students enrolled in general degree courses, medical courses, or engineering courses outside of the State of J&K.

There were no increases in the number of Central Sector Scholarships targeted at academically meritorious low-income students and the monthly stipend remained at levels established in 2008.

Student loans have replaced scholarships in the policy discourse within the higher education sector. The Education Loan Scheme was developed in 2001 by the Indian Banks' Association at the request of the government to encourage banks to help meritorious students pursue higher education in technical and professional courses.

Banks are required to waive collateral requirements for loans up to Rs 400,000 (US$8,105) and to charge an interest rate tied to the lending rate set by the Reserve Bank of India. Larger loan amounts carry higher interest rates and collateral requirements. In 2010, the Higher Education Bureau of the Ministry of Human Resources announced that it would pay the interest for low-income students during the study and grace periods. The only change in the 2011 directives were that more than one family member may be eligible for loans.



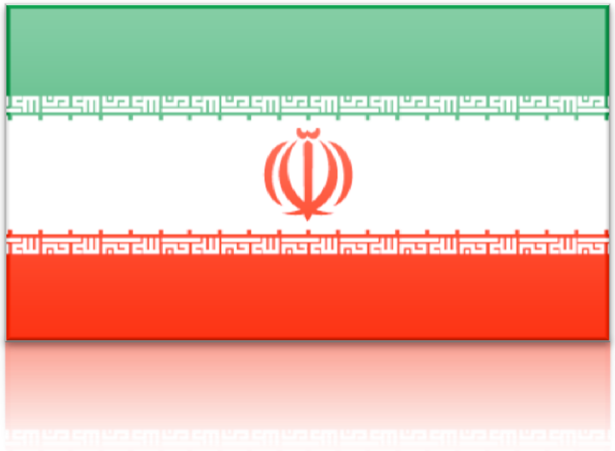
Indonesia

Tuition fee policy: Both autonomous and non-autonomous public universities are allowed to set their own tuition fees and some increased them in 2011. According to the Directorate General for Higher Education's (DIKTI's) Information Center, 47 public universities charge tuition fees of more than Rp. 3,087,290 (US$500) per year and the three elite universities, Institut Teknologi Bandung (ITB), Universitas Indonesia (UI) and Universitas Gadjah Mada (UGM), charge much more. Most institutions also charge what is called a development fee. ITB, for example, charges tuition fees of Rp. 6,174,580 (US$1,000) per year plus another Rp. 33,960,190 (US$5,500) for the development fee. Tuition fees at UGM average about Rp. 339,602 (US$55) per semester, but the development fee can be as high as Rp. 61,745,800 (US$10,000).

In 2011, the most notable change in tuition fees was at the ITB, one of the elite autonomous universities, where the per credit cost increased by over 300 percent from Rp. 175,000/credit (US$28) to Rp. 750,000/credit (US$121).

While the three elite universities charge the highest level of tuition fees among Indonesian public universities, they also offer subsidies for economically disadvantaged students. UGM sets its development fees based on parental income and a student whose parental income is below a certain level does not have to pay the development fee at all. At UI and ITB, students can request a waiver for development fees if they come from low-income backgrounds.

Financial assistance policy: In 2010, the government spent about IDR 805 billion (US$130.3 million) in student financial support including scholarships for: academically meritorious students; low-income students; postgraduate students; university students at Islamic universities; and lecturers. In 2011, the government increased the number of public university scholarships from 20,000 to 30,000 and it also increased the per student amounts from IDR 10 million to IDR 12,5 million (US$1,619 to 2,024). Projected total spending in 2011 for financial support in higher education including the public university scholarships is IDR 980 billion (US$158.7 million), an increase of almost 22 percent over the 2010 level.



Iran

Tuition fee policy: There was no change in tuition fee policy and public higher education continues to be free at the undergraduate level.

Financial assistance policy: No information is available.

Israel

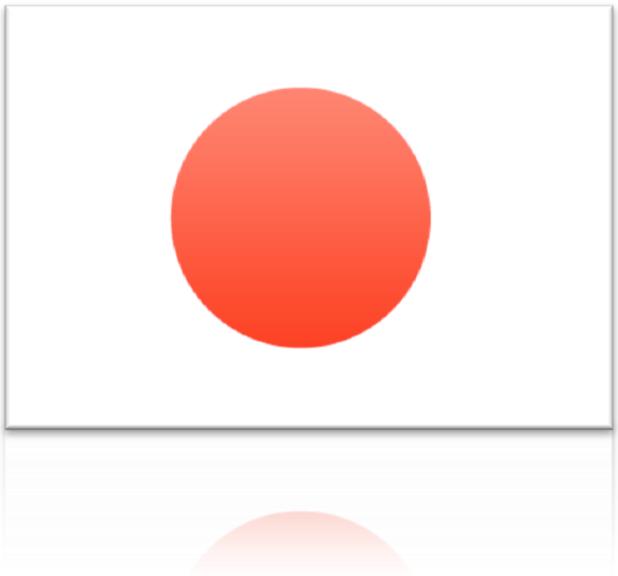
Tuition fee policy: No changes have occurred in tuition fee policies at public institutions for higher education in Israel, other than the yearly increase linked to inflation.

Financial assistance policy: No changes have occurred in the Israeli system of student financial assistance, which is primarily composed of a means-tested loan program run by the Council for Higher Education (CHE) and the "Perach" tutorial program in which students who volunteer in their communities receive scholarships that cover up to half of their tuition fees. In addition, the CHE offers various merit-based fellowship programs that are intended to promote specific fields of study or other goals in the higher education system.

