

# Ireland: A Cautionary Tale about Free Tuition

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## Abstract

Irish higher education has had a mixed experience since 1995, when tuition was eliminated for full-time undergraduates. Enrollments have doubled, the completion rate has remained high, and the attainment rate has tripled (although mostly a function of well-educated foreign workers settling in Ireland). But equity remains a problem and boom-and-bust funding tied to the economy has contributed to quality concerns. Lessons for countries considering free tuition regimens include that sustained funding is critical to success.

**B**eginning in 1995, Ireland eliminated tuition fees for full-time university undergraduates, which, at the time, were 20 percent higher than what was being charged at public US flagships. But, at the same time, tuition was replaced with a system of registration fees for all students, which then was USD 200 in today's dollars, but now is about USD 3,600, a ten-fold increase in real terms. This is less than average tuition in the United States, but more than what many European countries now charge for tuition. Simultaneously, the Irish government also instituted payments-in-lieu-of-fees to institutions, to offset some of the lost tuition.

The hope in Ireland then was pretty much what free-tuition advocates now hope in other countries: more students enrolling in college, better access for the disadvantaged, and more degrees leading to more graduates in the workforce—all while maintaining or improving the quality of higher education.

## What Did the Irish Get from Their Free-Tuition Regimen?

- **Funding and resources:** Since tuition fees were eliminated in the mid-1990s, higher education funding in Ireland has experienced a pattern of boom and bust. Government resources have tended to grow when the economy was booming, but declined during economic downturns. Revenues from tuition charged to some students, and registration fees from all students often could not keep up with cuts in government funding. Over the full 25-year period, spending per student increased modestly when adjusted for inflation. But the growth in all resources devoted to Irish higher education has lagged behind economic growth. As a result, higher education spending as a share of GDP, traditionally low by international standards, declined further still between 1995 to 2015, while higher education's spending as a share of GDP was increasing in many other industrialized countries.
- **Participation:** Enrollments in Irish higher education have doubled since free tuition was introduced, fueled both by one of the fastest growing populations in Europe and an increase in the college-going rate from one-third in the 1990s to more than one-half in recent years. With an expanding college-age population, demand for college would have grown anyway, but free tuition was likely an important contributor to the increase in the Irish college-going rate.
- **Equity of access:** Improving access for disadvantaged students was a principal motivation for free tuition in Ireland. Yet the data indicates that there has been limited progress on that front. To be sure, students from low-income families participate more in Irish higher education than they did two decades ago, but they remain much less likely to enroll than students from wealthier families, especially at the most selective universities.
- **Degree completion:** The number of undergraduate degrees conferred has grown by roughly two-thirds since free tuition came along—a result of the increase in the college-going rate and the maintenance of a degree-completion rate exceeding 80 percent. The ability of Ireland to maintain high completion rates while sharply increasing access is due at least in part to its centralized selective admissions process.
- **Degree attainment:** The most remarkable Irish achievement since tuition fees were eliminated was the tripling in the attainment rate—the share of workers who hold a college degree. As a result, Ireland now has one of the highest attainment rates in the world and, so, is viewed as one of the great success stories in international higher education over the past quarter century. But the Irish attainment rate explosion has been more a function of immigration

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patterns than of any investment in higher education. Over time, Irish youth have tended to emigrate to other countries during economic hard times. But during the Celtic Tiger era, at the end of the twentieth century, and into the first part of the twenty-first century, knowledge-intensive and high-tech companies became key drivers of the Irish economy and attracted large numbers of well-educated workers from other countries. As a result, foreign-born workers in Ireland are now a larger share of the workforce and have a much higher attainment rate than native-born workers. This is in contrast to many other OECD countries, including the United States, where native-born workers are a larger share of the workforce and their attainment rate typically exceeds that of foreign-born workers.

- ▶ **Education quality:** The Irish record for providing a high-quality higher education system is mixed. An institution-based quality assurance program and qualifications framework get very good grades in international discussions. But the modest growth in resources combined with much more rapid growth in enrollments over time has strained the system, contributing to higher student/faculty ratios and deterioration of many facilities and equipment. While quality in higher education is hard to measure in any country, many observers believe that Irish higher education quality has suffered in some significant ways since free tuition was introduced.

### Lessons for Countries Considering Free Tuition Plans

The Irish experience with free tuition has a number of lessons for the various countries that are actively exploring free college options. To be successful, tuition-free college demands sustained high levels of government investment to replace the tuition fees that students would have paid, and to increase resources beyond that. Without such a sustained financial commitment, quality will suffer, especially if enrollments grow rapidly.

It is also clear from the Irish experience that eliminating tuition fees does not guarantee greater equity of access to college. Without additional measures such as help with living expenses for impoverished students and more counseling services, stratification will continue, as students from wealthier families will enroll in larger proportions in the most selective institutions.

Not charging tuition fees does not mean that students will not have to pay anything to go to college. When tuition fees were eliminated in the 1990s, Ireland's modest registration fee seemed a reasonable way to ensure that some costs would still be paid by students. But the rapid growth in registration fees over time means that they have replaced a large chunk of what would have been tuition fees. So Irish higher education now is far from free. In this regard, Ireland is similar to some other countries and US states such as California, where tuition is not charged but fees can be quite steep.

The remarkable growth in the share of workers with a college degree in Ireland since free tuition policies were adopted has been much more a function of economic development policies and immigration trends than any investment—or lack thereof—in the higher education system.

Finally, the creation of a government-paid fee to institutions to replace some of the fees that students would have paid was a good idea. But the aggregate amount of funding for these fees has been capped since the program was created, meaning that as enrollments grew, the per-student payment declined, leaving growing institutions strapped for cash. A per-student fee that remained constant with the growth in enrollments would have been a much better approach.

But all in all, the Irish experience with free tuition over the past quarter century contains a number of important lessons as various countries consider free college proposals. ▲

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*This analysis is drawn from a report cowritten by Jason Delisle and Arthur Hauptman and recently released by the American Enterprise Institute.*