

Institute for Public Policy Research Scotland



INDEPENDENT REVIEW OF
**FINANCIAL SUPPORT
FOR STUDENTS IN
SCOTLAND:**
INTERNATIONAL COMPARATOR STUDY

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and **Russell Gunson**

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SUMMARY

BACKGROUND

This report presents findings from a review of systems for student financial aid in five case study countries, along with some more general discussion of the relationship between financial aid and student participation, retention and experiences. The study focusses on undergraduate ('first cycle') students in both higher education (HE) and vocational post-compulsory education and training (VET), and on aid which is focussed on maintenance costs rather than tuition fees. We identify key themes and suggest areas for further actions and research.

RESEARCH

We conducted an initial scoping exercise to form a general picture of student aid systems across the developed world, and to select five case study nations. More detailed desk research and some qualitative data gathering provided a 'snapshot' of the elements of these frameworks, along with information about how they are experienced by administrators, practitioners and students. Finally, we analysed this data to draw out commonalities and contrasts as well as general principles of good practice and examples of how these operate in particular countries.

GENERAL FINDINGS

Most countries do not separate HE and VET student aid as sharply as the nations of the UK. In some cases, a single system essentially covers both. Similarly, the UK's complete separation of student living costs support and social security is relatively unusual. This reflects underpinning assumptions about the role of policy in different areas, but may miss opportunities to manage common issues for low-income groups. Countries also vary in the degree to which 'young' students are treated by policy as independent adults or as 'adult children' receiving parental help.

POTENTIAL STUDENT SUPPORT INNOVATIONS FROM OUTSIDE SCOTLAND

We identified features of 'good practice' in designing financial support systems for students, which are associated with better outcomes in widening participation, student retention, and/or positive experiences for students.

Simple systems for accessing funding work better than complex ones. Students enter HE or VET at a transitional period in their lives and need to juggle diverse and difficult tasks and adjustments. Complex financial support systems – for example, if information is provided through multiple sources or eligibility criteria are unclear – can mean they miss out on the aid they need, or delay receiving it.

Bringing financial support together across VET and HE seems to work well. The strong separation in Scotland and across the UK is unusual, hard to justify, and may help perpetuate the lack of parity of esteem between the sectors. 'Common' systems aim for a minimum income level for all students.

Students may benefit from better links and interactions between social security and student support. Many countries link student support and social security systems to some extent, framing students as low income citizens and offering them access to at least some welfare benefits. The separation of systems in the UK means that students whose progression could be eased by access to certain benefits often cannot get these, or find it difficult to do so.

Accommodation costs are a particular problem for students. Housing costs were mentioned as a difficulty for at least some students in every case study country, mirroring findings from the UK. This impacts on student choices about where to study (potentially limiting student choice and 'best fit' of student to programme), and adds to financial stress. Providing affordable accommodation or housing allowances is an element of student financial support in several countries.

The timing of payments affects student experiences. Paying aid in small, regular sums (monthly or fortnightly) may make it easier for students to manage their money. Monthly payments are common in the case study countries, for both grants and loans (and also for commercial loans specially tailored for students).

Limited availability of state-backed loans can lead to extensive use of commercial credit. Where publicly-provided maintenance support is not available or very limited, students are quickly identified as an important market by banks and other financial institutions. Banks may offer student loans whose terms are similar to those provided by governments, and the use of these becomes widespread.

Paid work is a necessity for many students but can be made into a virtue. Most VET systems include periods of paid work, and many HE students need to take a job to pay maintenance costs (and sometimes tuition fees). Universities can help reduce tensions between jobs and study by offering 'work study' schemes as a formal element of aid (with jobs on-campus and/or related to the student's programme), and by seeking opportunities for students to integrate reflection on their job into their course.

Merit bursaries are fairly common outside the UK. Here, grants and bursaries are offered on the basis of need but most countries have some merit-based awards, which may be limited to poorer students. Awards may recognise exceptional attainment or simply require minimum levels of progress. Awards made at enrolment on the basis of school achievement may favour better-off students, if school outcomes are strongly associated with social background.

Systems vary in how students are cast as independent adults or adult children. Some systems include assumption that students' financial circumstances are tied closely to those of their family, with means tests taking account of parental income and a tacit or explicit assumption that parents will contribute to living expenses. Others frame students as independent once they reach 18.

Age limits for financial support eligibility vary. In some countries students cannot access central funds if they are above a certain age at enrolment, which can be as low as 30 for undergraduates, far lower than across the UK. This rations aid and ensures that students who receive state support will contribute to society for a substantial period, but it also creates a barrier to lifelong learning.

Widening access activity tends to focus on tuition fees rather than living costs. However, there is evidence that anxiety over financial hardship related to living costs and debt may affect access, persistence, and on-course experiences in HE and VET.

Widening participation issues may be different for HE and VET. The last major review of widening participation in VET in the UK was published in 1997, but cost and other factors may impact on access and completion in VET.

We need to know more about how students see the relationship between VET and work. Strong employer engagement and detailed, evidence-based assessments of local and national skills needs meant that students in some countries can enter a VET course with a fairly accurate idea of their future job prospects. This provides

a strong incentive to enrol and persist. Financial help may be offered only for programmes in areas with a skills 'undersupply'.

Effective incentives for employers to support VET are diverse, and go beyond payments alone. In fact, non-financial measures and 'cultural climate' may be just as useful (Kuczera 2017).

1. INTRODUCTION

1.1 AIMS AND OVERVIEW

For a system of post-compulsory education to be genuinely accessible, students need appropriate financial support. They should be able to meet their living costs at a level which lets them study without stress over financial hardship or debt, and to balance paid work with their course. Students approach university or college with different levels of personal and family resource. Without policy intervention their choices about what to study, where to study, or whether to study at all will be shaped by their ability to pay as well as by their interests, aptitudes, and capacity to contribute to society. Their on-course experiences, including learning, will also be affected.

The question of ‘what financial support should students have?’ is a difficult one. Discussions of how best to fund students have focussed on the balance between the potential benefits to the students themselves and to the wider economy and community. The level of lifestyle which is ‘right’ for students is also much debated, especially in relation to mature-age students, student parents, and student carers.

As part of the Independent Review into Financial Support for Students we wanted to consider international evidence for how student support systems operate across the equivalents of further education (FE) and higher education (HE), and to identify potential innovations for the support system[s] in Scotland. We have collected information from Europe and beyond, and conducted an in-depth analysis of the systems in five ‘case study’ countries. These use different combinations of grants, loans, reliance on student earnings from paid work, and commercial credit.

Student financial aid can come in different forms, and does so across our international case studies. Grants are offered where national governments or individual institutions have decided that it is worth contributing to a student’s education without requiring that they return the money. Other potential returns on the investment may be part of this calculation. Grants may be means-tested or merit-based, and systems reflect different views on who ‘should’ be helped to study, and which potential imbalances need to be corrected. Where attainment is a criterion, the details are important; is prior attainment (and potential) a priority, or should students be incentivised to attain on course? Is the priority to reward academic performance or to ensure that students remain engaged on their course?

Maintenance loans are a part of many, though not all, systems, and conditions for payment and repayment are often tailored to the specific needs of students. Loans are generally more affordable for governments than grants, but large personal debts can be a disincentive to study, or a source of stress for students. A system which relies heavily on loans may also work better for students who have a financial ‘safety net’ of some sort, and thus can borrow less, repay more quickly, or feel confident about their future prospects. Where government-backed student loans are not offered students may use more commercial credit. This may include products tailored specifically for the student market.

Work and wages are another important source of financial support for many students across the world. Universities and support systems can help them find

good quality employment, which may be on campus or in jobs related to their course. However, programmes of this kind demand substantial resources to establish and manage.

The **aims of this research were to set out the principles and mechanisms of student support systems** from international practice, including five ‘case study’ countries, and to explore the experiences of learners, institutions and administrators working within these frameworks. We also sought to identify potential learning from international practice in providing financial aid for students in HE and vocational education and training (VET) more generally, and to highlight examples which might be used to develop practice in Scotland.

1.2 APPROACH

The research was conducted in three stages, and details of the methods used are provided in the Technical Annexe.

Evidence gathering: We reviewed the relevant literature to establish what data was available on international systems of student support, and spoke with established contacts to find possible sources of information. An initial information-gathering exercise identified twelve possible case study countries (Austria, Australia, Belgium, Denmark, Finland, Germany, Ireland, Norway, Netherlands, Singapore, South Korea and Switzerland).

Additional research and consultation helped us to narrow this list to five countries for an in-depth analysis; Australia, Finland, Germany, Ireland, and South Korea (EU 2015, EU 2016). These were chosen because they take a variety of approaches to financial aid, and demonstrate different strengths and challenges in the outcomes observed. All five have recently introduced some reforms to HE funding, although in the wake of the 2008 financial crisis this is true of most developed nations.

Qualitative research: We contacted staff in selected universities and VET institutions, national students’ unions, higher education bodies and relevant government departments, seeking interviews. This was done in late July, usually the summer holiday period for countries in the northern hemisphere. Following extensive ‘chasing’, we conducted a total of 11 interviews and received written submissions from two other contacts.

Desk research and analysis: The qualitative phase was supplemented by a further desk research exercise to gather evidence of potential outcomes for international student support systems. It was not practical to carry out a systematic review of the evidence on the impacts of different systems for various reasons. Data on HE and VET entry and outcomes is collected differently in different countries, and where it is published the formats, timescales and analyses are diverse. For the case study countries, large-scale studies of the impact of particular elements of the funding system on widening access or student experiences have not been conducted. Even had this been the case, the complexity, cultural embedding and different paces of reform would make it extremely difficult to draw firm or safe comparisons. Finally, all of the case study countries had experienced recent and – in most cases – substantial changes to systems of student aid, which have not been in place for long enough to make available multiple cycles of student data.

Nevertheless, we wanted to compare countries as closely as possible. Therefore, we decided to use OECD figures as the main data source for this part of the study. Unless otherwise stated, all data is taken from OECD publications and databases, primarily the most recent edition of ‘Education at a Glance’ (OECD 2016c and 2017). We have used other statistical sources where these were available for a particular country and of clearly good quality, for example if published by a national government, a recognised university department, or a major research centre. We

also used publications and online resources from national governments, research organisations and other stakeholder groups to provide background information on systems in individual countries.

Finally, because of the relative 'immaturity' of some of the reforms in the case study countries and the lack of published studies or evaluations of these, we conducted a brief literature review of work on possible links between systems of financial aid and student access and retention (section 7.2). In practice the bulk of this literature relates to the USA.

1.3 OBSERVATIONS AND LIMITATIONS

Across the world, developed countries take very different approaches to the division of spending on tertiary education between public and private sources, and to the offer of financial support to students. Higher tuition fees mean higher spending by students themselves and also by private entities other than households. Low or no tuition fees are associated with generous subsidies for students in tertiary education, but also with higher income tax rates (OECD 2016d). The rate of tuition fees charged to students may vary by anticipated future earnings, course costs and/or the social value of the programme; alternatively, fees may be set at a fairly 'flat' rate across courses and institutions.

The five case study countries have different histories and cultures around HE and VET, which are reflected both in their systems of student financial aid and in attitudes to these. As the discussion below shows, these countries are highly diverse. Nevertheless, some themes emerged across the study:

- The UK-wide use of entirely separate systems for financial aid in HE and VET is unusual. In most countries systems share some common features and in others their main elements at least are essentially merged.
- Similarly, the strong separation between student support and social security systems in the UK is unusual. This reflects underpinning assumptions about the role of policy in each area, but it potentially misses opportunities to manage common issues for low-income groups.
- In general, the need to navigate complex systems of financial aid brings problems for students and may reduce access to financial support.
- Countries vary in the extent to which 'young' students are treated by policy as independent adults, or as 'children' who can still expect some degree of support from their parents. In relation to HE, Finland probably sits at the most 'independent' end of the scale and South Korea at the least. Overall countries which have different systems for VET and HE tend to treat students as more independent if they are studying in VET.
- In some countries, tuition fee and living cost support are not treated as distinct. While not a clear focus of the Independent Review of Financial Support for Scotland, in general the introduction or increase of tuition fees is accompanied by anxiety and disruption. This was, for example, the experience in Germany during a brief period when fees were applied in most Länder (which was followed by their swift abolition). The findings for these countries mirrored discussions in UK outside of Scotland.

Table 1.1 shows key statistics for the case study nations. This also demonstrates variations in the extent to which countries collect data on issues such as levels of student debt.