Italy

Tuition fee policy: There were no changes in tuition fee policy in Italy and fee levels continue to be set by the universities within limits set by law (maximum of Euro 2,100 (US$2,283) with mean-tested discounts of up to 100 percent.

Financial assistance policy: There were no changes in student financial assistance policy in Italy. Eligible students (about eight percent of total undergraduate students) may receive grants and/or subsidised food and lodging. The government also partially guarantees the Diamogli student loan scheme through a limited loan loss reserve liable for up to 50 percent of total losses.



Japan

Tuition fee policy: There were no changes in tuition fee policy in Japan in 2011. National universities are authorized to set their own tuition fees within 120 percent of the standard annual tuition fee (￥535,800 [US$6,238] set by the Ministry of Education, Culture, Sports, Science and Technology [MEXT]). All 86 national universities set their undergraduate tuition fees at the standard MEXT rate in 2011. Locally administered universities and private universities set their tuition fees according to those charged at national universities.

Financial assistance policy: Japanese student financial assistance is mainly in the form of student loans offered by the Japan Student Services Organization (JASSO), using central government funds. There are two types of loans: a mean-tested interest-free loan that covers living costs and a means-tested interest-bearing loan that covers both tuition fees and living costs. In 2011, the household income indicator used in the means-test was redefined to include the income of both parents, rather than that of the head of household alone.

The 2011 budget for student loans is 1,078 billion yen (US$12.5), up 7.2 percent from 2010 to cover an additional 90,000 students (10,000 for interest-free loans; 80,000 for low-interest loans).

In 2011, a new scholarship (grant) program was established for students studying abroad in short programs coordinated by Japanese universities, junior colleges or colleges of technology. The budget of the new scholarship program is ¥1.1 billion ($12.8 million) for 7,000 recipients.

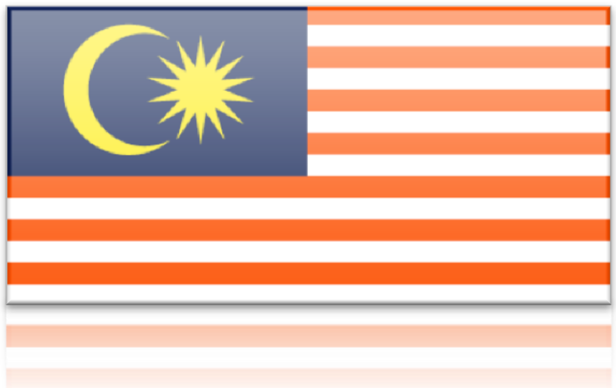
The MEXT budget request for FY 2012 was recently announced. The requested budget is 1,143 billion yen (US$13.3 billion), which is an increase of six percent over the previous year's budget. A new grant program for 20,000 recipients is proposed to support low-income students. The persistent deflation in the country has led to an increase in the number of students who drop out of college due to financial factors. The number of scholarships for study abroad for more than one year will also be doubled and the number of scholarships for shorter programs will increase to about 12,000 compared to 3,000 in 2011.

Korea (Republic of)

Tuition fee policy: Tuition fees in public universities grew by 0.60 percent in 2011 and have doubled in the last decade. Tuition fees in private universities grew by 2.29 percent. High university tuition fees were the focus of student protests through much of the spring and summer.

In response to the protests, the government announced in June that it would cut tuition fees by 30 percent by 2014 by increasing funding to universities (which as autonomous institutions are free to set their own tuition fee levels) and that it would start by allocating additional funds in 2012 so that fees could be lowered by 15 percent. The government also initiated a broad review of higher education with a focus on improving quality and decreasing tuition fees. The University of Seoul announced that it will cut tuition fees in half in 2012 with the Seoul Metropolitan Government making up the difference. The 2012 tuition fee of W1.2 million (US$1,262) will be significantly less expensive than the state-run Seoul National University.

Student financial assistance policy: In 2011, the government increased the number of need-based national scholarships and boosted funding from 714 billion won (US$751 million) in 2010 to 1,794 billion won (US$ 1.8 billion). Half of the funding will provide basic scholarships to students from households in the lowest income deciles and the other half will be allocated to universities based on the number of low-income students they enroll. They can use this funding for additional scholarships and/or to reduce the amount of tuition fees charged.



Malaysia

Tuition fee policy: Tuition fees have been frozen in public institutions for the past twenty years. Tuition fees at the undergraduate level range from 1200 to 2000 RM (US$622 to 1,036) per year and at the diploma level they range from about 100 to 2000 RM (US$52 to 1,036) per year.

Financial assistance policy: There are two main mechanisms for student support in Malaysia, namely student loans and scholarships funded by the government. To facilitate the former, the government set up the National Higher Education Fund Corporation (NHEFC or PTPTN) in 1997 as a semi-autonomous body under the authority of the Ministry of Higher Education (MOHE), for the specific purpose of offering subsidised loans to help students finance their higher education.

In 2010, PTPTN distributed RM3.82 (US$1.97 billion) in loans. There was no change in policy since 2010 and while data for what was approved in 2011 is not available, given the annual increase in lending of about 16 percent per year over the last five years, it is expected that it will continue to grow.

