

Norway, higher education could deliver more for less

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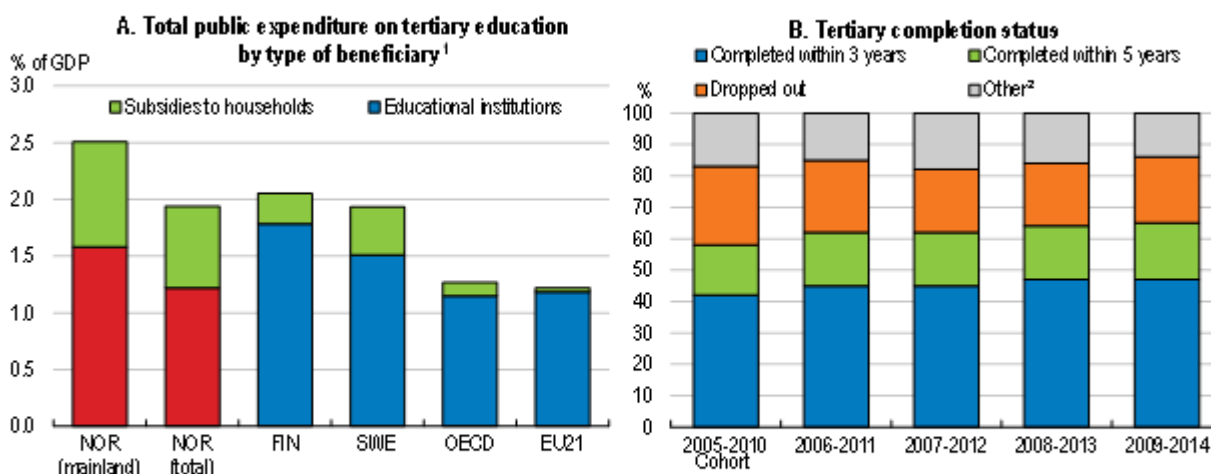
Norway's predominately public and tuition-free tertiary education system has encouraged participation and generated high attainment rates. However, few Norwegian universities rank high in international comparisons on the basis of research related and other indicators. Also, many students take considerable time to finish their studies. Moreover, despite an increase, enrolments remain low in fields such as science and engineering, although disaggregated data show quite different labour market outcomes across STEM disciplines; and supply shortages in some more "practical" areas, namely teachers and nurses, are looming. Spending on tertiary education is comparatively high, both in terms of annual expenditure per student and as a share of GDP. Efficiency and quality can be improved.

Degree completion times are long, despite various incentives to shorten them. For instance, conversion of loans to grants for early completion has had limited success. Higher education funding has overly incentivised institutions to produce study credit points (required for the completion of courses), rather than degree completions. Plans to include the graduation rates in the formula for performance-based funding should be pursued. Further incentives and financial support for students to complete their courses on time would be helpful. The outcomes should be monitored closely. Current efforts to improve data and dissemination via mechanisms such as the annual national student survey and the development of a portal of quality indicators need to continue.

Students' choices should be better directed towards subjects

with high demand, for instance, via loan discounts for such subjects. Moreover, the funding system of higher-education providers could offer differentiated rewards to institutions for successful study outcomes for students from disadvantaged backgrounds, or those taking up courses linked closely to labour market needs.

Tertiary education indicators



- Public subsidies to households cover living costs (scholarships and grants to students/households and students loans). 2012 data.
- Still enrolled in one of the selected or other tertiary programmes or awarded another qualification.

Source: OECD (2015), *Education at a Glance 2015*; Statistics Norway (2015), *Throughput of Students in Tertiary Education Statistics*.

The efficiency and quality of Norwegian higher education can also be influenced by the existence of many small institutions that aim to meet regional educational needs but which often do not have a critical mass of staff and students. Reforms underway to restructure the higher education through mergers that aim to overcome these problems, while retaining regional coverage, are therefore welcome.

Find out more:

OECD (2016), *OECD Economic Surveys: Norway 2016*, OECD Publishing, Paris.

Koutsogeorgopoulou, V. (2016), "Addressing the Challenges in Higher Education in Norway", *OECD Economics Department Working Papers*, No. 1285, OECD Publishing, Paris.

OECD (2014), *OECD Skills Strategy Diagnostic Report: Norway*,
OECD Publishing, Paris.