TABLE 1.1

Key statistics on post-compulsory education funding and student financial aid

	South Korea	Australia	Germany	Ireland	Finland
GDP per capita, 2015	US\$ 35,921	US\$ 47,770	US\$ 48,834	US\$ 72,772	US\$ 43,364
Unemployment rate as % of labour force, 2013	3.5%	6%	5%	11.6%	8.6%
Spending per tertiary student as % of GDP per capita, 2014	14.6%	22.3%	36.6%	22.3%	35.6%
Spending on education as % of GDP, 2012/13	4.62%	5.27%	4.94%	5.77%	7.18%
Spending on post-secondary non-tertiary as % of education budget, 2012/13	<i>no data</i>	1.8%	3.48%	6.43%	<i>no data</i>
Spending on tertiary as % of education budget, , 2012/13	15.61%	25.95%	26.78%	21.39%	28.08%
Graduation rate	<i>No data</i>	61%	30%	<i>No data</i>	46%
Graduation rate under 30	<i>No data</i>	35%	21%	<i>No data</i>	34%
Percentage of 16-29 year olds who are apprentices, 2012	1.6%	5.2%	15.1%	2.3%	3.9%
20-24 year olds not in education, employment or training, 2013	22.16%	13.13%	9.27%	19.84%	18.29%
Share of 25-34 year olds with tertiary education, 2014	69%	48%	30%	43%	41%
Bachelor's degree completion rate, 2014	85% (cross cohort)	70%	<i>No data</i>	94% (cross cohort)	68%
Percentage of students in public/government HEIs, 2014	19%	92%	93%	98%	62%
Average annual tuition fee payable by student, private HEI, 2014	US\$ 8,554	US\$ 4,473	<i>No tuition fees</i>	<i>No data for 2014</i>	<i>No tuition fees</i>
As % of average household disposable income, 2014	40.1%	12.4%	n/a	<i>No data for 2014</i>	<i>No tuition fees</i>
Average annual tuition fee payable by student, public HEI, 2014	US\$ 4,773	US \$8,322	<i>No tuition fees</i>	<i>No data for 2014</i>	<i>No tuition fees</i>
As % of average household disposable income, 2014	22.4%	25.1%	n/a	<i>No data for 2014</i>	<i>No tuition fees</i>
Average debt on graduation from bachelor's programme, 2014	<i>no data</i>	<i>no data</i>	<i>No data</i>	<i>No data</i>	US\$ 8,291
As % of average household disposable income, 2014	<i>no data</i>	<i>no data</i>	<i>No data</i>	<i>No data</i>	29.4%
Minimum income threshold for repayment, 2014, US\$	US\$ 21,755	US\$ 2,424	n/a	<i>No data</i>	<i>No data</i>
Estimated annual income of recent graduates, 2014	<i>no data</i>	US\$ 34,492	n/a	<i>No data</i>	US\$37,574

Sources: OECD 2016b, OECD.Stat 2017a, OECD.Stat 2017b

2. SOUTH KOREA

2.1 CONTEXT

2.1.1 Education in South Korea

South Korea has some of the highest scores in the OECD for school-level attainment in key subjects, as measured by the PISA tests. It also enjoys a relatively low rate of variation in school student outcomes by socio-economic background. Educational attainment is highly prized in Korean culture.

The country has the world's highest rate of enrolment in post-compulsory education, with over 90 per cent of school leavers progressing to some form of further study in 2015 (Marginson 2016). Outcomes in lifelong learning and innovation are very strong; South Korea has the third highest rate in the OECD of employee training¹ and the highest in patent productivity (Kim 2011). However, a falling birth rate and a trend to seek opportunities to study overseas have led to falling student numbers in recent years, and mature-age participation in HE is relatively low (Kim 2011); this could to some extent reflect the high proportion of people who take the opportunity to study on leaving school. Graduate unemployment is also relatively high, as are temporary and under-employment among graduates (Jones 2013). Again, this may to some extent relate to a large graduate population.

2.1.2 University education in South Korea

South Korea's university expansion has been led by the private sector; about 85 per cent of HEIs are private. Despite this, government regulation across the sector remains strong (Kim 2011), especially '... to ensure social inclusion and quality of learning' (Marginson 2016). Overall investment in HE is high, again driven by private inputs. Korea invests 2.5 per cent of GDP in tertiary education (the third highest rate in the OECD), but public financial expenditures are low, at 0.3 per cent (compared to an OECD average of 1.1 (Kim 2011).

69 per cent of 25-34 year olds have completed a tertiary programme compared to 42 per cent across the OECD (OECD 2016a). The South Korean university system is highly stratified, and entry into a prestigious university is greatly valued. The most desirable include both public and private institutions, although fees at the former are lower. The prestige associated with HE is reflected in the trend for many VET institutions to 'see themselves as having a largely academic orientation', and some 'blurring' of the boundary between tertiary education and VET.

Despite this stratification, Korea's 'second tier' and vocational HEIs in general offer excellent education. This 'second sector' of South Korea's HE system emphasises 'technical-vocational education related to manufacturing' (Marginson 2017). Perhaps not surprisingly, private universities are characterised by high levels of partnership with the private sector (Kim 2011); the government is also committed to 'increasing employer involvement in VET policy development and implementation' (OECD 2009).

1 This is relatively separate from the education system; it is often 'carried out as informal training' and falls within the remit of the Ministry of Labour rather than the Ministry of Education (Agrawal 2013)

The university system is characterised by high social mobility and high participation. The tendency for stratification to exacerbate unequal social outcomes is ‘cushioned by South Korean equality in income determination and regional growth’, and also by the country’s educational culture including a school system which leads to high levels of literacy among entrants (Marginson 2016).

2.1.3 VET in South Korea

The blurring of the university/college boundary means that VET in South Korea is sometimes treated primarily as the preserve of the secondary schooling system – despite its a substantial tertiary presence. Tracking starts at fourteen, and students are divided into two ‘tracks’; destinations at this stage influence their subsequent choices of college majors and careers (Shim and Paik 2014). The vocational track is offered in specialised high schools, which prepare students for particular sectors of the labour market. In addition, a new but expanding system of ‘Meister schools’ (based on the German system) trains ‘master craftspersons’.

Enrolment in VET at upper secondary school level runs at a relatively low rate of 18 per cent, which has actually fallen recently. A number of students who follow the vocational track in school then opt for HE, although they may take up more vocational options there. 36.1 per cent of students from VET high schools (excluding Meister schools) go to university compared to 78.9 per cent from general high schools (OECD 2016a). Meister schools have a higher rate of progression directly to the labour market; in 2014, 92.3 per cent of 2013 Meister school graduates were already in employment (OECD 2016a).

In tertiary education, a large proportion of VET is delivered in colleges (often sector specialised) and ‘two year universities’ which offer sub-Bachelor level programmes. Post-secondary VET accounts for around a third of tertiary enrolment, mainly in ‘junior colleges’ and ‘polytechnics’ (Kis and Park 2012). The government committed in 2016 to treble the number of students enrolled in college courses ‘customised to social needs’, from just under 5,000 to 15,000. Other developments include increased participation of private companies in developing the vocational curriculum and innovations in programme delivery (including online and digital).

At present there are relatively few apprenticeships in South Korea, but the system is undergoing expansion. A new ‘work study dual system’ is based on the German one; its aim is to reach 10,000 companies and create 70,000 apprenticeships over five years from 2013 (OECD 2015). Students will spend 3 or 4 days each week in a training post, and one or two at their university or technical college (Lee et al 2017). The proposed measures include engagement activities and incentives for companies – especially SMEs – as well as better integration of VET at high school and junior college levels.

2.2 THE SOUTH KOREAN STUDENT SUPPORT SYSTEM

2.3.1 Overview

A single system, administered through the Korea Student Aid Foundation (KOSAF), funds study in both HE and VET. The new ‘work study dual system’ for VET will include additional scholarships, subsidies for training fees, and other incentives for apprentices, as well as support and incentives for companies which employ them, in particular SMEs (OECD 2015). This will almost certainly sharpen distinctions between university courses and VET at tertiary level. Labour market and financial impacts are anticipated, including a reduction in government and family spending on tertiary education, and increased VET enrolment.

The system of government student support focusses primarily on reducing the cost of tuition fees (and also the much lower institutional fee, charged for on-campus services and administration). Some students receive means tested grants, with the sum available rising as family income falls. A relatively large number of merit-based awards are also made by the government, institutions, and private foundations – although these too increasingly focus on widening access and participation.

Relatively little aid is offered for living costs, and the vast majority of what is available is offered in loan form. Aid is means-tested on the basis of family income, and policy casts students essentially as ‘adult children’ rather than independent adults (or workers). The low rate of mature-age enrolment in undergraduate courses supports this position, although it is impossible to say whether it also exacerbates it.

2.2.2 Tuition fees

Post-secondary education was, until relatively recently, considered very expensive in South Korea. This is in addition to the outlay which many parents make on getting their children into university, by paying for private tuition from specialist after-school providers (Jones 2013). Before the current round of reforms, 47 per cent of expenditure on tertiary education came from households (OECD 2015). The costs of entering and attending university meant that socio-economic background was important in determining access, leaving HE beyond the reach of many poorer students.

In 2012 the Korean government introduced a ‘Half Tuition Policy’ via the National Scholarship System. This offers full scholarships to students from poorer families, with partial subsidies which decrease as income rises (OECD 2016a). Public support was substantial, and our interviewees reported an informal consensus that it has helped to widen access. This followed the introduction in 2010 of income-contingent loans to support study costs, and a ceiling on fee increases. A national Enrolment Fee Deliberation Committee now determines a ‘reasonable’ rate (OECD 2016a). Public funding for ‘two-year’ institutions doubled between 2005 and 2009 (Jones 2013).

Tuition fee levels vary substantially between universities. On average they are about twice as high at private as at public institutions, with large differences between HEIs and subjects. Private universities which position themselves as primarily ‘academic’ tend to charge more, while those at the ‘polytechnic’ end of the spectrum tend to be cheaper. Students in junior colleges are more likely to take a two-year course and thus will have fewer years’ fees to pay. However, the annual fee may be fairly high because these institutions rely heavily on fee income (Kis and Park 2012).

Our interviewees reported that especially since the introduction of support to pay tuition fees, prestige and subject choice guide students’ decisions about entry far more than fee levels. Many HEIs publish data on typical graduate salaries, but this is just one piece of information used by prospective entrants. Course quality, institutional reputation and the range of services offered tend to be more important.

2.2.3 Student living costs

It is fairly unusual for students in South Korea to move away from home while studying. Most live with their parents, and thus save on accommodation costs. This inevitably limits the range of institutions and courses which poorer students may access. Those who study ‘away’ tend to be from more affluent families.

There are no official statistics on the proportion of students who take a job while completing their programme. Our interviewees estimated that around a third may have employment which is not obtained through official work-study, although the majority try not to do so during the university term. Students seek out internships and opportunities to work in areas related to their subject, as is the case in most countries.

Our interviewees stated that there is a general expectation that parents will provide at least some support for their student children, in cash if they can as well as in kind (accommodation, meals, clothing etc.). The government programme does not include any formal parental contribution, and we did not find any policy discussion which suggested that this has been considered.

2.3 FINANCIAL SUPPORT SUMMARY

TABLE 2.2

Grant payments, South Korea

FUND NAME	NATIONAL GRANT TYPE 1 ('LOW INCOME')	NATIONAL GRANT TYPE 2	THIRD CHILD GRANT
Type of funding	Grant	Support for HEIs to reduce fees	Grant
Elements funded	Tuition fees	Tuition fees	Tuition fees
Sums available	Variable; varies with parental income and academic attainment	Variable: varies with institutional fee levels and arrangements	Institutional tuition fees
Who is eligible	Award is means tested on family income Academic attainment criteria for continuing students	Associated with student but paid directly to HEI Academic attainment criteria for continuing students	Students from families with 3 or more children Academic attainment criteria for continuing students
How is it delivered	'Tuition waiver' – students pay a reduced fee & KOSAF makes up the difference	Directly to HEIs – supports offer of reduced fees	'Tuition waiver' – students pay a reduced fee & KOSAF makes up the difference
Repayment	Not repayable	Not repayable	Not repayable

TABLE 2.3

Work-based aid and student loans, South Korea

FUND NAME	NATIONAL WORK STUDY PROGRAMME	INCOME CONTINGENT LOAN (ICL)	DIRECT LOAN (DL)	LOAN FOR RURAL STUDENTS
Type of funding	Work-study (wages)	Loan	Loan	Loan
Elements funded	Tuition fees Maintenance	Tuition fees Maintenance	Tuition fees Maintenance	Tuition fees
Sums available	Variable by hours worked & type of job	Full tuition fees; living expenses up to 3m KRW annually	40-90m KRW tuition; living expenses up to 2m KRW per annum	Variable
Who is eligible	Students from lower-income family backgrounds	Aged 35 or below at enrolment; from lower income family or family with 3+ children Academic criteria	Aged 55 or below at enrolment; from higher income families Academic criteria	Fishing/farming community residents Academic criteria

How is it delivered	Wage; funded by KOSAF, delivered through HEIs	Paid in instalments	Paid in instalments	Paid in instalments
Repayment	Not repayable	Income contingent: flexible, reduced interest rate	Interest only for 10 years, then repaid over same period as received; fixed interest rate	Interest free; grace period (2 years), then repaid over the same period received

TABLE 2.4

Merit-based and other scholarships, South Korea

FUND NAME	PRESIDENTIAL SCIENCE SCHOLARSHIP	NATIONAL SCHOLARSHIP FOR SCIENCE & ENGINEERING	NEXT CENTURY HUMANITIES SCHOLARSHIP	LOVE/DREAM SCHOLARSHIP	LADDER OF HOPE/HOPE LADDER SCHOLARSHIP
Type of funding	Scholarship (merit based)	Scholarship (merit based)	Scholarship (merit based)	Scholarship	Scholarship
Elements funded	Tuition fees	Tuition fees	Tuition fees	Tuition fees	Tuition fees
	Maintenance for poorer students	Maintenance for poorer students			Maintenance
Sums available	Full tuition fees	Full tuition fees	Full tuition fees	Full tuition fees	Variable
	Additional 2.5m KRW for academic excellence	1.8m KRW maintenance for poorer students			
Who is eligible	1.8m KRW living costs for poorer students				
	Competitive process: academic excellence & potential; GPA must meet an ongoing minimum to retain scholarship	Competitive: academic excellence & leadership potential: GPA must meet an ongoing standard to retain scholarship	Competitive: academic excellence & leadership potential	Any student subject to criteria Criteria set by donors	Student must agree to work in an SME or found an enterprise after graduation
How is it delivered	Cannot receive other KOSAF aid				
	Competition: students apply to KOSAF	Competition: students apply to KOSAF	Competition: students apply to KOSAF	Competition: students apply to KOSAF	Students apply to KOSAF
Repayment	Paid directly to HEI which transfers LC element directly to student	Paid directly to HEI which transfers LC element directly to student	Paid directly to HEI which transfers LC element directly to student	Paid directly to HEI which transfers LC element directly to student	Paid directly to HEI which transfers LC element directly to student
	Not repayable	Not repayable	Not repayable	Not repayable	Not repayable

2.4 COMMENTARY

Note: the following framework applies to 'traditional' and 'industrial' universities, and also to colleges where VET is delivered.

