

ACCESS

**The Croatian
Student Financial
Support System
in a European
Context:
A Comparative Study**

**Karin Doolan, Danijela Dolenc
and Mladen Domazet**



Institute for the
Development of Education



Ministry of Science, Education and Sports
of the Republic of Croatia



THE CROATIAN STUDENT FINANCIAL SUPPORT SYSTEM IN A EUROPEAN CONTEXT: A COMPARATIVE STUDY

Karin Doolan, Danijela Dolenc & Mladen Domazet

Title: The Croatian Student Financial Support System in a European Context: A Comparative Study

Publisher: Institute for the Development of Education, Preradovićeve 33 / I, 10000 Zagreb, Croatia, www.iro.hr

Authors:

Karin Doolan, Department of Sociology, University of Zadar

Danijela Dolenc, Faculty of Political Science, University of Zagreb

Mladen Domazet, Institute for Social Research, Centre for Educational Research and Development

Editor: Ninoslav Šćukanec, Institute for the Development of Education

Graphic design: KOKE: kreativna farma

Zagreb, 2013



European Commission
TEMPUS

This report is issued as part of the project "Towards Equitable and Transparent Access to Higher Education in Croatia (ACCESS)", funded by the European Commission through the TEMPUS programme (Grant number: 158 745-TEMPUS-1-2009-1-DE-TEMPUS SMGR).

This report reflects the views only of the author, and the Commission cannot be held responsible for any use which may be made of the information contained therein.



Ministry of Science, Education
and Sports of the Republic of Croatia

The project is co-funded by the Ministry of Science, Education and Sports of the Republic of Croatia. This publication reflects the views only of the author, and does not necessarily reflect the views of the Ministry.

ISBN 978-953-7901-02-8

Table of Contents

INTRODUCTION.....	6
SUMMARY OF KEY FINDINGS AND IMPLICATIONS.....	7

PART 1: COMPARATIVE ANALYSIS OF STUDENT FINANCIAL SUPPORT SYSTEMS: AUSTRIA, CROATIA, GERMANY, HUNGARY, SLOVENIA AND SWEDEN.....9

1.1 STUDENT NUMBERS AND STUDENT COSTS.....	10
Size of the student body.....	10
Public expenditure on higher education.....	10
Student costs (direct and indirect).....	14
Students' sources of income.....	19
1.2 DIRECT FINANCIAL SUPPORT.....	21
Grants.....	21
Student loans.....	29
1.3 INDIRECT FINANCIAL SUPPORT.....	31
1.4 FINANCIAL SUPPORT FOR INTERNATIONAL MOBILITY.....	35
Outgoing mobility.....	35
Incoming mobility.....	36
1.5 MANAGEMENT OF STUDENT FINANCIAL SUPPORT.....	39
1.6 STRENGTHS AND WEAKNESSES OF STUDENT FINANCIAL SUPPORT SYSTEMS.....	42

PART 2: CASE STUDY: CROATIA.....44

2.1. STUDENT NUMBERS AND STUDENT COSTS.....	45
Trends in student numbers.....	45
Student expenditure.....	46
2.2 OVERVIEW OF STUDENT FINANCIAL SUPPORT SYSTEM.....	47
2.3 DIRECT FINANCIAL SUPPORT.....	49
Grants.....	49
Student loans.....	53



2.4 INDIRECT FINANCIAL SUPPORT.....	54
Meal subsidies.....	54
Student accommodation subsidies.....	55
Health insurance.....	56
Tax benefits.....	56
Status of students studying at private higher education institutions.....	56
2.5. FINANCIAL SUPPORT FOR INTERNATIONAL MOBILITY.....	57
Outgoing students.....	57
Incoming students.....	57
2.6 MANAGEMENT OF STUDENT FINANCIAL SUPPORT.....	59
2.7 POLICY CONCERNS.....	60
PART 3: CASE STUDIES: AUSTRIA, GERMANY, HUNGARY, SLOVENIA AND SWEDEN.....	
3.1 AUSTRIA.....	62
Student numbers and student costs.....	63
Overview of student financial support system.....	65
Direct financial support.....	66
Indirect financial support.....	72
Financial support for international mobility.....	74
Management of student financial support.....	74
Policy concerns.....	75
3.2 GERMANY.....	77
Student numbers and student costs.....	77
Overview of student financial support system.....	79
Direct financial support.....	79
Indirect financial support.....	81
Financial support for international mobility.....	82
Management of student financial support.....	83
Policy concerns.....	83