PTPTN's board of directors decided on October 31, 2011 to submit a proposal to suspend loans for living expenses from 2013 to minimise the burden borne by the corporation. The move has not been finalised, but it will be among the proposals submitted to the government in view of the large annual outlays on student loans. Also in 2011, the PTPTN reintroduced the requirement that borrowers have savings accounts, which had been suspended during the financial crisis.

In 2008, the PTPTN announced its plan to reduce the administrative fee (interest rate) for PTPTN loans from three to one percent thereby shifting to Ujrah, a Sharia-compliant Islamic loan system. It was not until late last year (2010) that the PTPTN finalised the mechanism for this change for students who had borrowed prior to 2008. These students were offered the option of reducing the administrative fee on their loans by converting their existing three-percent interest rate loan to a one-percent Ujrah based loan. Students had until September 2011 to do this conversion.

In November 2011 it was announced that unemployed students would not have to service their PTPTN loans.

The government also provides annual scholarships via the Public Services (JPA) Sponsorship Program, which provides promising students with large grants in return for a promise of several years of work in the public service later on and Ministry of Education grants that cover about seven percent of all students.

Mexico

Tuition fee policy: There have been no significant changes in tuition fee policy in Mexico in 2011 and individual institutions continue to set their own fee levels.

Financial assistance policy: An additional two billion pesos (US$232.8 million) will be allocated to higher education scholarships in 2012. The government also announced the creation of a new student loan program, the National Program for Financing Higher Education, which will extend $200-million in loans in 2012 to more than 23,000 students in private universities.

Netherlands

Tuition fee policy: There were no changes in the country's tuition fee policy in 2011. Students under 30 years old pay a statutory tuition fee, which is fixed by law and adjusted annually in line with inflation. Students older than 30 are not covered by this law, and institutions can charge them higher, variable fees. Tuition fees grew slightly from €1,672 (US$1,817) in 2010 to €1,713 (US$1,862) (2 percent increase) in 2011 and are expected to increase to €1,771 (US$1,925) (3 percent increase) in 2012.

In July 2011, a law was passed that will require (starting in September 2012) students who take longer than an extra year to complete their study program to pay €3000 (US$3,261) per year. Loans will be available to help students meet this new cost. Students already paying the full-cost institutional fees (such as non-EU students) are exempt from this arrangement.

Financial assistance policy: There were no changes to student assistance other than a small (one percent) increase in the monthly student aid allowance.

Nigeria

Tuition fee policy: Federal and State Governments, their Ministries of Education, tertiary education supervisory agencies and the respective tertiary institutions usually collaborate in setting fee levels at state universities. The 921,915 students studying at federal tertiary institutions do not pay tuition fees, while the 522,223 students at state government institutions pay tuition fees of varying amounts. All institutions charge administrative fees for various services.

Tuition fee levels vary from one state institution to another according to the courses of study and the services provided to students. Tuition fees range from N35,000 (US$230) to more than N400,000 (US$2,670). Trends across states are not uniform. A trio of state universities (Ambrose Alli, Olabisi Onabanjo and Osum State) saw tuition reductions ranging from 10 to 50%. But radical increases occurred, too, at Benue, Anambra, Abia and Ladoke Akintola universities. The most radical change occurred at Lagos State University, where tuition increases ranges from 550% to 775% for the academic year starting in 2011. Based on available data, the weighted increase across state universities was 18.8 percent.

Proposed increases in fees have always attracted stiff resistance. An attempt early in 2011 to introduce fees in a federal university led to vigorous protests and substantial destruction of the institution’s facilities by protesting students. The federal government later denied that it had ever intended to introduce tuition fees.

Financial assistance policy: The major change in federal student financial assistance in 2011 followed the passing of the TETFund Act, which increased student financial assistance to $61m in 2011 from N800m (over US$5.3m) in 2010. Funding is projected to rise to $73m by 2015.

A new dimension is being introduced whereby only students studying in public tertiary institutions will be eligible for loans and grants from the TETFund student financial aid scheme. To encourage the targeting of student aid to national priority areas, at its last meeting in February 2011, the National Council on Education strongly urged the Federal Ministry of Education, State Ministries of Education and the Federal Capital Territory to provide bursary and scholarship awards to motivate teacher trainees in Science, Technical and Vocational Education, and give grants, scholarships and bursary awards to female students undergoing technical and vocational education training. The Industrial Training Fund (ITF) was also urged to make funds available to relevant institutions for the placement and supervision of students.

The government intends to strengthen the federal scholarship board by making it autonomous. To this end a bill has been forwarded to the National Assembly that proposes to convert the board to the National Scholarship and Students Loans Commission to administer the program.

The Lagos State Government, which substantially increased tuition fees payable at it university starting in the 2011/2012 academic year, has promised to mitigate the impact of the increase by providing bursaries and scholarships through the Lagos State Government Bursary and Scholarship Scheme.

Pakistan

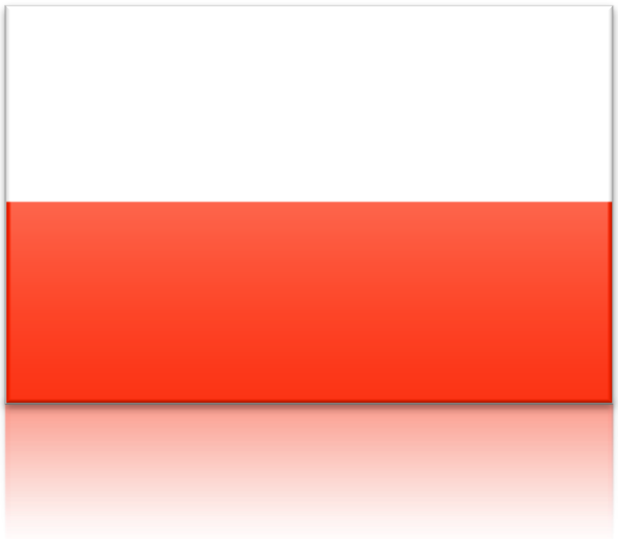
Tuition fee policy: There were no changes in public sector tuition fee rates, which range from US$500 to 1000 per year. Fees are controlled by the government's Higher Education Commission and tend to rise slowly.