2.4.1 Government financial aid

Tuition fee grants: the system of grants to pay tuition fees is relatively new and is designed specifically to increase the participation in HE of children from poorer families. Grants are means-tested on the basis of family income, using a sensitive 'sliding scale' originally developed for use in the wider social security system. The poorest students pay no tuition fees, while those in the lowest eight income divisions will receive some support with doing so.

State-supported grants, scholarships and loans are all administered by KOSAF. Students apply directly to KOSAF and also submit documentation to their admitting institution; aid is then administered via the HEI. KOSAF also supports students in making applications for aid. In general students can only receive one type of KOSAF funding, which will be the one offering them the greatest financial advantage. So if a student who was eligible for a Type 1 National Grant then wins a merit scholarship, s/he will no longer receive the grant.

National Grants Type 1 are available to students whose parental or family income falls into the lowest eight levels of the official scale, or who have three or more children. Those in the lowest bands ('Basic Living Security Benefits' and the lowest two divisions of income) receive full tuition fee relief, and the student contribution increases by increments, as a proportion of the institutional fee, as family income rises. The actual sum paid on behalf of the student depends on their institutional tuition fee, and fees are capped by the government. Continuing students must meet a set level of academic attainment.

National Grants Type 2 support institutional initiatives to reduce tuition fees, and are paid directly to HEIs.

Third child grants support tuition fee reductions for students from families with three or more children, regardless of income.

Grants are normally paid directly to the university, 'making up' the balance of the fee when the student has paid his/her contribution (the 'tuition waiver'). If this is impractical, the student can apply for a loan to pay his/her fees and a subsequent grant amount is deducted from the loan principal.

National merit- and need-based scholarships: Five types of scholarship are offered via KOSAF, with a limited number of recipients across South Korea. Two of these reward skills and leadership potential in STEM subjects, and a similar award is available for the humanities. Recipients receive full tuition fee relief, and poorer recipients of the STEM awards also get a living costs grant. Recipients of the Presidential Science Scholarship can receive a supplementary award for 'academic excellence'.

The 'Ladder of Hope Scholarship' (also translated as 'Hope Ladder Scholarship') is designed to encourage more students to work in SMEs or found enterprises after graduation. It focusses on creativity and innovation, and offers full tuition fee relief to students who commit to these career options.

The 'Love/Dream' scholarship is funded by donations (which are tax-deductible) from individuals and businesses. Donors work with KOSAF to determine criteria for award of the scholarship, which focusses on need.

All scholarship options require students to maintain a prescribed level of academic progress on their course. The merit scholarships are awarded on the

basis of secondary school attainment, application forms, and recommendations from the student's secondary school. A small number are also awarded following recommendations by city and provincial school superintendents; this ensures that students with the potential to excel who have not put themselves forward can access the awards.

Loans: As well as scholarships, KOSAF provides a range of government-backed loans. The bulk of these support payments of tuition and institutional fees, although some loan funding is available for living costs. Loan funding was initially very limited, with just 9 per cent of students receiving it in 2013; however provision has expanded since then (OECD 2015). Like the KOSAF grants and scholarships, loans are provided on the basis of need, with conditions relating to ongoing academic attainment and merit. Repayment is income contingent and may be deferred for a period after graduation.

The three main types of loan are:

An Income Contingent Loan (ICL). Sufficient money can be borrowed to pay all tuition and institutional fees, as well as up to 3m KRW annually for living costs (roughly US\$2,640²). Students must be under 35 when they enrol, and the level of the award tracks the same 'Family Income Level' scale used for National Grants. Only students from families with an annual income of Tier 8 or below, or with three or more children, can apply for a loan. To keep their loan, students must maintain a prescribed level of academic attainment.

The ICL is subject to fixed-rate interest (at about 2.7 per cent) while the student is on course, although those in severe financial need may be exempted from interest on the living costs element until they start repayment. Repayment is income-contingent, although student can start to repay before they reach the threshold, and made in monthly instalments.

Direct Loans (DL) can be used to pay tuition fees and living costs. Between 40m and a total of 90m KRW can be borrowed to pay tuition fees, up to the full cost of tuition. Students can also borrow up to 2m KRW annually for living expenses. The DL is available to students regardless of family size or income, at any age under 55 at the start of their programme, and students must maintain a prescribed academic standard. A DL can be converted into an ICL should the student become eligible for the higher level of support. This would happen, for example, if their family income falls below Tier 9 of the national Family Income Level scale, or if their parents have a third child.

Repayment starts on graduation, although students can request a 'grace period' of up to ten years during which they repay only the fixed rate interest (at 2.5 per cent); following this they must start to repay the principal. Repayment must be completed within a second ten-year period, in a 'mortgage style' repayment system.

For both of the above, students may also apply for only the living expenses element of the loan. Students who qualify for the ICL but borrow only for living costs repay at an interest rate of 2.5 per cent. The conditions of repayment for living expenses loans follow the format for either the ICL or the DL, depending on the student's circumstances.

Loans for rural students (LRS) are offered to students who live in farming and fishing communities, or who have worked in those communities. These loans can be used to pay full tuition and institutional fees.

2 Average disposable household income in South Korea is about US\$20,000.

The LRS is interest free, and students have a 'grace period' of two years before they begin to repay. The repayment period is generally the same as the period for which the loan was received, so a student who had a loan for three years must complete repayments by five years after graduation.

2.4.2 Work based aid and loans

'Work based aid' is a wage offered to students in return for on- or off-campus work which is completed during term time and official vacations. The system is organised and co-ordinated through KOSAF, although some of the jobs offered may be located at the student's institution. The level of work-study payments varies depending on the quantity of work undertaken by the student, and the type of job. Work-study accounts for about 5 per cent of KOSAF payments, and is generally available only to poorer students.

2.4.3 Institutionally-offered financial aid

As well as the KOSAF programmes, most individual HEIs offer various different financial aid packages. This increases the support available to poorer students and opens up options for those from better-off backgrounds. Most of this aid follows a similar framework to that of the KOSAF programmes, including merit-based, needs-based and/or general financial aid, as well as work-study. Individual institutions may also provide bursaries or other support for specific groups of students, such as residents in the local area or relatives of university staff. Awards may duplicate the levels, types and allocation criteria of national aid, or be offered at different rates and – frequently – for shorter periods.

It is outside the scope of this research to describe the full range of financial aid offered by different South Korea's HEIs. The following list is taken from the website of a prestigious public university, and reflects its use of its generated funds, government support (such as Type 2 grants), and private donations.

Low Income Family Scholarship – for students from families with incomes below Tier 3 of the scale and 'weak academic performance', mainly those who fall short of the grade requirements for a full National Grant. The prescribed academic threshold is below the equivalent KOSAF one, and offers to 'top up' fees.

Financial Aid Scholarship – for students who receive a National Grant Type 1, this makes up the difference between the tuition fee and the institutional fee.

Departmental Honours Scholarships – awarded to the 'Valedictorian' and three other students with outstanding attainment within an academic division.

Department Development Scholarship – funded by academic departments using money they have raised themselves (i.e. not from university or government sources). Selection criteria are set within the department; these may reward grades or community service, and/or seek to widen access and mitigate hardship. The sums offered are below 500,000 KRW per month.

Study grants – awarded to students with very strong academic attainment, and to poorer students who have also received a scholarship worth less than 2m KRW in total from an external body other than the government.

Labor scholarship – a work/study award, paying 8000 KRW per hour for up to 25 hours of work per month over 4 months. This is for non-specialised work, e.g. as a cafeteria assistant or library supervisor. A student who can obtain a specialised job (for example, one related to their major) can receive a higher rate of payment (10,000 KRW per hour).

Undergraduate Financial Aid – short-term aid, 135,000 KRW per month.

Additional scholarships – for the children of deceased faculty members.

External scholarships – the University website lists over 30 external organisations to which its students can apply for financial aid.

2.4.4 Corporate engagement and donations

Staff from KOSAF are actively engaged in fundraising from potential corporate sources. The 'Blue Lighthouse Scholarship Fund', administered by KOSAF, helps to provide financial aid for those in difficulty. This includes both support with tuition fees and living costs and help to access opportunities such as overseas travel or event attendance. As well as financial donations companies are also encouraged to consider donating time to national mentoring programmes.

2.4.5 Merit awards

Most countries have at least a handful of awards for academic excellence (even in the UK, some institutions still offer book grants or essay prizes), but South Korea is unusual in the extent of its merit scholarships. Fewer than 20 per cent of government scholarships are merit-based, but by international standards this is high. In addition, many institutional scholarships are linked to high academic attainment. A small (and unscientific) review of websites for polytechnic and technical institutions suggests that their more limited range of scholarships and financial aid is overwhelmingly linked to attainment. The imperative to recruit the best possible students almost certainly drives this trend.

Merit awards focus on continued attainment and engagement among students, both of which are important academic goals. There is support for the position that linking financial aid to grades (see below) is associated with improved student retention, although this relates more to maintaining an acceptable standard rather than excelling. However within Korea the focus on merit-based aid has sometimes been criticised because it could exclude some poorer students from receiving certain types of scholarship. In particular students whose parents could not afford after school tutoring may be less likely to win an award given on the basis of pre-entry performance. Such criticisms have led to a reduction in the importance of merit in KOSAF programmes.

3.

AUSTRALIA

3.1 CONTEXT

3.1.1 Education in Australia

Australia's school system follows a fairly standard Anglo-Saxon model, albeit with some challenges relating to the country's geography and demographics. In very sparsely populated areas access to school can be difficult, especially after the primary years. Vocational education and training (VET) can be particularly difficult to provide and access, because of the costs and practicalities involved. This is more easily mitigated at post-secondary level.

Australian schools do not practice tracking by academic or vocational routes (OECD 2013), although students can choose vocational options as part of their general education. The Australian curriculum and qualifications system allows students who take VET subjects in school to use these as part of their qualifying score to enter university, if they choose to do so (Polidano and Tabasso 2016).

Widening participation is an area of concern. The Aboriginal and Torres Strait Islander populations have high rates of economic and social disadvantage, and low rates of educational attainment and participation at all levels. Initiatives to improve their opportunities and experiences are in place at both federal and state levels. Disadvantage associated with geographical isolation is also addressed, as is economic disadvantage across ethnic groups (Webb et al 2015).

3.1.2 University education in Australia

The Australian University system is largely public, and despite increasing levels of private funding for universities, few fully private HEIs have been established.

Stratification is strong. The 'Group of 8' (roughly equivalent to the British Russell Group) includes the longest established institutions in several of the mainland cities, along with the Australian National University, the University of New South Wales, and Monash University (Tasmania and the Northern Territories have no Group of 8 institutions). Other networks relate to specialisms such as technology or innovation. Although less prestigious than the 'Group of 8', the second tier of Australian HE maintains high academic standards and strong international reputations in research and teaching. Universities have a great deal of institutional autonomy, but the Government wields a substantial influence as the key provider of funding (DEST 2007).

Australia has a very high proportion of international students, and HE is considered one of the country's major exports; in 2016 education export earnings totalled AUS\$21.8bn making 'the education of international students'³ the country's third largest export after iron ore and coal (Universities Australia 2017). International education is important to the sector's sustainability.

3.1.3 VET in Australia

The VET sector in Australia is large and diverse. Its 'spine' consists of Institutes of Technical and Further Education ('TAFE'), administered by States and Territories.

3 This figure does not include consultancy services or royalties from intellectual property.

VET is also delivered by Registered Training Organisations (RTOs), which are mostly private. Following an expansion in 2011/12 the number of private RTOs has shrunk considerably, and most now focus on niche specialisms.