3.3 HUNGARY.....	84
Student numbers and student costs.....	84
Overview of student financial support system.....	88
Direct financial support.....	89
Indirect financial support.....	90
Financial support for international mobility.....	91
Management of student financial support.....	91
Policy concerns.....	92
3.4 SLOVENIA.....	94
Student numbers and student costs.....	95
Overview of student financial support system.....	95
Direct financial support.....	96
Indirect financial support.....	96
Financial support for international mobility.....	97
Management of student financial support.....	97
Policy concerns.....	76
3.5 SWEDEN.....	98
Student numbers and student costs.....	101
Overview of student financial support system.....	101
Direct financial support.....	102
Indirect financial support.....	103
Financial support for international mobility.....	103
Management of student financial support.....	103
Policy concerns.....	104
ANNEXES.....	106
BIBLIOGRAPHY.....	106
GLOSSARY.....	111
ABBREVIATIONS.....	113
ABOUT THE ACCESS PROJECT.....	114

Introduction

This comparative study is the third study published in the framework of the project "Towards Equitable and Transparent Access to Higher Education in Croatia (ACCESS)", funded by the European Commission through the TEMPUS programme. The previous two studies were entitled "The Croatian Higher Education Funding System in a European Context: A Comparative Study" (Doolan et al., 2012) and "Social and Economic Conditions of Student Life in Croatia: National EUROSTUDENT Report for Croatia" (Farnell et al., 2012). The aim of this last study has been to collect information on the current student financial support system in Croatia and compare it to information on student financial support systems from selected EU countries (Austria, Germany, Hungary, Slovenia and Sweden) with a view to informing how the current student financial support system in Croatia can be improved.

The study is based on desk research and a questionnaire which was initially filled in by the ACCESS project's research team and then sent out to the project partner institutions for elaboration and clarification. The questionnaire aimed to collect the following information:

- Size of the student body,
- Student costs,
- Types of student financial support provided by the state and proportion of students who receive this support,
- Overall expenditure on the student support system,
- Types of indirect financial support available to students,
- Financial support for international student mobility (both outgoing and incoming),
- Management of student financial support and policy issues with regard to the strengths and weaknesses of existing student financial support systems.

The resulting study closely follows the structure of the questionnaire.

While intending to cover student financial support for students in the entire system of higher education in each of the six countries, due to problems with data availability the study primarily refers to student financial support for undergraduate students enrolled in university studies, with occasional references (where possible) to characteristics of student financial support for graduate study programmes and support available at institutions of professional higher education and at private higher education institutions.

The authors would like to thank the following contact persons and institutions for the information provided in this report: Gottfried Schlöglhofer (Director of the Austrian Study Grant Authority), Jozsef Temesi (Corvinus University Budapest), Jens Jungblut (Department of Educational Research, Faculty of Educational Science, University of Oslo), Carl Johan Stolt (Swedish National Board of Student Aid - CSN), Norbert Šabić (Central European University, Department of Public Policy), the Croatian Ministry of Science, Education and Sports.

Summary of key findings and implications

- In comparison to Austria, Germany, Hungary, Slovenia and Sweden, Croatia has the lowest level of public expenditure on higher education as a proportion of its GDP and the lowest level of public expenditure on direct student support.

Implications: The Croatian higher education system is underfunded in international comparison.

- The extent to which tuition fees are charged and the amount of these fees varies across the selected countries analysed in this study. In Croatia, there is a dual-track system of tuition fee payment at the undergraduate and graduate level, according to which full-time students pay tuition fees if they do not meet prescribed criteria for study progress (acquiring 55 ECTS points per academic year), and according to which part-time students all pay fees. Hungary also has a dual-track system based on academic merit at entry, whereas in Austria, Slovenia, Sweden and most German states there are no tuition fees for students studying within the prescribed length of studies.