Financial assistance policy: There were no changes in student financial assistance, which consists mainly of a government guaranteed student loan program. There is little dissemination of information about the loan program. The loan is available to students studying in 17 subject areas including medicine, engineering and business and does not include social science subjects. The five banks that were designated by the government to give out the loans are reluctant to do so given concerns about student repayment.

Philippines

Tuition fee policy: Policies on tuition fees remained the same in 2011. Tuition fee levels at public and private HEIs may not increase faster than inflation, and are monitored by the Commission on Higher Education (CHED). Decisions to increase tuition and other miscellaneous fees above the national inflation rate are subject to consultation with stakeholders and CHED's approval. State colleges and universities were not allowed to increase their fees, while 80 percent of 63 deregulated local universities and colleges raised fees by five to 10 percent in 2011. Although CHED does not control the increase in miscellaneous fees among HEIs, the government is exploring ways of having a standard schedule of permitted extra fees.

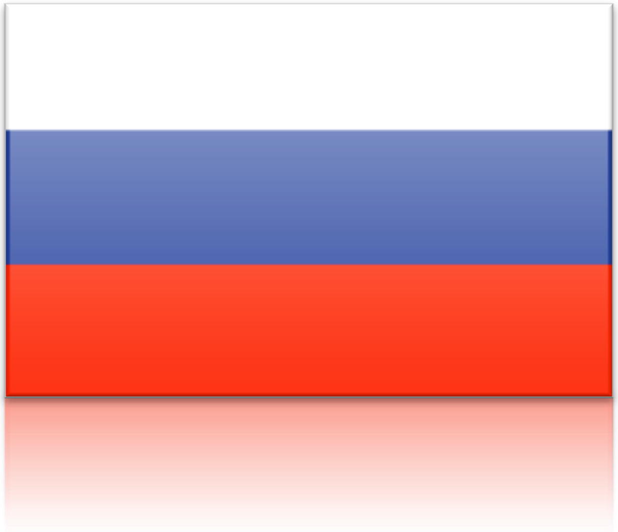
Financial assistance policy: CHED experienced a decrease in funding in 2011. Only ₱1.69 billion (US$62.9 million) was allocated compared to ₱2.54 billion (US$94.6 million) in 2010. As a result of this decrease, no additional funds were given to finance disadvantaged students and funding for CHED's scholarship program decreased from ₱1.15 billion (US$43 million) in 2010 to ₱501 million (US$18.6) in 2011.



Poland

Tuition fee policy: There were no changes in Poland's tuition fee policy in 2011. Higher education at public universities in Poland remains free, though the 538,000 students in the parallel track have to pay fees. About half of all public higher education students study in the weekend parallel track.

Financial assistance policy: The government offers grants to three groups of students: needy students, academically meritorious students and athletically gifted students. It also provides student loans. Spending on grants increased from Zł 1 477 490 000 (US$677.7 million) in 2010 to 1 520 260 000 (US$697 million), while expenditure on student loans increased from Zł 70 000 000 to 87 300 000 (US$32.1 million to 40 million). Both spending increases were due to increases in the number of students receiving assistance. According to a government announcement, expenditure on financial assistance will be slightly increased in 2012.



Russia

Tuition fee policy: There were no changes in Russia's dual track tuition fee policy in 2011 and the government sponsored students continue to study free of charge, while the fee paying students must pay varying amounts of tuition fees.

Financial assistance policy: There were no major changes in the governments' financial assistance policy in 2011, however, starting in 2012 government-sponsored students will receive an additional RUB 5,000 (US$259) per month to cover living expenses.

Saudi Arabia

Tuition fee policy: There are no tuition fees in public higher education in Saudi Arabia.

Financial assistance policy: All Saudi university students are eligible for a monthly allowance. This allowance varies slightly by field and level of study; for undergraduate students in scientific/technical disciplines, the value of the scholarship is about SR 1000/month (US$380/month). According to the Saudi Gazette, this figure was increased by about SR 100 month/month (US$38/month) this year, an increase of about 10 percent. This is more or less equivalent to the increase in inflation over the past two years (no increase in financial aid was recorded in 2010).

If they are members of the Student Fund Program (membership in which costs $350/year) students are also eligible for an interest free loan.

Some Ministry of Higher education scholarships are also provided to selected students to study in private universities or abroad. The King Abdullah Foreign Scholarship program has sent slightly over 100,000 students to study abroad since its inception in 2004. The scholarship covers fees and provides a monthly stipend of roughly $1,800/month.

Singapore

Tuition fee policy: Tuition fees are set by universities subject to approval by the Ministry of Education (MOE). Fulltime undergraduate education at the National University of Singapore (NUS), Nanyang Technical University (NTU) and Singapore Management University (SMU) is highly subsidised by the Government of Singapore, which pays for the bulk of the operating costs in addition to the infrastructural costs.