TAFE institutes and RTOs offer a range of courses leading to a certificate or diploma at general or advanced level. They also deliver the academic portion of apprenticeships. Most VET is based on programmes accredited via either state or territory governments or the Australian Qualifications Framework, which is administered by the Department of Industry through the Council of Tertiary Education Skills and Employment. Some institutions offer Associate Degrees.

Apprenticeships are well established. States and territories manage the National Apprenticeship System, funded through the Australian Apprenticeships Support Network via eleven Apprenticeship Network providers. Providers service the system, run administrative and financial processes and advise individual apprentices and employers. Employer engagement is strongly facilitated and supported, and awareness of apprenticeships is high. This route is popular among young people; over 5 per cent of Australians aged 16-29 are apprentices.

The boundaries between the HE and VET sectors have become increasingly blurred in recent years, with 'examples of significant confusion and of considerable inter-institutional contest as well as willing collaboration' (Fowler 2017). This widens the range of choices available to students and opens up opportunities to pursue a course of study which closely matches their interests and/or labour market requirements. However the complexity of the system may increase the risk that students will not make the most appropriate choices for them, resulting in less than optimal use of limited financial resources.

Engagement in VET is high among young people, but also among older learners; the majority of students in a 2016 study of graduates from VET were aged 25 to 44 (19,646 people), and the next largest age group was 45-64 (13,079 people). By contrast just over 10,000 people aged 15-24 graduated from VET. Overall participation is in decline relative to HE, which may be in part due to limitations on the funding available for sub-degree qualifications (Fowler 2017).

3.2 THE AUSTRALIAN STUDENT SUPPORT SYSTEM

3.2.1 Overview

In Australia HE students pay a proportion of their tuition fees, with the government funding the remainder through a system of 'Commonwealth Supported Places'. VET students receive full or partial fee grants if their programme develops skills and training that is identified as crucial to the local or national economy. Students on other VET courses pay full fees.

Australian students receive help with living costs through the national social security system rather than a dedicated student maintenance loan or grant. This effectively treats them as 'independent adults' rather than means testing them on the basis of parental income. Apprentices receive a wage from their employer.

3.2.2 Tuition fees

Since 1989, students at Australian universities have contributed to their tuition under the 'Higher Education Contributions Scheme' (HECS). Most pay around 42 per cent to 46 per cent of the total. Increases to this contribution are under discussion, and cuts to overall university funding may make these more likely.

Places which are co-funded by student and state support are known as 'Commonwealth Supported Places' (CSPs), and the state pays the balance of

the fee direct to the university. Students can apply for a loan to pay their fee contribution, which is repaid once their graduate income reaches a certain level.

A new system of loans to pay VET student fees was introduced in 2017, following some issues with the previous VET-FEE-HELP system⁴. TAFE institutions administer student loans, and RTOs delivering approved VET courses can also apply to become VET student loans providers. The Government pays the student's tuition fees directly to the approved provider and the student then accumulates a debt to the Government. Individual States can offer additional, funding for training and development, most of it tailored to specific local needs.

When making decisions about post-secondary education, HE entrants negotiate a fairly straightforward funding framework. This is administered by the national government, and information is publicly available from a small number of well-recognised sources. There are eight different levels of tuition fee contribution, and three capped rates of student contributions (Norton and Cakitaki 2016).

By contrast, VET students '... in the main have less access to information on price and any applicable subsidy and, hence, their out of pocket costs, as well as less ability to compare training providers when making choices' (Fowler 2017). Under the old framework, the same course could even be available at different rates. The new system of VET loans has gone some way towards simplifying matters, with a single, national portal which lists eligible courses, details of the capped sums students can borrow, and a list of approved course providers.

Inevitably, though, state and territory control of VET means that there are differences by region. What one of our interviewees called 'regular proposals' that the Federal government should take over and simplify VET are met with the objection that the current system allows flexible provision to meet regional skills needs and manage geographical and demographic challenges.

3.2.3 Student living costs

Student living costs in Australia are supported through the social security system. This includes both benefits which are generally accessible (for example to support dependent children), and others which are specific to students or young people. There is no student-specific system of maintenance support, and the social security payments available to them are administered by the main benefits agency; they 'sit on the shelf next to the dole', as one interviewee put it. The aim of the system is to provide and protect a minimum income standard.

The cost of living is relatively high for students, especially those studying in the major cities or living away from home. Most take paid work during their course, with a typical working week during term of about twenty hours. There is some concern among HE and student support professionals over the potential impact on studies, and many students are themselves unhappy about this.

3.2.4 Analysis and discussion

Government data on widening participation is gathered in Australia, but the use of postcodes to identify economic disadvantage makes this problematic. For certain HEIs this approach means that none of their core geographical student

⁴ The old system was scrapped in December 2016. In 2011 and 2012, several states had 'opened up' the system of public income-contingent loans for VET fees, broadening student eligibility criteria, removing the cap on the number of places, and allowing fees to be 'spent' at any course in any registered training organisation. This led to an 'extraordinary' expansion of provision, with '... growing concerns about the quality of some of the training delivered' and 'aggressive provider enrolment behaviour... some [providers] did not aspire to the delivery of quality training' (Bowman and McKenna 2016). Complexity and a lack of value for students' money resulted, with a certain amount of 'inappropriate targeting' of students who were unlikely to complete courses.

constituency would be identified as disadvantaged, despite strong institutional awareness that this is not the case. Figures for participation by minority and disadvantaged ethnic groups, such as the Aboriginal and Torres Strait Islander population, are also monitored.

A study by Universities Australia (Bexley et al 2013) examined the financial experiences of students in detail. Its key findings included the following.

- Immense diversity in the financial circumstances of Australian students, such that it is difficult to characterise a ‘typical student’ or say what they might experience.
- Stability over a ten-year period in student incomes but higher reported levels of financial distress.
- An increasing polarisation of ‘haves and have nots’ in the student population; those who are worried about money are more likely to be older (aged over 25), renting property, and without financial support from their family. This group is likely to experience impacts of hardship on their studies, including elective deferrals of study for financial reasons.
- Social diversity measures appear to be effective in improving the circumstances of some Aboriginal and Torres Strait islander students, but these groups are more likely than others to be living away from home and to have no support from their families.
- The real-terms debt burden of undergraduate students rose between 2006 and 2012, and more students were in debt.
- Fewer students were in part-time work in 2012 than in 2005, but those who had a job worked longer hours.
- Poorer students (as defined by postcode) had slightly higher expenditure, with the highest discrepancy in accommodation costs, basic living costs and social spending; this difference probably reflects their living circumstances and lower levels of parental support (including support in kind).
- Poorer students are more likely to work for long hours during term and to experience impacts of work on their studies.

3.3 FINANCIAL SUPPORT SUMMARY

TABLE 3.1

Support with tuition fees, Australia

FUND NAME	COMMONWEALTH SUPPORTED PLACES	HECS-HELP	SA-HELP	FEE-HELP	VET STUDENT LOANS
Type of funding	Grant	Loan	Loan	Loan	Loan
Elements funded	Tuition fees (partial)	Tuition fees (student contribution)	Services & amenities fee	Tuition fees (not student contribution)	Tuition fees
Sums available	About 60% of fees	Balance of fee payment	Full fee payment	Capped at \$100,879 in 2017 (higher medicine). Capped for student lifetime	Sum capped by course type and sector; bands set at \$5k, 10k and \$15k, some higher options

Who is eligible	Most undergraduate students in their first cycle of learning	Most undergraduate students in their first cycle of learning	Most undergraduate students in their first cycle of learning	Any student enrolled in an eligible course (but not in a CSP; FEE-HELP tends to be used by postgraduates and students in private HEIs)	Course must be on 2 state/territory subsidy/skills lists or be STEM related or be required to practice an occupation. Providers must meet criteria; students must demonstrate progress
How is it delivered	Partial payment of student tuition fees; students pay only the 'student contribution' amount	Paid direct to the institution as the student contribution to the tuition fee	Paid direct to the institution as the student contribution to the tuition fee	Paid direct to the institution.	Government pays fees directly to the provider; student accumulates debt to the Government.
Repayment	Not repayable	Through taxation system, income contingent. Interest rate sliding scale with income.	As HECS-HELP	Loan fee of 25%. Cap applies to the student lifetime. Terms as for HECS-HELP	As HECS-HELP

TABLE 3.2

Living cost payments, Australia (all sums given in AUS\$)

FUND NAME	YOUNG ALLOWANCE	AUSTUDY	ABSTUDY
Type of funding	Social security benefit	Social security benefit	Social security benefit
Elements funded	Maintenance	Maintenance	Maintenance
Sums available	Varies with circumstances; single childless students living at home receive \$239.50, member of a couple with children receives \$480.00	As for Young Allowance	Allowance & supplementary benefits inc. specific sums for travel & residential costs
Who is eligible	Means tested by assets, income & circumstances. Earnings of \$437-\$524 mean fortnightly payment falls 50c by each \$ earned above band minimum. Max. income targets from \$857.17 for childless students living at home to \$1,422.34 for single parents.	Means tested, available for students or apprentices aged 25 or above studying full-time. Asset & income tests as for the Youth Allowance. A different rate applies for people who have previously been long-term unemployed	Aboriginal & Torres Strait Islander students
How is it delivered	Fortnightly payments	Fortnightly payments	Fortnightly payments
Repayment	Not repayable	Not repayable	Not repayable

TABLE 3.3

Additional support for VET students, Australia

FUND NAME	TRADE SUPPORT LOANS	WAGES	LIVING AWAY FROM HOME ALLOWANCE	AUSTRALIAN APPRENTICESHIPS INCENTIVES PROGRAMME
Type of funding	Loan	Wage	Grant	Payment to employers
Elements funded	Maintenance; some study costs	Maintenance	Maintenance	Employer costs
Sums available	Up to \$20,420 throughout apprenticeship; payments fall as wages rise. 20% discount to principal on completion	Set under an approved agreement, or NMW	First year rate c. \$77.17 per week, second year rate c. \$38.59 per week	Variable by programme, state/territory, & student group
Who is eligible	Students on eligible programmes (higher level qualifications in 'priority trade' areas, some other courses)	All apprentices	1st & 2nd year apprentices who need to move away to study. Not available with social security benefits as above.	Employers who take on apprentices
How is it delivered	Monthly; can opt out at any point	Monthly	Weekly	Paid to employers.
Repayment	Through taxation system, income contingent. Interest rate sliding scale with income.	Not repayable	Not repayable	Not repayable

3.4 COMMENTARY

3.4.1 Tuition fee support

Commonwealth Supported Places (CSPs) effectively operate as a fee grant. Fees vary by subject discipline, with rates set by the national government. Courses with higher anticipated graduate earnings tend to cost more, on the principle that HE participation of itself benefits both the student and the wider society. So jobs which, on a more 'utilitarian' view, might be seen as having similar social benefits are charged differently; future doctors pay the highest rate, while prospective nurses, anticipating a far more modest graduate wage, pay the lowest⁵. Our interviewees felt that this was accepted in Australian society and that there would be little support for full tuition fee payment by students.

With the removal of the student numbers cap in 2012, enrolment expanded considerably. This effectively widened access, but also increased costs to the state. In addition, universities which recruited a diversified student population encountered additional costs for student and academic support. Our interviewees noted that further rises in fees or in student contributions are under discussion.

There is some anxiety that such developments could halt gains in widening participation, with further expansion driven mainly by middle class entrants (or international students). Without policy interventions, some universities may elect

⁵ The exception is a small number of 'national priority' subjects, mostly in the STEM area.

to take fewer 'risky' widening participation students, effectively reverting to a more elite system. Interviewees suggested that some experts believe the current fee level is seen as 'worth it' given the likely graduate premium on earnings. A higher fee, however, might deter debt-averse students from poorer homes. Rises to date may have impacted on choices about where to study, with less affluent young people staying closer to home in order to reduce living costs.

HECS-HELP is paid to universities and repaid by students once a graduate income threshold (currently AUS\$ 54,869) is reached. Conditions of repayment are the same for HECS-HELP which pays tuition fees and SA-HELP, which pays the small institutional services and amenities fee. Students who repaid their HECS-HELP early used to receive a discount but this has been phased out.

FEE-HELP is used mainly by students who cannot access a CSP. These include postgraduates, people taking a second bachelor's level course, and some student at private HEIs. The 'cap' on FEE-HELP applies to the student's lifetime, so that s/he cannot borrow above this for a second programme. The terms of repayment are the same as those for HECS-HELP, but a loan fee of 25 per cent is charged.

VET Student Loans follow the same model as HECS-HELP. Students apply for a programme and then access a fee at the appropriate level, up to the 'cap' for that course type and subject. However, not all programmes are funded. Qualifying courses include those which appear on at least two lists of state or territory priorities for employment and skills needs, STEM programmes, and those which grant a licence required to practice a particular occupation. In addition, the course provider must meet set criteria (primarily around quality of learning experience), and the student must demonstrate appropriate progress.

