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University tuition fees in Finland – an ongoing experiment

In Finland, the internationalisation of higher education has been a key policy objective since at least the 1990's.

 NEIL CRONIN

Prime Minister **Sanna Marin's** government programme included the goal of making Finland an internationally attractive place to study, research and invest. Indeed, Finland has taken positive steps recently, tripling the number of international university students in the past two decades.

Naturally, Finland is not the only country seeking to boost international student numbers. In a time of tightening budgets, as universities around the world are looking to eke out extra funds wherever they can, we find ourselves competing in a global race to attract the best international students. In 2019, there were more than six million mobile students studying around the world [1]. In some fields, the competition is exacerbated by the emergence of online programmes, some of which offer fully remote degrees or industry-related certification that can be obtained from the comfort of one's sofa.

A SHORT AND SELECTIVE HISTORY OF TUITION FEES

As with any education programme, expanding access to international students comes with a price tag. In publicly funded degree-awarding higher education institutions, most OECD countries charge tuition fees. In many cases, foreign students pay higher fees than nationals. As a case study, we can look to the UK, my native country from where I originally moved to Finland in 2005.

Tuition fees were introduced in Britain in 1998 and were capped at £1,000 (about €1,200) per year for British students in BSc and MSc programmes, while students whose parents earned less than a certain amount

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were completely exempt. The maximum yearly tuition fee was later increased, first to £3,000 in 2004, and then to about £9,000 in 2012, and it has remained more or less the same since then. Each fee increase was the result of several years of careful evaluation and influenced by factors such as inflation and the costs of additional staff and infrastructure.

This contrasts sharply with the situation in Finland. Since 2017, degree-awarding higher education institutions have been required to charge a fee of at least €1,500 per academic year per non-EU student for programmes not taught in Finnish or Swedish. Crucially, the cost of degree programmes is decided by the universities, not the state. Tuition fees for international MSc programmes in Finland currently vary between around €6,000–€18,000 per year; €10,000 per year is a reasonable estimate of the national average. Thus, EU students continue to receive the same content free of charge, while the cost of studying in Finland to non-EU students suddenly skyrocketed.

EFFECTS ON APPLICANT NUMBERS

At my institution, the University of Jyväskylä (JYU), between 2022 and 2024, the proportion of international applications from non-EU students was over 80% and increased each year. Across the whole of Finland, applicant numbers have also consistently increased. This in turn has led to a modest but steady increase in the number of non-EU students actually studying in some (but not all) Finnish universities. Each year between 2015 and 2020, around 3,000–4,500 new non-EU students commenced their studies in Finland [2].

Where do these students come from? At JYU, the top three non-EU applicant countries were Pakistan, Bangladesh and Nigeria in both 2023 and 2024. This is echoed across the whole of Finland; all three countries are in the top ten most represented among new non-EU students, as are Nepal, India and Vietnam. Whilst it is desirable to attract students from diverse parts of the world, some of the countries from which Finland receives the

most applications are among the poorest and least developed according to the UN.

This does not automatically tell us anything about the quality of students from these countries, but it does lower the likelihood that they will make up a significant proportion of fee payers, especially- as is often the case- if they do not have access to funding support from their home country.

TUITION FEES AND INCOME

Given the steady increase in non-EU students in recent years, we might assume that this has translated to substantial increases in tuition fee income, but has it? A 2020 survey found that of all students in international programmes in Finnish universities, the proportion who were liable to pay fees was less than 50% in all universities except one [2]. At JYU, the value was between 10 and 24%. But this statistic only tells us how many students could potentially pay the fees.

According to survey results, six Finnish universities reported that 75-100% of those liable

to pay fees received some kind of scholarship or reduction, typically between 25-100%. A further three universities said that the proportion who received financial assistance was between 50-74%, and only one stated that less than half of their non-EU students received financial assistance [2]. Having a scholarship system is generally a good initiative, but if scholarships are awarded to most or even all applicants - as is the case in some programmes - the tuition fee system becomes rather redundant.