Implications: The dual-track tuition fee system in Croatia means that there are differences in direct (study-related) costs between different categories of students that should be addressed by an equity-driven student financial support system.

- An examination of the composition of the income of students in the six selected countries shows that only in Sweden does the state have a predominant role in subsidising student expenses. In all other cases, private contributions from families or self-earned income cover the largest proportion of students' costs (although child benefits, tax reliefs and other benefits from the state are not included in this assessment). Students enrolled in Croatia are the most reliant on family contributions among the selected countries.

Implications: Having to rely on one's family as the main source of financial support for studying, which is the case in Croatia, can be a barrier to higher education access and participation for students from low-income families.

- The role of the state in providing direct student financial support for both study-related and living expenses varies between the countries examined. No examples exist where the state funds the full cost for all students, without any reimbursement expected. The closest to this model is Sweden, where the state covers full cost of studying through a combination of grants and loans for the majority of students. Germany also covers the full cost of studying through grants and loans, but for a minority of students. In Austria, the state covers part of students' overall costs for all students below an income threshold. In Croatia, Hungary and Slovenia, specific groups and targets are identified and the financial support they receive covers only part of their costs.
- Students enrolled in Sweden, Austria and Germany are eligible for grants which do not include a merit-based criterion. The eligibility of Swedish students is determined by the income of students (rather than that of their parents) and 65% of students receive this grant. In Croatia, Slovenia and Hungary such grants include a merit-based criterion.

Implications: All needs-based grants in Croatia also include a merit-based component, which represents an equity challenge.

- There are different policies with regard to students enrolled in private higher education institutions. Whereas in Sweden and Austria students at private higher education institutions are eligible for student financial support, in Croatia they are only eligible for subsidies relating to tax exemptions and health insurance, and not for grants, student accommodation and meal subsidies.



Implications: The ineligibility of students at private higher education institutions in Croatia to receive student financial support needs to be reconsidered.

- The average needs-based grant in Slovenia is 180 EUR per month, whereas in Croatia it is between 66–106 EUR per month although the self-reported monthly living costs for students enrolled in these two countries are not very different (approximately 350 EUR per month).

Implications: The amount of grants in Croatia is small in comparative perspective.

- Slovenia and Croatia, unlike the other countries examined in this study, do not have a public student loan system. Slovenia used to have a student loan system, but it was discontinued due to insufficient student demand.

Implications: Students who wish to take out a student loan in Croatia have to do so through commercial banks.

- Apart from Sweden, all countries examined in this study provide state-subsidised student accommodation. In Croatia, 9,693 students in the academic year 2010/2011 were housed in student accommodation, while the number of students who were turned down due to capacity limitations amounted to 5,887 students (approximately 33% of those applying). This amounts to 11% of the student population, mostly students enrolled in university studies rather than professional studies (Farnell et al., 2012). Students enrolled at universities are more likely to be housed in state-subsidised accommodation than students enrolled at professional higher education institutions.

Implications: Demand significantly outstrips supply with regard to state-subsidised student accommodation in Croatia, privileging students studying at universities.

- State-subsidised meals are available in Austria, Germany, Slovenia and Croatia. In Croatia, the prices of student meals are determined by Student Centres (the local student service organisations who administer indirect student financial support) and they are very low (at around 0.57 EUR per meal).

Implications: The sustainability of this policy needs to be considered.

- Student transport costs are typically subsidised by local governments of towns and cities in which higher education institutions are located, although in Slovenia and Austria these costs are reimbursed at the state level.

Implication: The resulting variation in the extent to which transport costs are covered by local government is a potential source of regional inequity.

- All students receive mandatory health insurance through the state.
- In Croatia and Slovenia, student financial support is managed by the relevant Ministry, whereas in the other countries examined in this study an independent public body is set up with the mandate of managing the student financial support system (e.g. Swedish National Board of Student Aid - CSN; Austrian Study Grant Authority)

Part I

Comparative analysis of student financial support systems: Austria, Croatia, Germany, Hungary, Slovenia and Sweden

This section represents the centrepiece of the study. By compiling comparable information from the six country case studies, it provides a concise analysis of the similarities and differences between the analysed student financial support systems. The primary intention of this section is to provide a context of European practices for the evaluation of the Croatian student financial support system, with the objective of identifying its strengths and weaknesses, primarily from the perspective of equity.