VET providers receive government subsidy for providing training in particular areas, some of it in the form of student fees. In turn, they tend to set their fee levels in response to the subsidies available. States target funding for both individuals and institutions towards skills for key sectors, to upskilling and reskilling for career change, and to reduce unemployment. Students in VET may sometimes have their fees paid in full by the state or territory government, if they enrol on a programme in a field where there are high levels of skills need and clear employment prospects.

In general apprentices do not have to pay fees for the taught elements of their programme, although a small number may be required to make some contribution. On the other hand students who cannot access support, for example those whose courses lie outside priority skills areas, may have to pay full fees. TAFE institutions may offer ways to make this easier, such as the option to pay in instalments.

As well as directing funding towards skills priorities, states may apply heavy discounts to a wide range of courses for students from disadvantaged groups; as a result, some fees may fall to just a few hundred dollars a year⁶. Alternatively they may offer additional support to 'high needs learners' or elect to target funding towards students from remote or disadvantaged geographical areas. There are also specific grants for 'disadvantaged' students, e.g. the 'Reconnect' grants programme in Victoria which helps people to enrol in programmes after they have become disengaged from education and training. This is alongside other specialist services, such health, accommodation, and personal support.

3.4.2 Social security payments

Young allowance is paid to students aged 16 to 24; this benefit is available to all people in this age group who are full-time students (including VET students),

⁶ Full fees for an advanced diploma course could be as high as AUS\$ 8,000.

apprentices, jobseekers or on long-term sick leave from work or study. It is means tested and varies with the student's situation, although *not* with his or her parental income. The factors taken into account are personal circumstances (whether the student has a partner or children), any earnings that he or she may have, and whether he or she lives with family or independently.

Austudy is paid to students or apprentices aged 25 or above who are studying full-time. It effectively duplicates the Young Allowance, although different rates are applied for older people who have previously been long-term unemployed.

Abstudy is paid to Aboriginal and Torres Strait Islander students. It includes a small allowance and supplementary benefits for travel and housing costs.

This integration of living costs support with the benefits system is designed to provide students with a 'minimum liveable income' and a degree of independence. The rates are relatively low, and most institutions are aware of some degree of student hardship, especially among those who cannot draw on much parental support. By far the most important element of living costs is accommodation, which is a particular burden for students from rural areas who have no realistic option of living at home while they study. Several universities and TAFE institutions are now building additional student accommodation which can be made available at a subsidised rate.

The social security system is relatively complex, and its use to support student living costs mean that they have to make a second round of applications once they have applied for their fee support. There are also some challenges for students whose courses do not include a high number of hours in formal classes, and who as a result may not be easily classified as 'full time'. Universities and TAFE institutions have a variety of responses, including issuing formal classifications for students in cases where this may be a problem.

Other benefits which student may access include Child Care Assistance, Child Care Fee Assistance, and some disability benefits.

3.4.3 Specialist support for VET

Specialist support for students in VET includes:

Trade support loans, which are designed to 'top up' apprenticeship earnings and are allocated at a lower rate as wages grow. Successful completion of an apprenticeship brings a 20 per cent discount on the amount borrowed, so these in effect operate as a kind of merit award for apprentices. They are only available for students on designated programmes. Repayment is via the taxation system, with a slightly higher earnings threshold than for HECS-HELP.

Apprenticeship wages, which must be set within an approved agreement or must correspond to the national minimum wage.

The 'living away from home allowance', which is offered to apprentices who cannot access their chosen programme while living with their parents, and who are not eligible for either the more generous Young Allowance or Austudy (which both of which pay a higher rate to students who do not live with their parents).

3.4.4 Incentives for employers

Employers are in general highly engaged in the Australian education system, and the government has set out a policy specifically designed to support this, the 'National Strategy on Work Integrated Learning'. This includes a commitment to identify and publicise the benefits to business of involvement with education, and also to use incentives for companies which support training and workforce

development. Our interviewees felt that it was generally accepted that apprentices benefit businesses, and that many employers willingly buy into the system, literally and metaphorically.

Employers receive incentive payments when they recruit apprentices, and on apprenticeship completion. These start at \$750 (at both start and finish), and rise to \$2,500 for advanced apprenticeships in priority skill areas. There is also a weekly payment of over \$100 for employers who recruit an apprentice with a disability.

4.

GERMANY

4.1 CONTEXT

4.1.1 Education in Germany

The German education system is widely recognised as excellent. Standards of numeracy and literacy as measured by PISA are above average, and upper secondary attainment rates are five percentage points above the OECD average (OECD 2014). Enrolment in early years education is high, and overall skills proficiency, particularly among young adults, is good. At school level socio-economic impacts on educational performance are decreasing.

The best known feature of the system is its use of ‘tracking’. Children aged ten move from primary school to either an ‘academic track’ Gymnasium, a Realschule as the first step on the pathway to technical university training or similar, or a Hauptschule and a trade or technical qualification. There are options to move between tracks, primarily before the age of 12 or at 16, when students on VET routes enter the first ‘training’ cycles and those in the academic programme move to upper secondary school. The ‘dual system’ of classroom and workplace learning ‘eases integration into employment’ (OECD 2014), and overall labour market perspectives are ‘positive’.

4.1.2 HE in Germany

Perhaps because of the high levels of VET participation – and its relatively high prestige – HE participation is lower than in many developed countries. Universities are maintained by the Länder, which receive budgets from two Federal ministries (Education and Cultural Affairs, and Science and Research). Universities are public institutions, historically subject to a relatively ‘detailed’ level of state control (OECD 2014). This is diminishing, and they increasingly operate autonomously.

Neither HE nor VET students pay tuition fees. This follows a brief period in the early years of the 21st century when fees were introduced in seven Länder, following calls which had been growing since reunification. Where this change was introduced, students paid an annual contribution of €1,000 towards the cost of their tuition fees. To the surprise of those who had considered fee payment to be an inevitable part of the modernisation of HE, the resultant public outcry was overwhelming and these Länder abolished fees almost as quickly as they had introduced them. Institutions may still charge a relatively small fee for the use of social facilities, or to cover certain administrative costs; this is generally between around €150 and €300 per semester.

Thus student borrowing in Germany is almost entirely limited to living costs, which are met through commercial and state loans, scholarships, and wages from work. The state also requires a parental contribution to the maintenance costs of ‘young’ students.

4.1.3 VET in Germany

German Fachhochschulen or ‘technical universities’ stress the practical applications of knowledge and have close links to workplaces. Fachhochschulen or Hochschulen traditionally offered a diploma course whose duration is shorter

than that of an undergraduate degree. However, they increasingly organise their teaching into degree programmes, funded and administered as in universities.

Students at Berufsakademien combine classroom learning at Studienakademien with on-the-job training. A Fachschule offers vocational training for fields where practical ‘hands on’ work is not generally part of the course, for example the middle levels of business and public or private administration. Apprentices do not pay fees for the taught elements of their courses, and they receive a wage from their employer.

4.2 Financial support summary

TABLE 4.1

Grant and loan funding, Germany (national sources)

FUND NAME	BAFÖG	BILDUNGSKREDIT	COMMERCIAL LOANS
Type of funding	Grant and loan	Grant and loan	Loan
Elements funded	Maintenance	Study expenses (grant); maintenance (loan)	Maintenance
Sums available	€10 to €735 per month (sum means tested & varies by circumstance) Average €5,376 in 2015	Maximum €7200; €3600 grant available for training-related expenses	Various
Who is eligible	c. 25% of students Students aged 30 or under at course start (some exceptions) Means tested, depends on student & family income & wealth	HE/VET students at ‘advanced’ stage of study (2nd year or beyond) Students can get both Bildungskredit & BAFÖG	Enrolled students (loans are designed for students)
How is it delivered	Directly to student	Application online; monthly instalments, paid directly to students	Various, often in monthly instalments
Repayment	50% of sum is a repayable loan. Repayments start 5 years after standard study period; max. repayment term 20 years; min. monthly repayment is €103, max. repayment capped at €10k	Repayments start four years after loan start, with standard repayment of €120 per month; effective interest rate of 0.75%	Various; most are tailored to student/graduate circumstances

TABLE 4.2

Non-loan finance, Germany

FUND NAME	DEUTSCHLAND-STIPENDIUM	FOUNDATION SCHOLARSHIPS (VARIOUS)	TRAINING ALLOWANCE	PARENTAL CONTRIBUTION	PARENTAL ALLOWANCE
Type of funding	Scholarship (merit)	Scholarship	Wage	Parental contribution	Social security
Elements funded	Maintenance	Maintenance	Maintenance	Maintenance	Maintenance
Sums available	€300 to €1035 monthly (means tested for qualifying students)	Various	Variable by region & discipline; usually €600-€900	Means tested; levels set by government	€190 for first 2 children, €196 for 3rd & €221 for more children or €3,624 per child until student is 25
Who is eligible	c. 4% of students – awarded for attainment	Conditions set by awarding Foundations	Apprentices (working & studying)	Young students in VET or HE	Student parents aged 18 or over
How is it delivered	Monthly instalments	Various	Monthly instalments	Private transfer	Annual payment
Repayment	Not repayable	Not repayable	Not repayable	Not repayable	Not repayable

4.3 COMMENTARY

4.3.1 Living costs loans and grants

BAföG (*Bundesausbildungsförderungsgesetz*) is an aid programme available to students under the Federal Training Assistance Act. It is used by about 25 per cent of full-time first cycle students. Half of the sum received is a grant, and the other half is a repayable loan. The aid is means tested and students can receive between €10 and €735 a month, depending on their circumstances. The average annual payment was €5,376 in 2015. As with other living cost funding, students can use some of their Bafög payment to pay their institutional service fee.

The loan element is repayable five years after the normal duration of study, with a 20-year repayment term and a minimum monthly repayment of €103. Crucially, the maximum that student can be required to repay is €10,000. Students may accumulate debts above this level if they use commercial credit.

BAföG is relatively generous in its terms and in funding both first and second cycle study, but it has a relatively severe age limitation; students must be 30 or younger when they enrol. Our interviewee estimated that only around 20 per cent of students receive Bafög. It can be claimed alongside Bildungskredit.

Bildungskredit also combines loan and grant elements. It is available to all students who have studied for two years. The grant element is €3,600, which must be spent on study and training expenses. Students can also borrow a sum which brings their total funding from the programme up to €7,200. This is repayable four years after the loan starts, with standard repayments of €120 per month and an interest rate of 0.75 per cent.

Commercial credit: Students can access various commercial loans specially designed to meet their needs; for example, they may be paid in monthly instalments (like a wage), have long repayment terms and good rates of interest. Examples include:

- The KfW Studienkredit: this offers monthly payments of €100 to €650, to a maximum of €54,000, and is available to students aged 18-44. The effective interest rate is 3.5 per cent, with flexible repayment terms and a maximum

term of 35 years; a fixed-interest rate is available for a shorter repayment period

- DKB Studentenbildungsfonds: This offers monthly instalments of €650, to students aged 30 or under at enrolment. Repayments begin up to two years after the end of study, with a fixed interest rate of 6.49 per cent
- Future Finance: a student specific loan which factors in future earnings potential when calculating amounts to be lent and repayments.

4.3.2 Scholarships

Deutschlandstipendium is a government-provided merit based scholarship available to HE and VET students. About 4 per cent of students get this award (EC 2016). Qualification is based on academic attainment but the sums paid vary by assessed need, from €300 to €1,035 per month.

Foundation scholarships are offered by various organisations. These may combine loan and grant elements, and tend to be reasonably generous both in the sums allocated and in the terms of repayments for loans. The criteria for application and award generally reflect the values of the sponsor, and vary between different organisations. Some foundations are affiliated to political parties, and while party membership is not required, students who receive (or hope to receive) a scholarship from a particular source may become involved in relevant associations and activities. Others select candidates whose circumstances meet the foundation's social aims; for example, some award scholarships on the basis of background or hardship.

A training allowance is paid to apprentices. Rates vary by the sector in which the apprentice is employed, and are generally lower in the former East Germany than in the west. Most apprentices receive between €600 and €900, but lower and higher sums are also paid. In 2013, 26 per cent of apprentices in western states received €900 or more, compared to 16 per cent in eastern states. 61 per cent of those in the west received between €600 and €900, compared to 52 per cent in the east. Male apprentices have a higher average wage than female ones, which reflects distribution between different occupations (BIBB 2015).

The Berufsausbildungsbeihilfe (BAB) is granted on application to a vocational course. Apprentices are eligible for this if they do not live with their parents during their training. The allowance is intended to overcome economic difficulties which could inhibit professional qualification, secure a balanced labour market and improve labour mobility, and also to widen participation in VET.

Parental contributions are legally required if a means test suggests that a student's family can afford to support him or her, and this requirement is generally honoured. Parents with sufficient means are expected to contribute to their child's living costs during their first degree or period of VET.

Parental allowance: student parents can receive an allowance to support their children, with payments rising for larger families.

4.3.3 Term-time work

Wages are an important part of income for all students, not just those in apprenticeships. Almost two-thirds of students have a part-time job in Germany, and for most this is essential to meeting their living costs. Concerns over the potential impact of work on study are reported.

