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FINANCING HIGHER EDUCATION AND STUDENT MOBILITY ACROSS EUROPE

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OUTLINE

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

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)

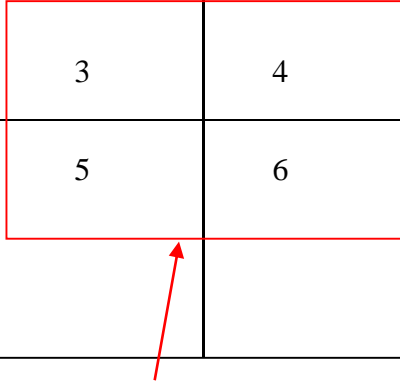
INTRODUCTION – Difficulties

- 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



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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

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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

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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

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

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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