The section is organised around the following headings:

- Students numbers and student costs,
- Overview of student financial support system,
- Direct financial support,
- Indirect financial support,
- Financial support for international mobility,
- Management of student financial support,
- Strengths and weaknesses of financial support systems.

Since this section is based on the country profiles presented in Part 2 of this study, not all of the information presented will be referenced. Where precise data sources are not indicated, please refer to the case study profiles for more detailed information.



1.1

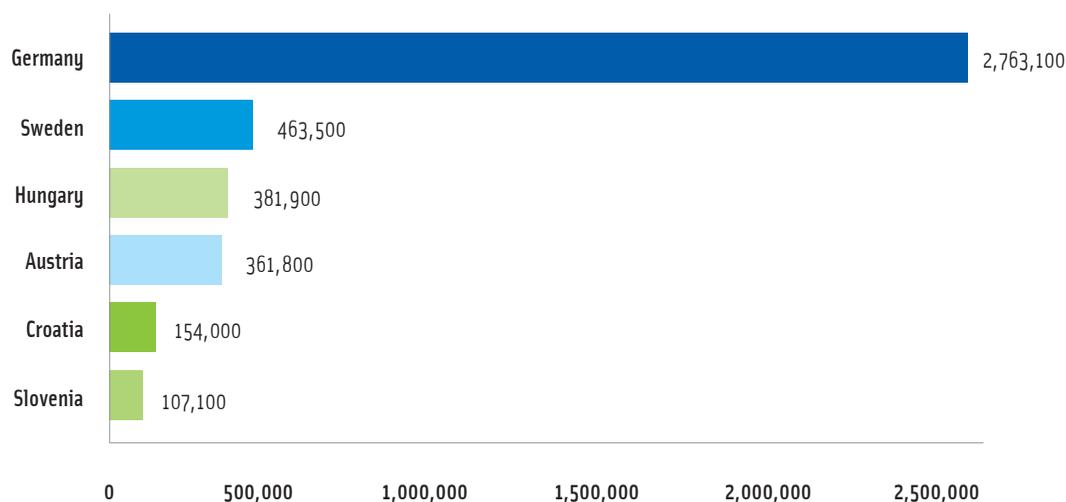
Student numbers and student costs

Two countries examined in this study are federations: Austria and Germany, while the others are centralised states. In Austria, the student financial support system is administered at the federal level and, as a result, the Austrian system is fairly comparable to the rest of the countries examined in this study who have centralised state administrations. In Germany, however, the student financial support system is administered at the level of federal states so only general remarks can be provided for that particular case study.

Size of the student body

Comparing the size of the student body in each of the six countries analysed in this study is a way of evaluating which higher education systems are more (or less) comparable. As can be seen from Figure 1.1 below, Germany forms a category of its own with over 2 million students. Hungary, Sweden and Austria have fairly comparable systems in size (between 361,800 and 463,500 students), while both Croatia and Slovenia have significantly smaller systems of higher education (154,000 and 107,100 students respectively).