4.3.4 Hardship, fairness and widening participation

University entrance continues to be associated with social background and parental education levels (Mergener et al 2016), and widening participation for

groups such as migrants and older learners is also limited (Ritzen and Horeau 2013). Opportunities seem to be more evenly distributed in VET.

Our interviewee felt that the debt incurred through paying maintenance costs could be a disincentive to poorer students entering university. A graduate debt burden of around €10,000 sounds relatively low by British standards but this was still seen as a source of worry. Any reintroduction of tuition fees was viewed as potentially damaging fairness and widening participation.

As well as the debt incurred while in HE, the complexity of systems for applying for student aid can cause problems. Loans are provided both by the state and from diverse private sources, scholarships are available from a range of different organisations, each with its own criteria, institutions may offer some support to their own students, and students may also need to seek part-time employment. It is relatively straightforward to receive advice on funding once enrolled in HE, but by the time students do so their debts may already have started to build up, and some applications for aid must be submitted early in the course of study.

4.3.6 State and business support for VET

The costs of delivering apprenticeship training are met by the Federal and Länder governments, the chambers for various sectors, and businesses which recruit apprentices. Länder fund the vocational schools where classroom-based and academic sessions are delivered, while the federal government funds measures for improving and promoting the apprenticeship system. Where 'inter-company training sectors' are in place, these are funded by both Federal and Land government, and also by the 'chambers' for different sectors in each Land.

There is widespread acceptance that supporting the system is beneficial for the economy and for individual businesses: 'During the work-based part of their training, apprentices contribute to the productivity of their employer's organisation; they therefore receive a monthly salary from their employer for the duration of the training' (Wieland and Lezcano 2016). Employing apprentices in their production process allows companies to save on skilled and unskilled workers' salaries, and training their own prospective employees reduces recruitment costs, as well as building a future workforce with the required skills. Employers contribute voluntarily through sector bodies to the costs of VET. Only one industry (construction) imposes a sector-wide levy.

The extent of business support for VET in Germany is considerable. In 2012/13, 23.1 per cent of businesses in the West provided VET to employees (including apprenticeship placements); 13.1 per cent of companies in the east did so (BIBB 2015). This represents an ongoing decline in companies' involvement, but a decline which shows signs of slowing down. Larger businesses are more likely to offer VET. Just over half of those with 20 to 99 employees did so, compared to 16.3 per cent of those with 1 to 19 employees. Nearly three quarters of companies with 100-199 employees offered VET, and for companies with 200 or more employees the figure was 85.2 per cent (BIBB 2015).

Cooperation between educational institutions and employers is at the heart of the system, and businesses also work closely with social partners and organisations such as trades unions (OECD 2010, OECD 2014). This is culturally embedded as well as practically facilitated, although rates of activity vary between sectors (OECD 2010, Euler 2013). This engagement sometimes extends to cash support. For example, in construction the sector body pays a levy to support apprenticeships and training while in other areas companies contribute voluntarily. This is alongside good wage levels for apprentices and trainees, and a major investment of time and resources in collaborations with post-secondary educational institutions, as well as schools. The value of apprentices and other training to business is well-established and acknowledged.

5. IRELAND

5.1 CONTEXT

5.1.1 Education in Ireland

Ireland's education system performs at around the OECD average on most measures of attainment and its school system is relatively centralised by comparison to other countries. In recent years, government initiatives have focussed on school improvement and on narrowing attainment gaps between social groups. Results for the country's relatively large and recent immigrant population, its traveller community, and its poorer children tend to lag those for other students and pupils. Policies to reduce dropout in upper secondary education are also being enacted.

Ireland suffered badly in the financial crisis and education – like other public services – has undergone severe budget cuts in the years which followed. These lie behind many of the changes in HE and VET described here. The student contribution to HE tuition was raised substantially and VET contracted, with apprenticeships in particular suffering a downturn as businesses shed staff and reduced their outgoings.

5.1.2 University education in Ireland

Full-time first cycle students at Ireland's universities and institutes of technology qualify for 'free fees'. This is a confusing term because the 'free fees' scheme actually pays only part of the tuition fee, and students must contribute €3000 per academic year. Students who do not meet the 'free fees' criteria pay a consolidated fee covering both tuition fees and the student contribution (around €6000). The student contribution is normally paid upfront to the HEI at the start of each academic year.

The Department of Education and Skills provides means-tested grants to full-time students. Sums awarded range from €305 to €5,915 per year. Students who qualify for a grant also have the student contribution paid on their behalf.

There are no other government-provided or backed student loans, or other maintenance loans or grants. As a result, students are heavy users of commercial credit, and banks and other organisations offer loans tailored to student needs.

Overall university income has been cut in the wake of the financial crisis. In 2008 around 80 per cent of funding across the sector came from the state; the figure is now under 50 per cent. Some institutions report concerns over financial issues and long-term sustainability. For many HEIs this has led to new approaches to marketing, for example focusing on the potential incomes premium associated with a degree. Irish universities are also recruiting more proactively overseas, which has important intellectual and cultural advantages as well as financial ones.

5.1.3 VET in Ireland

Vocational education in Ireland is organised through sixteen Education and Training Boards (ETBs). These manage the funding, planning and ongoing operations of VET in Ireland. Across the country, ETBs are responsible for a complex sector including 'Post Leaving Certificate' (PLC) colleges, vocational

training centres, community colleges, and multiple other education centres including numerous sector-specialist organisations. The institutions managed by ETBs grant a wide range of VET qualifications including apprenticeships.

The Irish VET system has a high graduation rate, at 69 per cent. This contrasts favourably with the OECD average of 47 per cent.

5.2 FINANCIAL SUPPORT SUMMARY – IRELAND

TABLE 5.1

Student financial aid in Ireland

FUND NAME	STUDENT SUPPORT SCHEME - TUITION FEES GRANT	STUDENT SUPPORT SCHEME - MAINTENANCE GRANT	STUDENT ASSISTANCE FUND (SAF)	VOCATIONAL TRAINING OPPORTUNITIES SCHEME (VTOS)	VTOS ALLOWANCES	COMMERCIAL LOANS
Type of funding	Grant	Grant	Grant	Grant	Social security benefits	Loan
Elements funded	Tuition fees (student contribution element) and some study costs	Maintenance (plus fees for full grant recipients)	Maintenance	Maintenance	Maintenance	Maintenance
Sums available	100% or 50% plus study costs €3,000 or €1,500 Study costs up to €6,270	Variable - from €5,915 to €305 (maintenance element) – average is €1,212	Means tested, sums vary	Tracks highest available rate of Jobseeker's Benefit for age group; will 'top up'	Various; pays for meals, travel, childcare	Various
Who is eligible	Means tested for income & circumstances inc parental income for young students BTEA or VTOS students can receive a tuition fee grant course is eligible	c. 45% of students Means tested for income & circumstances inc parental income for young students Students receiving BTEA or VTOS cannot receive a maintenance grant.	Supports student whose participation would otherwise be at risk for financial reasons	Unemployed aged 21+ & former benefit recipients; on approved course for 30 hours/week; cannot claim other student aid	Living costs	VET students
How is it delivered	Directly institutions. Students must apply to the 'awarding institution', an ETB, local authority or other body, early in the academic year.	3 or 9 equal instalments, to student via institution. Students must apply to the 'awarding institution', an ETB, local authority or other body, early in academic year.	Allocated directly by institutions. Students apply in the second month of the semester.	Weekly payments. Linked to the social security system but paid by the Department of Education	linked to the social security system but paid by the Department of Education	Monthly instalments
Repayment	Not repayable	Not repayable	Not repayable	Not repayable	Not repayable	Various; tailored for students

5.3 COMMENTARY

5.3.1 Tuition fee and living costs aid

Students who qualify for the 'Free Fees' scheme must pay an annual €3000 contribution towards the cost of their tuition (the remainder is 'free'). About 60 per cent of full-time first cycle students make this contribution (EU 2016). No dedicated student aid is associated with this sum, which is usually paid using savings, family donations, or commercial credit. Thus it is potentially a source of financial problems for students who cannot borrow enough to pay it 'up front'.

Our interviewees reported discontent among students over the payment, as well as some cases of real stress and hardship. An unpublished study conducted by the Dublin Institute of Technology found that many students feel they were 'struggling' with money, and this is also the experience of some Students' Unions and student wellbeing professionals. The relatively short notice with which this policy was introduced has exacerbated this because students had little time to save up for an annual payment of €3000. Before 2010, they paid €450 a year.

In several institutions measures to mitigate the impact of the new requirement are in place. One of the most effective is the introduction of an option to pay in instalments, offered – using slightly different models – by several different institutions. Universities are also finding new ways to manage a growing body of student debtors in ways which maintain engagement and good relationships while still ensuring that they receive sufficient income to be viable. High quality student advice, early engagement on financial issues, and a close collaboration between university administrators and students' unions all support this.

A small number of students can apply for means tested grants to pay tuition fees. This 'Student Support Scheme' pays either the full €3000 or half of that sum, depending on the student's circumstances. It may also meet large study-related expenses, such as the cost of field trips. This support is available to some students on vocational programmes which require a tuition fee payment.

The same fund offers a limited number of living costs grants. The rate of these grants depends on an assessment of the student's need, based on his or her income, resources, and family circumstances. Whether he or she lives close to the place of study is also factored in. Rates vary from €305 for a young, single, childless student living near his or her course to a full 'special' rate for students studying in 'non adjacent' areas who would receive €5,915. Payments are made in three or nine instalments to the student via the institution.

Finally, a 'Student Assistance Fund' (SAF) offers small living costs grants to students who might otherwise withdraw from university. A SAF grant can be used to pay for books and other materials, accommodation costs (including rent and bills), food, essential travel, medical expenses, childcare, and expenses associated with personal emergencies such as family breakdown or bereavement. Students may not spend a SAF grant on a tuition fee contribution.

Our interviewees pointed out that these sources are not sufficient to meet all living costs, even before the introduction of the €3000 contribution. Stringent means-testing makes it possible for a student to receive no aid at all; about 45 per cent of full-time first cycle students get some needs-based funding (EU 2016). It is too early to determine what impact these changes might have on widening access, but there is a sense that students from poorer homes are particularly likely to struggle, and that fewer mature-age students enter HE.

5.3.2 Commercial credit

Irish students use commercial credit extensively to meet their living costs and increasingly to pay their tuition fee contribution. Irish banks mostly offer – and market – tailored student loans, which may have a monthly instalment structure of payments, long repayment periods, and favourable interest rates. In addition specialist providers are entering the market. For example, the ‘Future Finance’ company discussed above in the section on Germany is headquartered in Dublin and its marketing targets Irish students.

5.3.3 Support for VET

Students on VET programmes other than apprenticeships in general rely on earnings from term-time work, family support, and commercial credit. However, there is some limited support available for people who have been unemployed for six months or more, and who obtain a place on an approved course for 30 hours a week. This tracks the highest available rate of jobseeker’s benefit for the relevant age group. Students can also access other social security allowances, including payments for childcare and personal costs such as meals and travel.

5.3.4 Merit scholarships and bursaries

In 2012 a small number of merit scholarships for HE were introduced, replacing a similar framework which had been in place for some years. These reward high attainment by particular demographic groups and in defined subject areas, as follows:

The Third Level Bursary Scheme offers awards of €2,000 a year to high-achieving students from disadvantaged backgrounds. 1,000 awards were made in 2015/16.

The Ernest Walton Stem Bursary Scheme rewards the highest performers in the Leaving Certificate who plan to study a STEM subject in HE, across four large regions of Ireland. A total of 8 awards are made, two in each region.

The Privately Funded Scholarship Scheme rewards the highest achieving first-time Leaving Certificate students who are identified as being from disadvantaged backgrounds. It is funded by the JP McManus Trust but administered by the Irish Government. 100 scholarships are awarded each year with a minimum of two in each County.

5.3.5 ‘Private sources’ – family support and part-time work

Most students, even those from poorer homes, receive some support from their parents in cash or in kind. The option of living at home is important to many students and housing costs are seen as a major contributor to hardship. Specialist student housing is in short supply and many universities are building new accommodation. What is available is sometimes rationed, for example being made available only to students whose parental home is a certain distance from the university.

6.

FINLAND

6.1 CONTEXT

6.1.1 *The Finnish education system*

The Finnish school system is cited as one of the best in the world. The country has been among the highest performers in the PISA tests since 2000, with consistently impressive scores across reading, science and mathematics, and one of the smallest relationships between students' social background and their attainment. International measures show that adult skills among Finns – and in particular young adult Finns – are also exceptionally strong.

Finnish children start school late – at seven – and encounter an innovative pedagogic system with considerable school and teacher autonomy. They remain in compulsory education for nine years, although in practice most stay on beyond 16. At this point 'tracking' starts, with students choosing between vocational and academic routes. Opportunities to 'switch track' at 18 or 19 are readily available.

Education is valued highly in Finland, and our interviewees noted that Finnish students tend to be highly motivated. Although the country is relatively socially and ethnically homogeneous there is a policy focus on reducing its already small gaps between outcomes for different demographic groups. Lifelong learning is well-established, and older learners, such as those upskilling or switching careers, are an important constituency for VET.

