

A decorative graphic on the left side of the slide, consisting of two overlapping semi-circular shapes. The top shape is orange and the bottom shape is dark blue.

FINANCING HIGHER EDUCATION AND STUDENT MOBILITY ACROSS EUROPE

Cédric CHEVALIER

Louvain School of Management, FUCaM

Professor Marcel GERARD

Louvain School of Management, FUCaM and CESifo

Interuniversity Attraction Poles Programme (IAP 6-09) – Belgian State – Belgian Science Policy

A decorative graphic on the left side of the slide, consisting of two overlapping semi-circles. The top semi-circle is orange and the bottom semi-circle is dark blue. They are positioned such that they appear to be part of a larger circle cut in half.

OUTLINE

1. Introduction
2. A system of two-part portable vouchers
3. Some actual national practices
4. Conclusion

A decorative graphic on the left side of the slide, consisting of two overlapping semi-circular shapes. The top shape is orange and the bottom shape is dark blue, both curving towards the right.

INTRODUCTION – How to finance student mobility?

→ PROBLEM:

- Context : Bologna process and increased student mobility
- Some countries free ride others (e.g. France & Belgium)
- Protectionist behaviours (quotas)
- Threat to student mobility
- More general debate on the financing of higher education in a globalized world

→ PROPOSITION:

- Transfer responsibility for financing from the host country to the country of origin
- Two-part portable voucher to finance studies and cost of living

INTRODUCTION – Cross-border imbalances

Figures for some EU countries

Country	EU foreign students as % of total	Nationals studying abroad minus EU foreign students as % of total
Belgium	6.46%	-4.69%
Austria	8.07%	-4.42%
United-Kingdom	4.04%	-3.56%
Luxembourg	0.00%	+187.77%

(GERARD & VANDENBERGHE, 2007a)

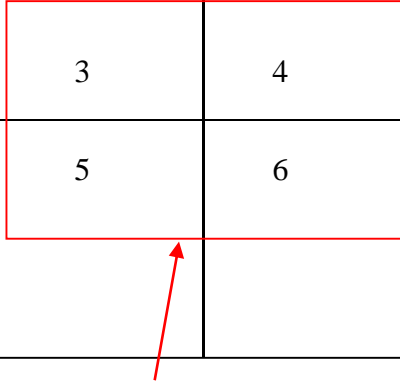
INTRODUCTION – Difficulties

- EU legislation peculiarities: free mobility and non-discrimination between EU citizens
- Definition – what does “mobile” mean?

CATEGORIES OF STUDENTS AS REPORTED BY THE HOST COUNTRY

		Residents	
		1	2
		3	4
		5	6
Citizens		Non-residents	
		7	8
		Non-citizens	

Prior education outside the country



A SYSTEM OF TWO-PART PORTABLE VOUCHERS

- A first part designed to cover the real cost of studies:
tuition fee voucher
 - Amount of money equivalent to the true cost of studies in the country of origin

- A second part designed to support student's cost of living: **student support voucher**
 - Interesting tool to introduce equity or fairness elements and to promote social policies (see the Norwegian case)

A SYSTEM OF TWO-PART PORTABLE VOUCHERS

- In Belgium:
 - For students staying home, no change regarding the real cost of studies + a possibility to introduce a support for the cost of living (instead of family benefits ?)

- Grant, loan or a mix
 - Grant sustainable if most students come back home (GERARD 2007)
 - Need to commute Grants into Loans if a EU job market really exists and graduates move a lot
 - Mix to implement national policy objectives
 - Monitor the choice of studies and careers

A SYSTEM OF TWO-PART PORTABLE VOUCHERS

○ Tuition fee vouchers in Belgium – Examples:

UNIVERSITY HIGHER EDUCATION	<i>Euros per student</i>
Bachelor or Master degree in humanities and social sciences	5.597
1st or 2d year of Bachelor degree in medical sciences; agricultural engineering; engineering; Bachelor or Master degree in sciences	11.195
3rd year of Bachelor and Master degree in medical sciences; agricultural engineering; engineering.	16.792
NON-UNIVERSITY HIGHER EDUCATION	
Economics (3 year-professional bachelor degree)	4.665
Economics (other degrees), technology (3 year-professional bachelor degree)	5.132
Agriculture (3 year-professional bachelor degree), social sciences	5.365
Engineering	5.598
Interpreters and translators	6.765
Health sciences	6.998

A decorative graphic on the left side of the slide, consisting of two overlapping semi-circles. The top semi-circle is orange and the bottom semi-circle is dark blue, both facing right.

SOME ACTUAL NATIONAL PRACTICES

SWITZERLAND

- A system of inter-cantonal clearing at the national level to equalize the financing of mobility between cantons
- Debtor cantons, university cantons and clearing at the national level

A decorative graphic on the left side of the slide, consisting of two overlapping semi-circles. The top semi-circle is orange and the bottom semi-circle is dark blue.

SOME ACTUAL NATIONAL PRACTICES

NORWAY

- A combination of loans and grants to finance student's life, promote social policies and increase mobility.
- Student targeted, portable
- Interesting feature: grant-loan mix designed to promote:
 - Mobility in and out
 - Welfare state
 - Economic development

A decorative graphic on the left side of the slide, consisting of two overlapping semi-circles. The top semi-circle is orange and the bottom semi-circle is dark blue.

SOME ACTUAL NATIONAL PRACTICES

AUSTRALIA

- A system of contingent loans:
Loans must be repaid after graduation only if the beneficiary earns revenues above a given threshold.

- HELP (Higher Education Loan Programme) offers interest-free loans
 - FEE-HELP for studies at home
 - OS-HELP for studies abroad

A decorative graphic on the left side of the slide, consisting of two overlapping semi-circles. The top semi-circle is orange and the bottom semi-circle is dark blue.

CONCLUSION

- Bologna process paves the way for a large international market for graduates but nothing has been provided regarding the financing of student mobility
- Ensuing problems trigger protectionist behaviour... just the opposite of what Bologna intends to achieve
- Two-part portable vouchers can be a possible solution consistent with EU legislation and principles as well as with social policy goals