Figure 1.1. Number of students, 2011



Source: Eurostat

Public expenditure on higher education

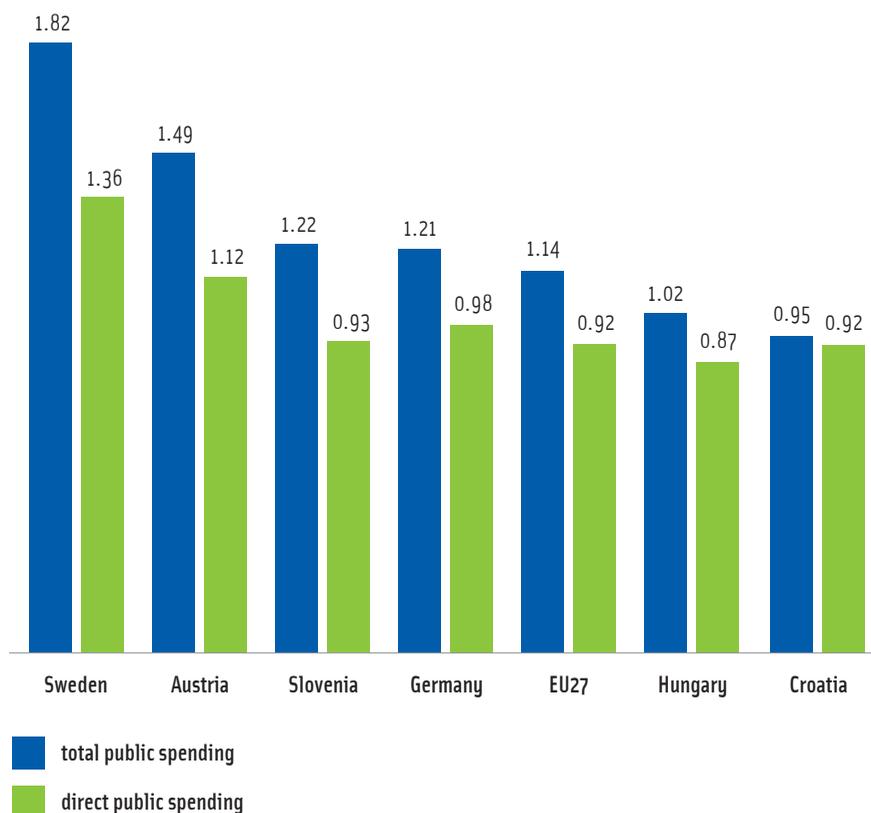
Another way of gauging the comparability of analysed systems of student financial support is by analysing the total amounts of public expenditure on higher education in each country, as well as the sub-category of *direct* public



expenditure on higher education. While data for total public expenditure on higher education includes all public funding (including research and development), the data on direct public expenditure on higher education excludes payments to individuals in the form of direct student financial support. Hence, a considerable difference between the two numbers should indicate relatively high expenditure on direct student financial support mechanisms, whereby money is transferred to individuals in the form of grants and loans (European Commission, 2011a).

As is shown in Figure 1.2 below, Sweden and Austria have the highest levels of public expenditure on higher education as a proportion of their respective GDP, as well as registering a fairly large difference among the figures for total and direct public expenditure. This indicates that both countries have substantial systems of student financial support in place, which is supported by the detailed case studies in this report.

Figure 1.2. Total public expenditure and direct public expenditure on higher education as a proportion of GDP in 2008



Source: European Commission (2011a)

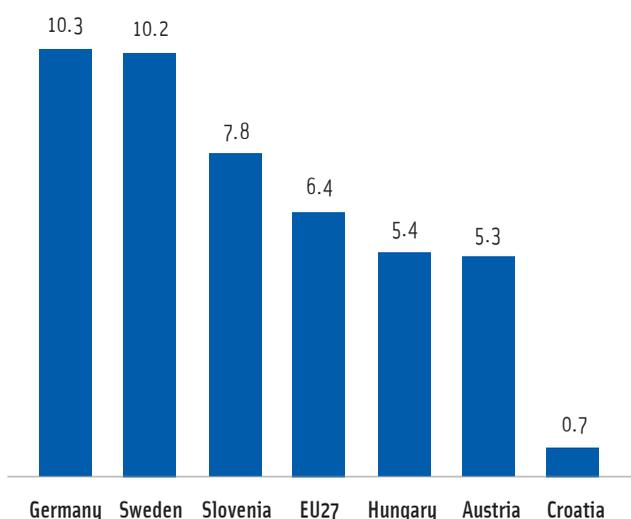


Regarding the other four countries, their total figures are considerably lower, and the difference between the data on total and direct public expenditure is considerably smaller. Germany and Slovenia have comparable levels of total and direct public expenditure on higher education, whereas Hungary and Croatia, in comparison, have the lowest total public expenditure. The difference between total and direct public expenditure on higher education is the smallest in Croatia, consisting of 0.03 percentage points. This difference is 0.15 percentage points in Hungary, 0.23 in Germany, 0.29 in Slovenia, 0.37 in Austria, 0.46 in Sweden, which indicates that there is low expenditure on student financial support in terms of money transferred to individuals in the form of grants and loans in Croatia (European Commission, 2011a).