6.2.2 *HE in Finland*

Students in Finland do not pay tuition fees, and the government offers a good level of support for living costs through grants and loans. Student financial aid is designed to widen and equalise access (Tarkiainen 2017). This system was directly linked by our interviewees to the strong student engagement enjoyed at Finnish universities. Most students work part-time during their course, but the people we spoke to felt that the use of commercial credit was relatively limited.

Unusually, students do not make a single 'centralised' application to several universities but apply separately to each institution where they might want to study. This is sometimes considered cumbersome but it may also lead to good levels of institutional 'fit'.

6.2.3 *VET in Finland*

HE and VET have one common system of student financial aid, and the distinction between universities and VET institutions relates primarily to curriculum and course structure. For example, the majority of students in VET undertake extensive work placements as part of their studies, although this element is increasing in both VET *and* HE. Both college-based programmes and apprenticeships are available. Students can start their 'initial VET programme' in upper secondary education and complete it in a post-secondary institution. They can also switch from a VET track in upper secondary schooling to an HE one at university. The integration of VET in secondary and post-secondary education is considerable, to the extent that a single students' union represents both groups. Completion rates in vocational programmes are high (OECD 2014c).

6.2 FINANCIAL SUPPORT SUMMARY

TABLE 6.1

Student financial aid in Finland

FUND NAME	STUDY GRANTS	HOUSING SUPPLEMENT	INTEREST ALLOWANCE	SCHOOL TRANSPORT SUBSIDY	MEAL SUBSIDY	ADULT EDUCATION ALLOWANCE	STUDENT LOAN
Type of funding	Grant & loan	Grant	Grant	Grant	Grant to HEI	Grant	Loan
Elements funded	Maintenance	Housing	Interest on student loan	Travel costs	Food	Maintenance	Maintenance
Sums available	Max. annual aid €11,260 Monthly amounts €250 - €38	80% of housing costs	Full sum minus penalties & charges for delayed payment	Students pay €43 per month & can backdate claims	Variable	Variable, means tested	€400 per month
Who is eligible	c. 66% of students; must be in full-time study; means tested, income under €11,850 p.a.	Full-time students living independently, up to €201.60 per month Annual income must be below €11,850 annually	Students receiving a student loan	All students	Paid to VET provider- allows student cafes to provide cheaper/ free meals to students	Adults in VET who have worked full-time work with same employer or entrepreneur activity 1 year & in EU/EEA for at least 8 years.	Full-time students.
How is it delivered	Directly to student, for 9 months annually	Directly to student, for 9 months annually		Payments from HEI	Direct to HEIs	Monthly; maximum period is 15 months	Directly to student
Repayment	Loan element as for student loan; grant not repayable	Not repayable	Not repayable	Not repayable	N/A	Not repayable	Tax relief (40%) for students graduating on time, up to 30% of eligible student debt over €2,500 Repayment starts 1½-2 years after graduation & completed in double the time spent studying.

6.3 COMMENTARY

6.3.1 Study grants and loans

The purpose of aid in Finland is to provide a minimum income for students throughout their programme. Funding is available to all students in post-secondary education (and to people aged 18 or over in secondary schools) who are studying full-time. There is no merit element, but students must achieve a threshold standard of academic progress. About 66 per cent of students

studying full-time in first cycle programmes get this support (EU 2016). Overall the Finnish system of loans for students in VET has been ranked on the basis of an international analysis as one of the most successful in promoting take-up, efficiency and equity, and for its long-term sustainability (CEDEFOP 2012).

'KELA' is the government agency which administers social security including student aid. Its main programmes for students are as follows:

Study grants – a combined award with a grant element and a loan element, to be used for living costs. The maximum aid available is €11,260 per year. Amounts vary from a monthly €250 for 'independent' students to €38.66 for a young student living with family. The loan element is government-backed and repayable in a 'mortgage style' system. The grant element is colloquially known as 'free money' and there is a strong attachment to this as an enabler for access to HE and relatively stress-free study.

Housing supplement – this is paid to full-time students living independently and with an annual income below €11,850. 80 per cent of accommodation costs are paid. The housing supplement is a grant and is not repayable. It is due to be discontinued in autumn 2017, after which students will be able to claim the housing allowance available under the social security system.

Student loan – a living costs loan is paid directly to students at a rate of €400 per month. It is repayable after graduation, although students who graduate within the 'target time' for their programme are entitled to tax compensation of around 40 per cent. The maximum deduction is 30 per cent of the eligible student debt over €2,500. Repayments start between 18 and 24 months after graduation, and are usually completed in double the time spent studying.

Interest allowance – students can apply for a grant to meet the cost of the interest due on their student loan.

School transport subsidy – regular or one-off transport costs can be claimed and backdated by one month.

Meal subsidy – this is paid directly to some vocational institutions, allowing them to provide students with subsidised or free meals. Our interviewees noted that this supports both financial welfare and student engagement.

Adult education allowance – this is available only to VET (not HE) students. It is a living costs grant for adults on vocational programmes who have worked in the EU or EEA, for at least 8 years and who have been with the same employer or engaged in the same registered entrepreneurial activity for at least one year.

6.3.2 Working while on-course

The majority of students work in Finland. Our interviews with Finnish HE experts were distinctive, however, in that work was not usually framed as a problematic part of the student experience. One, a member of staff in a VET institution with a strong subject specialism, was positive about opportunities for students to find work which is relevant to their programme, and also to integrate learning from previous work into their studies (both as a subject of study and a source of credit). At least some students choose to undertake paid work only in university vacations, without encountering severe hardship.

In general Finnish VET institutions have good relationships with employers and high levels of engagement, allowing them to place students in companies as part of an apprenticeship or vocational programme. The employer support for 'work learning periods' is seen as mutually beneficial, offering practical experience for

the student and a well-trained employee for the company, initially at a relatively low wage.

6.3.3 Student hardship and student wellbeing

Student stress and hardship appear to be far less of an issue in Finnish HE than in the other case study countries. Financial difficulties were by no means unknown among students. However, our interviewees suggested that they are perhaps more common for mature-age entrants to HE, and often to relate to life circumstances outside the student's programme rather than to finances relating to their participation. Student services were focussed on pointing students towards the aid that is available and on other aspects of advising, such as careers guidance, learning support and personal development.

Although students graduate with some debts this did not appear to be a source of substantial difficulties. Asplund et al (2009) examined the impact of student loans in Finland, and found that this system did not appear to have an impact on the likelihood of graduation, regardless of student socioeconomic background.

7.

LEARNING FROM THE CASE STUDIES

7.1 DO FUNDING REFORMS AFFECT OUTCOMES?

It was not possible to determine the impacts of funding systems and reforms on access and participation in the case study countries. Country-specific literature on these issues is very limited, and most had undergone changes too recently for robust evaluation to have been conducted. The following very brief review of some academic findings from elsewhere (primarily the USA) offers a number of potentially interesting observations, as well as further questions.

Across the OECD, ‘... regardless of how tuition fees interact with various forms of student support, it is not straightforward to determine their relationship to access and equity’ (OECD 2016c). High fees do not appear to be associated with lower first-time entry rates among young people. However, more people going to university does not necessarily mean more people from non-traditional backgrounds going to university. International comparison data on widening participation is not readily available, even though increasing social diversity and encouraging non-traditional groups to take up higher education are policy aims for many governments (Osborne 2003). Therefore, the impact of different systems cannot reliably be identified.

In their review of the evidence on the relationship between financial aid and student outcomes, Dynarski and Scott-Clayton (2013) report that overall it appears to be the case that lowering costs can improve both access and completion. However, the complexity of eligibility criteria and delivery models may moderate the impact of aid on enrolment and persistence. In addition, attainment-related aid seems to support persistence better than grants with ‘no strings attached’, although the level of attainment at which this link is strongest is not clear. They found relatively little evidence on the impact of student loans, despite the prevalence of this form of aid. Kirby (2016) argues that the system of student loans in England requires careful monitoring for its impacts on student experiences and retention, as well as its ‘value for money’ offer.

White (2013) found that students from under-represented groups at a community college received relatively high levels of aid but that these sums were still inadequate to support their studies. Problems included insufficient funding but also confusing processes and insufficient advice, and a lack of co-ordination and consistency in aid policies, including between state and federal financial aid, public assistance and other frameworks. Clarity of systems and support in accessing aid were needed; Chowdry et al (2012) reach a similar conclusion in relation to the UK.

Rutherford (2016) argues that the problems with system complexity go beyond the ‘front pages’ which students must navigate. Financial assistance policies in public HE in the USA have a complex and potentially conflicting range of competing goals, including rewarding student performance, widening access and improving affordability, facilitating student choice, improving retention and graduation, and preparing student for specific careers. In the case of two-year colleges complexity appears to have a ‘strong negative effect on graduation and retention rates’.

In their mid-point study of an 'aid like a paycheck' system in American community colleges, Weissman et al (2017) found that providing loans in fortnightly installments *may* be associated with reductions in stress, as well as in the overall use of loans and debt levels. There may also be a positive impact on retention. Notably many of the case study countries offered loans and grants which were delivered monthly, like a wage. This may help students to develop budgeting skills for the future, and to avoid the problem of spending a whole term's money at once. The practicalities are also important; it is difficult live by three month increments in a world which runs on a twelve-month cycle.

Daughtery et al (2016) evaluated a programme designed to improve wellbeing for low-income students by providing a 'signposting' service pointing them towards public benefit programmes, tax and legal services, financial counselling, and other resources and support programmes across their institutions and communities. This was associated with improved student outcomes and retention. Potter (2017) reached similar conclusions, and found that improved financial literacy and reduction of stigma about asking for help were important (see Reams-Johnson and Delker 2016). NUS Scotland (2010) found that financial anxiety affects student experiences, while Opheim (2011) identified social attitudes to debt as a determinant of student financial behaviour.

Jones-White et al (2014) used student data at a 'research university' in the USA to explore relationships between student outcomes and different kinds of financial aid. Their findings suggested that merit-based aid may increase the likelihood of persistence and graduation from first-choice institution. There is also some evidence that institutional scholarships can improve institutional loyalty (Gross et al 2015). Key factors are the level of 'merit' required, and also the extent to which this reflects prior opportunities and attainment, or success in adding value once at university.

Del Rey and Racionero (2010) analysed the impacts of a shift from the use of taxation to subsidise HE to new frameworks which rely on larger contributions from students. They argue that those based on income-contingent loans effectively provide insurance against 'uncertain educational outcomes' and can support increased participation *providing that* they cover both the financial costs of education *and* foregone earnings.

Lapid and Douglass (2016) explore the impact of a 'progressive tuition model' in American public universities, which involves substantial investment in institutional financial aid for lower-income and middle-class students, with the aim of reducing tuition costs and keeping college affordable. They found that enrolment by poorer students was healthy with this 'robust' financial aid policy, although there was some evidence of a 'middle class squeeze'. In this case, the impact of tuition charging seems to have been mitigated through aid. Higher tuition fees in HE appear to *raise* borrowing rates rather than reducing entry (Best and Keppo 2014).

Arend (2013) examined the potential impact of a funding reform on withdrawal from HE programmes; this was the Danish Student Grant scheme which raised grant levels by up to \$3,000 annually. Overall findings suggest that the reform *lowered* withdrawal rates but had no effect on completion once student characteristics and external labour market conditions were taken into account.

Pechar and Andres (2011) note that these issues go beyond student aid, and that the significance of HE within a national policy framework varies with the overall framework of welfare policies and underpinning assumptions about the purposes of public investment in welfare and/or education and opportunity. In liberal regimes such as the UK, this leads to high levels of *opportunity* for people who can enter HE but also high levels of debt as well as tolerance of inequality.

Steiner and Wrohlich (2008) modelled the potential impact of means tested financial student aid (using the German BAföG as a case study), and found that increases in aid seem to have a small but significant impact on enrolment rates, especially for poorer students. However financial incentives *alone* are unlikely to make a major difference and a more important move would be to ensure that students from a wide range of backgrounds are qualified to the right level. Family input is important; Fincher (2017) found that parental support was *more* strongly associated with reduced debt than several types of grant.

Overall, aid which *reduces* the upfront cost of post-compulsory education does appear to help widen participation and improve persistence, provided that systems for accessing it are clear and do not impose too great a burden on students. Support with financial awareness and literacy, and with reducing stigma around discussions of money, is also useful. The evidence on how the prospect of debt affects student decisions is limited, although both this and immediate hardship cause stress for students, in particular those with lower levels of family resource. However, students do *not* make choices on the basis of pure economic rationality (Harrison 2017). Rather, they weigh up financial considerations alongside other personal, social, cultural and academic factors (Reay et al 2005). Many non-financial issues play a major part in decisions about entry to and persistence in post-compulsory education (Quinn 2009, Bowes 2013, David et al 2010).

The *modest* relationships between rates of participation by students from disadvantaged groups and certain types or formats of financial aid suggests that other policy interventions in education are needed. For example, tackling the roots of disadvantage in the school and pre-school years is fundamental to avoiding the reproduction of inequalities (Crosier and Simeoni 2016). Even so, better information about the relationship between student finance and other aspects of the student experience is important to make sure that policy supports national objectives and helps students to fulfil their own potential.