The substantial tuition subsidy from the Government of Singapore comes in the form of a tuition fee grant which is administered by the MOE and offered to all admitted students. Students with tuition grants need only pay subsidised fees (also referred to as the “Direct Payment” portion of fees) to the university. Tuition/research fees and mandatory miscellaneous fees are payable in advance for each semester. Singapore Citizens (SCs) and Permanent Residents (PRs) may pay their fees using their Medisave-CPF accounts or those of their parents or spouses. These are considered loans from these accounts and students are obliged to pay back the amount borrowed upon graduation.

In 2011, all three autonomous universities increased their student fees. Tuition fees for undergraduate courses at NTU and NUS were increased by four percent, while those at SMU were increased by three per cent.

The fee hikes also provide more differentiation between SCs, PRs and International Students (IS). Placements and subsidised fees for university have become a major issue for Singaporean voters. In NUS, for example, permanent resident students will have to pay between $480 (US$417) and $2,180 (US$1,896) more than Singapore Citizens, and international students will now pay $970 (US$843) to $3,720 (US$3,235) more.

Financial assistance policies: The government announced enhanced bursaries for low-income university students in 2011. Those from the lowest one–third of households in terms of per capita income will receive an 80 percent increase in bursaries – from S$1,600 to $2,900 (US$1,391 to 2,522), which will cover 40 percent of fees for a typical degree (compared to 20% of fees before). Undergraduates from the 33rd to the 50th percentile, (i.e., those with per capita income of up to S$1,200 (US$1,045) per month) will receive S$950 (US$826) more (i.e., 30% of fees).

All university students can also supplement their bursaries with government–subsidised loans, available from approved local banks.

Singapore also increased its subsidy for part-time undergraduate programs at the autonomous universities (AUs) and SIM University (UniSIM) for those who have not previously benefited from a government-subsidised undergraduate education. This was part of the government's plan to make Continuing Education and Training (CET) programs more affordable to adult learners. Singapore Citizens will receive the same cost subsidy on their part-time courses as full-time students currently enjoy. This translates to an increase in fee subsidies from 40 percent (for PRs) to 55 percent (for SCs) of current fees for part-time undergraduate programs at UniSIM and the AUs.

South Africa

Tuition fee policy: While no formal position statement on the setting of tuition fees has been determined by the Department of Higher Education and Training, consideration has been given to providing broad parameters such as upper limits for tuition fees to control the increases. Universities in South Africa currently determine their own tuition fees in consultation with a broad range of university stakeholders. Most universities substantially increased their tuition fee levels by 10 to 15 percent (differentiated by institution and by program) for 2011 and will again in 2012.

Financial assistance policies: The National Treasury allocated an additional R7.7 billion (US$1.58 billion) to the Student Financial Aid Scheme (NSFAS) for the 2011/12 to 2013/14 period. As a result, the Minister of Higher Education and Training and the NSFAS Board introduced a number of new funding programs for students in higher education and in further education and training programs in 2011. These include:

1. The provision of R55,2m (US$11.3 million) to four historically disadvantaged institutions for students with outstanding debt from prior years of study, who are still enrolled at the university and continuing with their academic program;

2. The Final Year Program targeted at financially eligible, academically able final year students on track to graduate at the end of the academic year. It is a full cost funding loan program, with a guaranteed 100 percent bursary conversion for all students who graduate.

3. The Historic Debt Program, introduced in May 2011 that provides loans to students who have graduated, but have not received their graduation certificates due to outstanding debt at the university. An amount of R200m (US$41 million) has been set aside for this program, and graduates awarded this funding will receive a loan equal to the full value of the outstanding balance at the university.

4. The Rural Students Program was introduced in January 2011, and is administered through one of the NSFAS NGO partners in conjunction with NSFAS. It is targeted at financially-eligible students from rural areas, identified through the NGO network, studying at one of the universities supported by the NGO partner. It is valued at R15m (US$3 million) for the 2011/12 year and is likely to continue beyond the 2011/12 academic year, although the administrative arrangements are likely to change.

In addition to these new funding programs, the Minister determined that NSFAS would no longer levy interest on student accounts while students are still enrolled at a public university. Students would be granted a 12-month "interest-holiday" following completion, after which interest will be charged at 80 percent of the repo rate, adjusted annually on April 1st of every year.

Spain

Tuition fee policy: Tuition fee levels at public universities are set by the autonomous communities (regions) in which they are located. In 2011, tuition fee levels increased by between 3.6 and 7.6 percent depending on the autonomous community.

Financial assistance policy: There were no changes in financial assistance policy in 2011. The current financial aid system provides different types of scholarships and grants to higher education students. The amount of the country's GDP spent on scholarships and grants (0.09%) by the central government, the autonomous communities and the universities combined is far lower than the OECD average of 0.27 percent. Therefore, reforms are planned and as a first step, the University Observatory is mapping available financial aid in order to centralize information and produce a global picture of available resources. A new model of grants and financial aid will be developed during the 2010-2020 period to overcome the present system's weaknesses.

Sweden

Tuition fee policy: There were no changes in tuition fee policy for domestic students (who pay no fees). A new regulation was introduced, however, calling on students from outside of the European Union and the European Economic Area to pay significant tuition fees (as much as kr200,000 [US$15,552] per year depending on the university and program). The change marks a shift in the country's strategy for attracting international students from one in which its competitive edge comes from price to one that will be more focused on quality. Early estimates suggest that new enrolments from outside the EU/EEA fell by nearly 80 percent this year in response to the policy shift.