According to a recent report by Eurydice on higher education funding and the social dimension in Europe (EACEA/Eurydice, 2011), the average level of expenditure on direct student financial support in the EU as a proportion of a country's overall higher education budget increased slightly from 14.5% to 17% between 2000 and 2007. However, this average increase conceals differences between individual European countries: while in some countries there has indeed been an increase of expenditure on student financial support (Germany, Austria, Hungary), in others a decrease has occurred (Slovenia, Sweden).¹ According to the aforementioned report, countries that invest the most in their student financial support systems as a percentage of overall higher education expenditure are Cyprus (59%), Norway (43.8%), the United Kingdom (30.8%), Denmark (28%) and the Netherlands (26.8%). The countries that invest the least as a percentage of overall higher education expenditure are Poland (1.5%), Romania (3.8%), the Czech Republic (4.2%), Latvia (5.1%) and Estonia (6.3%).

Unfortunately, the EACEA/Eurydice (2011) report does not contain precise data for the countries analysed in this study. However, Eurostat provides an indicator that can help to gauge the size of the student financial support systems of the respective countries. Although the indicator calculates direct financial support provided both to pupils and students at all levels of education, it nevertheless provides relevant information with respect to relative size of the financial commitment to supporting individuals enrolled in education. Figure 1.3 below presents the data.

Figure 1.3 Financial support to pupils and students as percentage of total public expenditure on education, for all levels of education, in 2008



Source: Eurostat

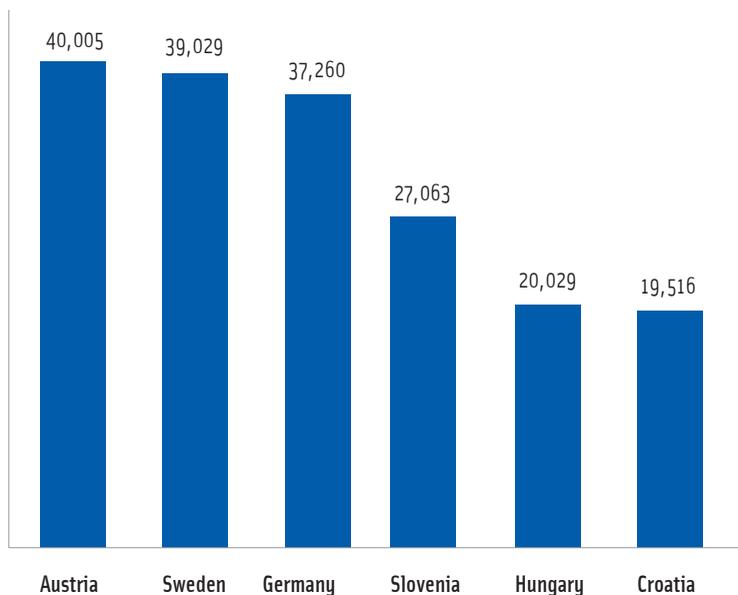
¹The EACEA report does not include data on Croatia.



According to Figure 1.3, Germany and Sweden have nearly identical shares of financial support in their overall education expenditure, and they are followed by Slovenia, which is above the EU27 average. Following them are Hungary and Austria, with very comparable shares of expenditure on financial support provided to pupils and students (at around 5%). Finally, Croatia stands in a category of its own, with less than 1% of its education budget allocated to direct financial support for pupils and students.

Levels of public expenditure on higher education may be interpreted as a sign of commitment of governments to advancing higher education. However, this type of argument is often countered by arguing that not all countries enjoy a comparable standard of living and that it is for this reason that public expenditure is lower in countries that are less wealthy. Figure 1.4 below therefore presents data on GDP per capita, PPP adjusted², for 2010.

Figure 1.4 GDP per capita, PPP adjusted, 2010.