In a 2021 survey, students were asked whether the cost of studies and tuition fees were a decisive factor in their choice of study place [3]. Nearly 40% said that it was to a very large extent, and a further 27% felt that fees played a somewhat decisive role. University students were also more likely than polytechnic students to consider cost and tuition fees as a decisive factor. Non-EU students stressed that the possibility of receiving a grant or scholarship was an important factor in choosing where to study, and some even stated that they would not have come to a Finnish university if they

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had not received a scholarship. This may partly explain the huge gap between the number of applicants and the number of students who take up a study place; just 17% of all applicants actually enrol in a study programme.

Ultimately, the question of whether the tuition fee system is ‘working’ comes down to numbers. Are Finnish universities, on the whole, generating a substantial amount of net income from the fees? Between 2017 (when the first fee-paying students started) and 2022, the answer was ‘no’, or at least ‘not yet’. The Ministry of Education and Culture’s 2020 report concluded that overall, universities do not consider tuition fees a significant source of income². Estimated median tuition fee income per higher education institute (including Universities of Applied Sciences) – after accounting for scholarships and other grants paid out – was just over €200,000 per year. Two universities actually reported a net loss. To put this in perspective, a typical Finnish university’s turnover is measured in hundreds of millions of euros per year.

Nonetheless, a look at the year-on-year data

does at least show a positive trend. At JYU, for instance, tuition fee income has increased almost tenfold between 2017 (about €50,000) and 2023 (about €460,000), suggesting that the tuition fee system is starting to bear fruit, although the absolute numbers are still lower than hoped.

TIME FOR A CHANGE?

Into this complex picture comes the news that The Ministry of Education and Culture is considering a further increase in tuition fees [4]. This seems premature to say the least. Finland has pursued two aims over the past few decades: to increase the number of international students in Finland (and hopefully thereby boost the international workforce), and to generate additional income via tuition fees. As we have seen, there has been some progress regarding the first aim, and tentative signs that the second aim might be within reach. Is now the right time for a price increase?

Finnish universities already face a

dilemma. Some countries such as the UK offer 12-month MSc degrees, compared to two years in Finland. Coupled with the introduction of non-EU tuition fees (and Brexit), this means that a UK citizen would likely be worse off by choosing to study for an MSc in Finland rather than the UK, both financially and timewise. Why would somebody spend two years and €20,000 on an MSc in Finland if they can get a similar qualification from their own country in half the time and for half the price?

In short, we are already charging rather high tuition fees, and the system is still in its infancy. By increasing the fees further, Finland could close off several very promising international markets (unless we can tempt potential applicants with full scholarships).

If we intend to further increase the number of international students in Finland, it goes without saying that we need the financial resources to make it feasible, so tuition fees are here to stay. Finnish educational programmes continue to be a desirable commodity internationally, and there is

nothing wrong with charging a fee for them. Perhaps, though, we should think very carefully about the size of this fee. In 2021, only 16% of fee-paying university students in Finland completely agreed that their studies were worth the money, while 41% felt they had been somewhat worth it. These numbers need to dramatically improve, but a further increase in tuition fees will likely have the opposite effect.

There are at least two areas that require attention in the current system. Firstly, we need to incentivise non-EU applicants who are willing and able to pay tuition fees for Finnish programmes, by making sure that the offering at Finnish universities is even more tempting than a similar degree in their home country. Secondly, the scholarship system should only reward the best students, helping to avoid redundancies in the current system. If anything, a concrete step towards both aims would be to reduce the tuition fees that we charge, not to increase them.

The Ministry concludes its recent

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evaluation of the tuition fee system in rather sombre manner: “...as a whole, the introduction of tuition fees has not had long-term detrimental effects on making higher education institutions more international or on the willingness of non-EU/EEA students to study in Finnish institutions” [2].

Will this still be the case after a further increase in tuition fees? As a nation that is home to a globally admired education system, I believe Finland can do better than mere damage limitation. ▲

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