7.2 LEARNING FROM OTHER STUDENT SUPPORT SYSTEMS

It is difficult to compare national systems of HE and VET because they are deeply embedded in the lives and cultures of the countries where they operate. All our interviewees spoke from a position which took the system in their countries as the 'normal' one, an entirely understandable response. After all, we almost certainly approached the UK norms in the same way. Education does not just furnish people with skills and qualifications; it shapes identity and social position, with the result that systems are difficult to unpick and 'translate'.

Two of our case study countries are often cited as examples from which good practice should be 'transferred' or 'transplanted' (Germany for VET and Finland for schooling). Yet practitioners from both countries warn that these deeply embedded practices cannot be lifted wholesale and dropped down in a different place. Rather the principles which underpin success should be identified, and equivalents sought in countries seeking to address their own issues.

We did, however, identify a number of potential innovations from outside of Scotland that could be instructive for the Review.

Simple systems for accessing funding work better than complex ones. The relatively generous system of VET funding in Australia was sometimes described as over-complex, especially by comparison with that country's HE student aid mechanisms. Several of the American studies discussed above stress the importance of making aid systems easily navigable. The extreme complexity of the VET landscape in the UK is frequently noted (Lupton et al 2015, Wolf et al 2016). This

has not been resolved despite multiple waves of policy reform, even though the relationships between Federal and State aid found in Australia and the USA do not apply. There may be undesirable impacts on access, entry, and the quality of 'fit' between students and their programmes.

Bringing the HE and VET student aid systems together seems to work well. The UK is unusual in the strong separation between systems of student aid for HE and VET. Potentially this may contribute to the lack of parity of esteem between the sectors, despite changes including the introduction of HE in FE options at many colleges.

Students may benefit from better links and interactions between social security and student support. Many other countries link their student support and social security systems in some way. This may involve simply matching the levels of support and/or the means tests for student support and social security. Alternatively, the main systems of support for student living costs may be administered and paid by a social security rather than an education ministry. The 'strong' barrier between social security payments and VET (and, indeed, HE) student aid in the UK means that students whose progression could be eased by access to certain benefits often cannot get these, or face difficulties in doing so. For example income support, childcare support and help with housing costs could all help to improve enrolment, attainment and retention rates for poorer students on VET courses. Several countries have systems which facilitate this, as well as student support services which help students apply for payments.

Accommodation costs are a particular problem for students. The cost of housing was mentioned as a problem for at least some students in every case study country, which mirrors findings from the UK (for example, a 2009 study at Northumbria University found that how much students paid for a place to live predicted a much of the rest of their financial experience). It also contributes to institutional stratification, as students choose institutions on the basis of proximity to the parental home rather than fit to course. The best mechanisms for helping students are likely to be highly local, and should be placed in the hands of universities.

The timing of payments affects student experiences. The frequency of payments through financial aid systems varies. Some offer weekly or fortnightly income (especially those aligned with social security systems) while others may provide larger sums just two or three times a year. Monthly, 'wage-like', payments are common and are also used by some specialist commercial loans for students. Smaller regular payments could reduce financial stress and make budgeting easier. For example, monthly payments are closely aligned to wages and employment, and may facilitate the management of personal finance

Limited availability of state-backed loans may be associated with high levels of commercial credit use. Where state-backed loans are not available or in limited supply, students may take on high levels of commercial debt. In most of the case study countries at least some state-backed loans were offered, either for tuition fees or living costs. However where these are limited commercial credit is used to an extent which makes it almost a 'standard' part of the system. For example this was the case in Ireland, where relatively few student can access state support for living costs.

Paid work is a necessity for many students but can become a virtue. 'Work study' frameworks treat employment as an element of student aid. This is the case in South Korea, and in several other nations (such as the USA). Students may find that the need to work hinders their engagement with their course and life at university or college, but building bridges between the two may reduce the stresses involved. In Germany around two thirds of students in HE work while at

university and our case studies, work was a key element within VET. Given that many students *need* to work, encouraging and enabling them to find accessible and relevant jobs alongside their studies is surely worthwhile, offering both financial help and opportunities to learn and apply learning.

Merit bursaries are fairly common outside the UK. Here, grants and bursaries are most frequently awarded on the basis of need, with the highest awards made to the poorest students. However, elsewhere many grants and bursaries are awarded for prior or projected attainment. South Korea has a number of national scholarships offered to high achievers, as well as a fairly demanding level of required attainment to qualify for 'regular' state-backed aid. Merit scholarships are also offered extensively by individual institutions. In Germany, Foundation and institutional scholarships as well as some state aid is merit-based, and across the case study countries many funding streams require students to meet a minimum prescribed level of attainment.

Systems vary in how they 'cast' students as independent adults or adult children. Some systems include a legal obligation on parents to make a means tested financial contribution to their children's tuition or living costs; this is the case in Germany. A similar system was used in the UK thirty years ago but this practice is increasingly uncommon, although it is often *informally* assumed that parents will provide support in cash or in kind. However, means tests for grants and loans vary in the extent to which they treat 'young' students as independent adults or members of their parents' household. Some take account not just of a student's own income, but of the number of children in the parental family or of parental resources. Others (e.g. Finland), treat students as essentially independent of their family. A related issue is the extent to which it is 'normal' for students to live in the parental home rather than to move away to study.

Age limits for financial support eligibility vary. State systems of financial support for students, as well as some specialist commercial credit, are often available only to students below a certain age. The nations of the UK, including Scotland, have a relatively high age limit by international standards. Elsewhere the 'cut-off point' for state funding can be much lower, with students required to start their course at or below the age of 30 or 35 in order to qualify for some financial support (e.g. in Germany). Lower age limits for government aid reflect assumptions about the social benefits of education for the wider society. For loans, they may be imposed to ensure that sufficient years of graduate income will be available to make repayment practical.

Widening access activity tends to focus on tuition fees not living costs. Many countries link access initiatives to tuition fees and their payment, rather than to support with living costs. This reflects an assumption that the need to pay fees is more likely to discourage or disadvantage students from poorer backgrounds. This may be because tuition fees represent a large, fixed, 'upfront' cost while students can take various actions to reduce their living expenses (staying at home or choosing cheap accommodation, taking part-time work, economising on travel or leisure, borrowing informally from family or friends, receiving parental support 'in kind', etc.), and can pay these gradually over time.

Widening participation issues may be different for HE and VET. Although widening participation is frequently discussed in relation to HE in the UK, the last major review of widening participation in VET was published twenty years ago (Kennedy 1997). This may reflect an assumption that social barriers are unlikely to affect potential VET students and that they will be confident enough about job and earnings prospects to worry less about fee and living costs. However, cost *has* been identified as a barrier to VET participation (CEDEFOP 2012). Internationally, systems where VET student aid is designed with an 'HE mindset' seem to do

well. Where this approach has been taken in the UK, for example with the EMA, it has a strong track record. But the Australian and Finnish systems reflect a close awareness of the factors which may make participation problematic for vocational students.

We need to know more about how students see the relationship between VET and work. Several of our case study countries had strong employer engagement with programmes (including apprenticeships) and detailed, evidence-based assessments of local and national skills needs. These mean that students can enter VET courses with a reasonably accurate idea of what their future job prospects might be. To obtain tuition fee remission in some systems, students must *already* have a job offer or be in post (this was the case for certain Australian states and programmes). This provides a strong incentive for both entry and persistence. Equally, financial help is sometimes tied to skill areas that are deemed to be undersupplied, such as those on the Australian skills need and skills priority lists. ‘Speculative’ applications to VET, without such information, can be seen as far riskier than applications to HE, because while graduate skills are considered to be generic and applicable to many different jobs, VET courses both create value through specialisation and also ask the learner, to some extent, to ‘burn her boats’.

Effective incentives for employers to support VET are diverse, and go beyond payments alone. In fact, non-financial measures and ‘cultural climate’ may be just as useful (Kuczera 2017).

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We also used the following government websites

Korea Student Aid Foundation: <http://eng.kosaf.go.kr/jsp/aid/aid02.jsp>

Australian Ministry of Education: <http://studyassist.gov.au/sites/StudyAssist/>

Australian Department of Human Services (social security):
<https://www.humanservices.gov.au/customer/services/centrelink/youth-allowance>

<https://www.humanservices.gov.au/customer/services/centrelink/austudy>

<https://www.humanservices.gov.au/customer/services/centrelink/abstudy>

Australian Apprenticeships: <https://www.australianapprenticeships.gov.au/>

German Ministry of Education: <https://www.studentenwerke.de/en/content/funding-options>

German Ministry of Employment: <https://www3.arbeitsagentur.de/web/content/EN/Benefits/VocationalTraining/Detail/index.htm?dfContentId=L6019022DSTBAI485770>

Irish student support information: www.susi.ie

Irish Student Grant Scheme: <http://www.irishstatutebook.ie/2017/en/si/0125.html?q=sTUDENT+GRANT+SCHEME&years=2017>

The Finnish social security system: <http://www.kela.fi/web/en/financial-aid-for-students-eligibility>

TECHNICAL ANNEX

Organisations contacted

We made contact with the following organisations to support the selection of case study countries and to build connections to support the qualitative work:

- The Organisation for Economic Co-operation and Development (OECD)
- Eurydice (EU education action programme focussing on lifelong learning)
- The European Students Union
- OBESSU (Organising Bureau of European School Students Unions)
- SPARQS (Scotland)
- The National Union of Students (Scotland).

Qualitative research

We contacted:

- five HE institutions and five VET institutions in each of the case study countries. These were selected at random from lists of institutions. We attempted to identify individuals in each institution who were involved in the administration of student aid at the institutional level. In several cases we contacted more than one department within a single institution. In practice, the people whom we initially contacted sometimes passed us on to a colleague whose expertise they felt was more relevant to our work
- government departments responsible for student financial aid and student funding in all of the case study countries. Where more than one department is involved (e.g. where both an education department and a social security department administer different aspects of the system) both were contacted.
- national students' unions of the case study countries. Where separate unions are in place for HE and VET students, both were contacted
- 'umbrella' groups for universities and colleges in case study countries, where it was possible to identify such groups.

This contact was made in late July and early August, the summer holiday for the northern hemisphere and also a vacation period in Australia. As a result, many potential interviewees were away. After extensive 'chasing' we conducted a total of eleven interviews with what essentially constituted an opportunity sample of respondents. These represented:

- three students' unions
- two 'umbrella' groups or experts on education
- five management or academic staff in universities and VET organisations
- one representative of a government department

Interviews were conducted via Skype, and in English. They lasted between 40 and 55 minutes, and followed a loose script. This accommodated differences between national systems, and between the roles and background of interviewees. Interviewees were told at the start of the interview that the purpose of the interview was to explore their experiences of working within the different systems, and to clarify points of information about how structures worked in practice.

Notes were taken by hand and interview data was analysed thematically.

Literature search

Two strategies were used to collect background literature for this project.

Manual searches: We searched the websites of a number of relevant organisations to identify potentially relevant literature. These organisations were:

- The Organisation for Economic Co-operation and Development (OECD)
- The World Bank
- The European Commission
- The National Union of Students
- Universities Australia
- The Korea Research Institute for Vocational Education and Training
- The National Centre for Vocational Education Research (Australia)
- Universities Ireland
- The Society for Research into Higher Education.

We also included some items of literature which were sent or recommended to us by interviewees and other contacts.

Database searches

We used the IDOX, Ebsco Host and ERIC databases to identify relevant literature both at the evidence gathering and later desk research stages. We searched for literature from the past ten years. Both peer reviewed and non-peer-reviewed items were included (in practice the majority of texts identified were peer reviewed). Searches were conducted in July and August 2017, and only texts in English were included.

Search terms used in the initial literature review were:

- Student support system OR Student support model* OR student support arrangements
- Student Support AND what works
- Student Support AND international (comparators OR comparisons)
- Student Support AND international evaluation*
- Student Support AND (content OR structure OR access)
- Student Support AND (means testing)
- Student Support AND merit
- Student Support AND (fees OR maintenance OR grants OR scholarships OR employer* OR private sector OR sponsorship)
- Higher Education AND Student Support AND (Case Studies OR Case Study)
- Further Education AND Student Support AND (Case Studies OR Case Study)

Search terms used in the second phase of desk research were:

- student support
- student financial aid
- student financial aid AND finland
- student financial aid AND germany
- student financial aid AND south korea
- student financial aid AND australia
- student financial aid AND ireland
- student support AND finland
- student support AND germany
- student support AND south korea

- student support AND australia
- student support AND ireland
- tuition fees AND finland
- tuition fees AND germany
- tuition fees AND south korea
- tuition fees AND australia
- tuition fees AND ireland
- student loan* AND finland
- student loan* AND germany
- student loan* AND south korea
- student loan* AND australia
- student loan* AND ireland
- student financial aid AND access
- student financial aid AND widening participation
- student financial aid AND social
- student support AND access
- student support AND widening participation
- student support AND social
- tuition fees AND access
- tuition fees AND widening participation
- tuition fees AND social
- student loan* AND access
- student loan* AND widening participation
- student loan* AND social

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