Source: World Bank³

As can be seen from Figure 1.4, Austria, Sweden and Germany are substantially wealthier countries than Slovenia, Hungary and Croatia. Austria and Sweden are the wealthiest countries and they are also the two countries where the proportions of total public expenditure on higher education are the highest. This seems to confirm the above-mentioned argument that links overall national wealth with higher education funding levels. Indeed, Hungary and Croatia are the least wealthy countries and their proportions of public expenditure on higher education are also the lowest. However, GDP per capita in Germany is almost as high as that of Sweden and Austria, yet its public expenditure on higher education is significantly lower than these countries. On the other hand, Slovenia's GDP per capita is significantly lower than Germany's, yet it invests a higher proportion of its GDP to funding higher education. These two examples suggest that the overall wealth of a country does not necessarily translate into a higher level of public expenditure on higher education.

² OECD definition of purchasing power parity (PPP): price relation showing the ratio of the prices in national currencies of the same good or service in different countries. More information on this indicator available at: <http://www.oecd.org/std/prices-ppp/>.

³ Data retrieved from <http://data.worldbank.org/indicator/NY.GDP.PCAP.PP.CD>



This brief introduction to trends in higher education funding in the six countries analysed in this study is followed by an analysis of the costs that students incur in these countries, followed by an analysis of the types of student financial support provided by the state in each of the respective countries.

Student costs (direct and indirect)

The main types of costs that students incur are tuition fees (direct costs) and living costs (indirect costs), which consist of the cost of accommodation, meals, transport, health insurance, books and educational materials.⁴

Tuition Fees

Table 1.5 below provides an overview of tuition fees policies (and no-fee policies) at public higher education institutions in the six countries compared in this study. For countries where tuition fees are present, the table provides additional information on the levels of fees.

Table 1.5 Tuition fees at public higher education institutions in selected countries, in 2011

Country	Tuition-fee systems and annual fee amount, in EUR
Austria	<ul style="list-style-type: none"> • No tuition fees upon enrolment at all levels of study. • Tuition fees for extended length of study: 760 EUR. • Tuition fees for non-EU students: 760 EUR.
Croatia	<ul style="list-style-type: none"> • As of 2010/2011, no tuition fees for all full-time students enrolling for the first time in their first year of studies at undergraduate (Bachelor) or graduate (Masters) level. No tuition fees for all subsequent years of study dependent on study progress (55 ECTS points per year). Students below the prescribed level of ECTS points per year pay variable tuition fees. • All part-time students pay tuition fees. • 51% of students were paying some amount of tuition fee in 2010/2011: <ul style="list-style-type: none"> • 49% full-time non-fee paying students, • 26% full-time fee paying students, • 25% part-time fee-paying students.⁵ • Tuition fees range for undergraduate students (data for 2009/2010): 750–1,270 EUR.⁶ • Tuition fees for students enrolled in doctoral studies and postgraduate specialist studies: fee levels vary by higher education institution. • Tuition fees for international students: fee levels vary by higher education institution.

⁴ This distinction between direct and indirect costs should not, however, be confused with the typology of student financial support mechanisms, to which the report refers to as direct types of financial support (grants and loans) and indirect types of financial support (subsidies and tax benefits). The former are direct monetary transfers to students, usually not specifying what type of cost they should spend them on. The latter are transfers to institutions and services that students may benefit from should they be in the position to use them, such as accommodation, meals, transport and leisure.

⁵ Data source: Croatian Bureau of Statistics [CBS]. (2012). Students, 2010/2011 Academic Year. Statistical Reports. Zagreb: Croatian Bureau of Statistics. Retrieved from <http://www.dzs.hr/>

⁶ The data refers to tuition fees paid according to the previous dual-track system, before the linear (ECTS-based) tuition fee model was introduced.