Financial assistance policy: Student assistance policy in Sweden is very generous. All students are eligible for large amounts of both loans and grants. Nearly 100 percent of students take the grants, while over 80 percent take the grants. There are no required parental contributions or means tests associated with this aid. Encouraging independence from parents is in fact a central aim of Swedish student aid policy.

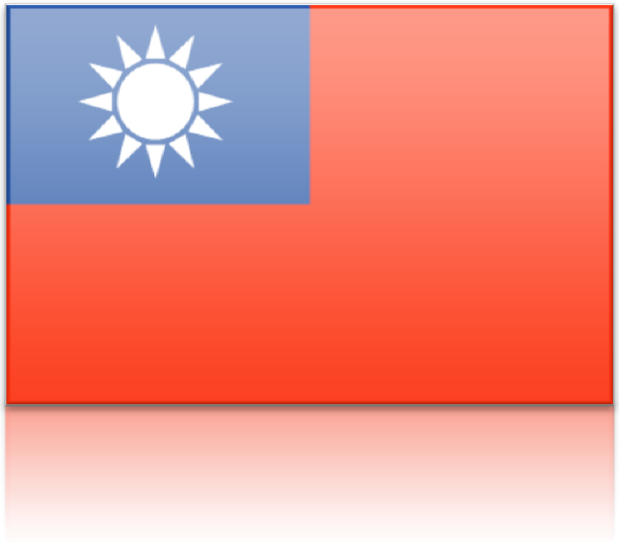
Very little changed this year in student aid policy. The new school year brought a small upward revision in student allowances; the monthly grant stayed constant at 2720 SEK/month ($212/month), but the monthly loan rose by just over nine percent to 5956 SEK/month (US$463), bringing the total monthly assistance package to 8676 SEK/month (US$675). Despite this increase, for the foreseeable future, overall student support expenditures are expected to stay stable around 15 Billion SEK (US$1 billion) at the tertiary level (another seven billion SEK/year (US$544 million) is spent on study aid below the tertiary level). This is due mostly to the savings generated by low interest which reduce the carrying charges on outstanding student loans.

At the international level, two programs which were introduced for international students to offset last year’s tuition fee decision – the Swedish Tuition Fee Waiver and the Swedish Institute Study Scholarship - which received a combined 60 million SEK (US$4.6 million) in funding last year saw their funding topped up to 110 million SEK (US$8.5 million) for 2012.

Switzerland

Tuition fee policy: There were no changes in tuition fee policy in Switzerland and fees increased only slightly in public higher education institutions in 2011.

Financial assistance policy: There were no changes in financial assistance policy. Means-tested fellowships continue to be provided by Cantonal public authorities under varying terms with considerable variation in the amounts provided.

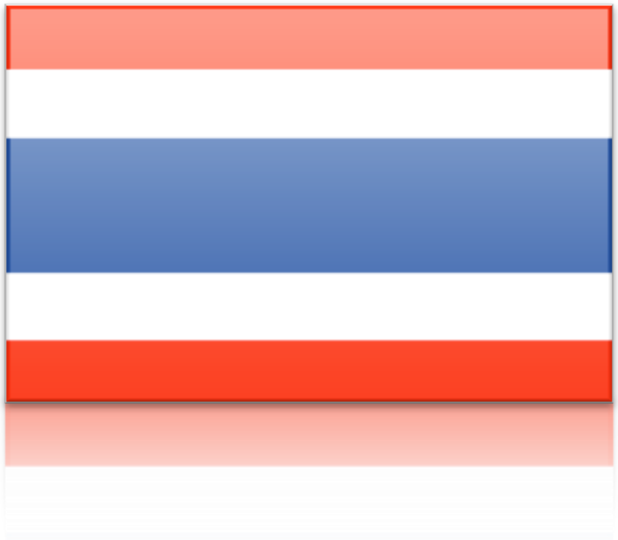


Taiwan

Tuition fee policy: The Ministry of Education sets the maximum tuition fees which may be collected from students. Only tuition fees for continuing education programs are completely decided by the universities and these programs have become a growing source of revenue for many institutions.

Tuition fees in public institutions did not increase between 2010/11 and 2011/12.

Financial assistance policy: There were no changes in Taiwan's student loan policy or terms for 2011/12, though several significant changes have been announced for the 2012/13 academic year. These changes include longer repayment periods for low- and lower-middle-income families and an increase in the average monthly income cut-off point for eligibility for a three year extension of repayment from NT$25,000 (US$1,242) to NT$30,000 (US$1,490) per month. Finally, there will be an increase in the amounts that students from low-income families can borrow per month (NT$6,000 to 8,000 [US$298-397]) to cover living expenses.



Thailand

Tuition fee policy: There were no significant changes in public university tuition fee policy or amounts in Thailand in 2011. Universities have to consider the maximum amounts that students may borrow from the Thai Student Loans Fund (SLF) when setting their tuition fees given that borrowers represent up to 70 to 80 percent of their total enrolments. As the SLF did not change its maximum loan limits, public universities were reluctant to increase their tuition fees.

Financial assistance policy: The government is planning to make two critical changes to the Thai Student Loans Fund (SLF). First, loan repayment will become income-contingent and second, loans will only be available to students enrolled in courses whose graduates are in high demand by the labor market. While this policy was made public in early September 2011, there have been no further details forthcoming on the design and implementation of the new scheme.

Turkey

Tuition fee policy: The government did not make any changes to the country's tuition fee policy in 2011. Tuition fees may not exceed half of the per student unit cost calculated by the Council of Higher Education. Some institutions announced small changes in the amounts they charged in 2011.

Financial assistance policy: There were no system-level changes in financial assistance in 2011. Students are offered tuition fee scholarships, which are actually loans since they must pay them back once they graduate. In the long term, however, the government is planning to further explore private and public bank involvement in providing education loans.

Ukraine

Tuition fee policy: In 2010/2011, tuition fees were paid by almost 60 percent of higher education students, while the study costs for the remaining students were covered by the state and employers. Tuition fees for fee paying students range from UAH15,000 to 30,000 (US$3,856 to 7,712) and tend to increase in line with inflation

Financial assistance policy: A 44 million UAH (US$11.4 million) governmental grant program was launched in 2011 to cover the costs of technical and life sciences students studying abroad. There were no other changes in financial aid policy and various stipends are awarded to about 4.57 percent of all students.

United Kingdom

Tuition fee policy: For the 2011/12 academic year, roughly 94 percent of English universities and all Northern Ireland universities charged the capped £3,375 (US$5,533) fee. Because the cost of all courses exceeds this amount, there is no variation in fees by subject.

With the increase in the fees cap to £9,000 (US$14,754), scheduled fee costs will exhibit greater variation by program, with classroom-based programs charging nearer to the minimum fee and clinical and laboratory based courses charging nearer the maximum. About 30 percent of English institutions plan to charge £9,000 (US$14,754) as their standard fee in 2012, with an average fee of £8,354 (US$13,695) across the sector decreasing to £8,071 (US$13,231) when fee waivers for low income students are included. The research intensive Russell Group (the U.K.'s 20 most research intensive institutions) and 1994 Group of Universities (smaller, research-intensive universities) are scheduled to introduce fees closest to the £9,000 (US$15,300) cap, while Million+ institutions (a group of 27 universities formed after 1992, with the incorporation of polytechnic colleges into universities) have, on average, the lowest tuition fees schedules.

Financial assistance policy: Full-time U.K. and EU students pursuing their first Bachelor's degrees are eligible for subsidised income-contingent loans, which cover tuition fees in full. Therefore, under the current system, higher education at the Bachelor's level is free to the student at the point of use.

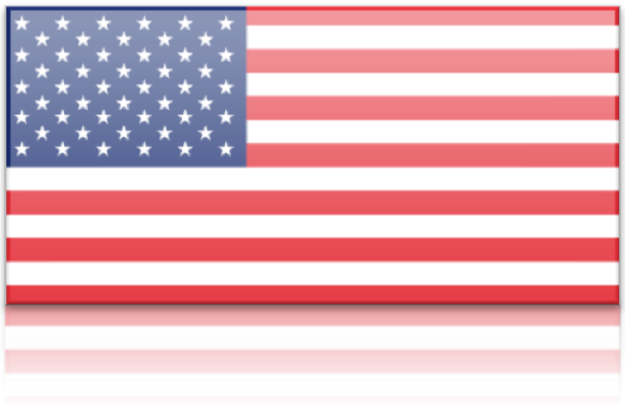
U.K. students also are eligible to receive (income-contingent) maintenance loans for living costs, which vary according to study location. For students studying in 2010/11 and 2011/12, the maximum maintenance loans are £3,838 (US$6,292) for students living at home, £4,950 ($8,115) for students living away from home, and £6,928 ($11,351) for students living away from home in London.

Annual repayments on income-contingent fees and maintenance loans are nine percent of income above a £15,000 (US$24,590) annual earnings threshold, which is constant in nominal terms. For most people, these repayments are collected as a payroll deduction along with income tax and social security contributions. Student loans are indexed to inflation, and therefore, no real rate of interest is charged. Loans are subject to a 25-year debt write-off, where any debt unpaid after 25 is forgiven by the state. While the present system of income-contingent loans protects graduates with low annual and low lifetime earnings, the estimated subsidy due to the lack of real interest rate and the debt write-off has been estimated at roughly 25-30 percent of total lending, or £1-1.5 billion (US$1.6 - 2.4 billion) annually.

The 2011 higher education reforms altered repayment conditions, producing savings in some aspects of student loan design and losses in others. Repayment conditions of income-contingent student loans for individuals entering university in 2012/13 will change to nine percent of income above a £21,000 (US$34,426) annual earnings threshold, which is indexed to earnings growth. The debt write-off period has been extended to 30 years. New loans also will contain a real interest rate. While the student is studying at university, student loans will accrue three percent real interest; thereafter, the real interest rate will be tapered, starting with zero for low earners (to prevent real outstanding debt from rising) and rising gradually to three percent at an income of £41,000 (US$67,213) or more.

Fee loans will be expanded to cover increased tuition; therefore, higher education will continue to be free to U.K. and EU students at the point of use. Maintenance loans are also scheduled to be slightly expanded to £4,375, £5,500 and £7,675 (US$7,172, $9,016 and $12,582) (DirectGov 2011a). Government currently is considering the expansion of federal income-contingent loan coverage to part-time students who study at least 25 per cent of a full-time course who currently lack access to loans (Department for Business, Innovation and Skills, 2011: 5).

The establishment of a targeted interest subsidy, where richer deciles of graduate earners pay real rates of interest above the (estimated) government's 2.2 percent cost of borrowing and therefore experienced slight over-repayment, made some inroads at addressing the substantial fiscal cost of U.K. student loans. Changes to the repayment threshold coupled with larger loan size, however, is estimated to offset this, increasing the loan subsidy not only in absolute terms (from £6,804 per graduate to £11,218 [from US$11,154 to 18,390]) but also in proportional terms (from 25.8 per cent to 27.7 per cent of total lending) (Barr and Johnston, 2011).



United States

Tuition fee policy: Tuition fees increased substantially across all sectors of higher education in the United States. Average published in-state tuition and fees at public four-year institutions were 8.3 percent higher in 2011-12, than they were in 2010-11. Average total charges, including tuition and fees and room and board were up 6.0 percent from 2010-11. Average published out-of-state tuition and fees at public four-year colleges and universities were 5.7 percent higher in 2011-12 than in 2010/11 and average total charges were $29,657, up 5.2 percent from 2010-11. There is considerable variation between states and types of institutions. The College Board reports, for example, that the percentage increase in tuition was the highest in California (21%) and lowest in Connecticut and South Carolina (about 2.5%).

The actual increases in net tuition and fees (which take into consideration grant aid and federal tax credits and deductions) were lower. Between 2006-07 and 2011-12, average net tuition and fees grew by 1.4 percent per year beyond inflation, compared to 5.1 percent per year for published prices.

Financial assistance policy: Federal Government grant and loan programs provide about three-quarters percent of total higher education student financial assistance, while States provide about five percent. State aid totaling 11 US billion grew by three percent in 2011 with the largest growth (12 percent) in state sponsored loans.

Federal financial aid levels figured prominently in the FY2011 budget negotiations with many in the U.S. Congress calling for cuts in funding for the Pell Grant among other programs. After passing a series of short-term funding bills that provided temporary funding at FY 2010 levels and eliminated some grant programs including the Leveraging

Education Assistance Partnerships program,[8] the long-term FY2011 Continuing Resolution (CR) was finally passed in April 2011. The CR maintained maximum Pell Grants at $5,550 for the 2011-12 academic year with funding of $34.3 billion (three percent lower than the $35.5 billion provided in FY2010), in part by eliminating the year-round Pell Grant that provided a second annual award to students attending summer school. The CR also cut the Federal Supplemental Educational Opportunity Grant program by $20 million, eliminated Byrd Scholarships,[9] and called for a 0.2 percent cut to all education programs, which will impact all student aid programs, with the exception of the Pell grant. The Federal Direct Loan and Perkins Loan programs are unaffected as they are funded by indefinite budget authority and do not require annual congressional appropriations.

The Budget Control Act of 2011 that was passed in August 2011 provided the Pell Grant program with additional mandatory spending for FY 2012 and FY 2013. The additional funding will allow the preservation of the maximum award of $5,550. The Act also eliminated in-school interest subsidies for graduate and professional students beginning in July 2012 and eliminated direct loan repayment incentives that had provided interest rate reductions and up-front interest rebates for using automatic debit repayment.

Looking ahead at the possible impact on student assistance of the automatic federal spending cuts that may result from the failure of the Congressional super committee to reach an agreement, several things are clear. While Pell Grants funding levels are assured for FY2012 and FY21013 (due to the mandatory funding increases specified in the Budget Control Act of 2011), the maximum period for which students are eligible for the grants has been reduced from 18 to 12 semesters starting in the 2012-13 academic year and the program may be subject to automatic cuts in subsequent years. Other forms of federal student aid are not exempt and may be subjected to the automatic cuts of which about $138 million will occur in 2012-13. This includes cuts to Federal Work-Study, SEOG and TEACH Grant programs. The cuts will most likely be implemented by decreasing the number of Federal Work-Study jobs and SEOG grants, not by lowering the average awards, since the average award amounts are small (e.g., $1,642 and $716, respectively). This would affect about 150,000 students. Since each award year spans the last quarter of the previous fiscal year and the first three quarters of the current fiscal year, the maximum Pell Grant would be cut by approximately $310 in 2013-14 and $400 in 2014-15, with similar cuts in subsequent years. This would affect approximately nine million students.

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[8] LEAP provided grants to states for need based grant and work-study assistance to eligible needy postsecondary students.

[9] Byrd Scholarships were grants to states to enable those states to award scholarships to high school seniors who have demonstrated outstanding academic achievement.

Some of what will actually happen depends on whether the Bush Administration tax cuts, which will expire at the end of 2012, are extended or not. If they are not extended, then the need for the autonomic spending cuts may be eliminated. However, if they are extended, certain education tax benefits would be affected.[10]

[10] Based on analysis provided by Mark Kantrowitz on his website FastWeb: http://www.fastweb.com/financial-aid/articles/3369-impact-of-the-super-committee-stalemate-on-federal-student-financial-aid and by the National Association of Financial Aid Administrators on its website:

http://www.nasfaa.org/Advocacy/Debt-Ceiling/Budget_Control_Act_of_2011.aspx

Vietnam

Tuition fee policy: University tuition fees rose to VND5.83 million (US$291) in 2011, a 19 percent increase over 2010.

Financial assistance policy: Under a Prime Minister decision which took effect on August 1, 2011, the maximum loan that a student may take is VND1 million (US$47) per month, up from VND900,000 (US$42) previously. The monthly interest rate was also increased to 0.65 per cent from the previous 0.5 per cent.

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