Germany	<ul style="list-style-type: none"> • Six states charge tuition fees to all students at undergraduate and graduate level. • Five states charge tuition fees to students who exceed the prescribed length of studies or have already completed a degree. • Annual tuition fees range between 750-1,000 EUR. • Tuition fees are charged for doctoral studies, in varied amounts.
Hungary	<ul style="list-style-type: none"> • No tuition fees for state-subsidised students. • Tuition fees for students over state-subsidised quota: 1,000-7,000 EUR. • Tuition fees for part-time students: proportion of the 1,000-7,000 EUR cost of full-time study programme (e.g. a study programme providing 50% full-time equivalent courses charges 50% of full-time equivalent fees). • Tuition fees for extended length of study: potential loss of state-subsidised place for students who study beyond the prescribed length of study. • Substantial differences in fee levels across academic disciplines and institution types, with no overall regulation or guidance from the state.
Slovenia	<ul style="list-style-type: none"> • No tuition fees for full-time students in undergraduate and graduate studies (including at private higher education institutions with concessions). • Tuition fees for part-time students: <ul style="list-style-type: none"> • For undergraduate studies, from 1,600-7,436 EUR, • For graduate studies, from 1,805-9,471 EUR. • Tuition fees for students enrolled in doctoral studies. • Tuition fees for non-EU students (or from countries without a bilateral agreement with Slovenia).
Sweden	<ul style="list-style-type: none"> • No tuition fees for domestic and EU students at all levels of study. • Tuition fees for non-EU students enrolled introduced in 2011/2012.

Sources: Doolan et al. (2012), ACCESS questionnaire

In terms of the presence of tuition fees, until recently Sweden was often cited as one of the last countries in Europe where there were no tuition fees for any category of student. This has changed since the beginning of the academic year 2011/2012, when Swedish higher education institutions began charging fees for non-EU students. Nevertheless, the large majority of students in Sweden (all Swedish students and students with residence in the EU) do not pay tuition fees. Austria is similar to Sweden since it does not charge tuition fees for any level of study as long as students make regular study progress. Only those students who exceed the prescribed length of the study programme (number of study semesters plus two extra semesters) are charged an annual tuition fee of 760 EUR. Slovenia also fits in this group of countries, since a large majority of students do not pay tuition fees - only part-time students and doctoral students are charged tuition fees.



In Germany, since the decision on whether to charge tuition fees is made by the federal states, the practice is varied. Out of 16 states, five do not charge fees, six charge fees to all students and five only charge fees to students who exceed the prescribed length of the study programme. This diversity of institutional practice in Germany may be said to be a reflection of the political struggles around defining higher education as a public good and providing it with adequate public investment.

Finally, Hungary and Croatia are cases where the strong expansion of higher education during the 1990's was not supported with an increase in public funding, but the system was allowed to expand instead through the practice of enrolling students "outside the state-subsidised tuition fee quota". In other words, higher education institutions were allowed to enrol students above the number that was funded from the state budget, and these students were charged tuition fees. The number of these self-funded students continuously grew and with time it became a significant source of funding for higher education institutions. While it is clearly inequitable to divide students enrolled into two funding groups (since both groups fulfil the academic requirements of the particular institution), the system has developed strong roots in both countries due to the fact that the tuition fees make up for a shortfall in government funding.

In Croatia, the system of "first and second class" students has been criticised for a number of years. Since 2007, universities have started introducing a linear system of tuition fees whereby students may avoid the payment of fees by collecting a proscribed number of ECTS points. After the system was piloted at the University of Zagreb and then extended to other universities, the Ministry of Science, Education and Sports adopted it in a series of decrees between 2008 and 2012. These reforms were intended as an improvement of the previous system whereby students who entered as fee-paying students were not able to switch to the non-paying category, irrespective of their academic achievements. In practice, however, the system reinforces different classes of students in terms of having different fee-paying categories.

In the following paragraphs Šćukanec (2013) summarises the decrees issued by the Croatian Ministry of Science, Education and Sports regarding tuition fees since 2008. They all pertain to the regulation of tuition fees subsidies based on the accumulation of ECTS points:

- **2008/09 and 2009/10:** Full tuition fee subsidies provided to full-time students enrolling in graduate study programmes (university studies only, not professional studies), in their first and second years. Additionally, all full-time integrated studies students (university studies) have fully subsidised fees in their fourth, fifth and sixth years.
- **2010/11 and 2011/12:** All full-time undergraduate students (both university and professional studies), have fully subsidised tuition fees in their first year. Further fee subsidies for undergraduate students in their second and third year were not regulated, and public higher education institutions were autonomous in defining fees for these students. This created confusion among students and higher education institutions and led to diverse and uncoordinated funding solutions for these students.

The above mentioned 2008/09 and 2009/10 regulations for graduate students remained in force, and the graduate arrangements continued to exclude professional higher education students.

- **2012/13 to 2014/15:** Full tuition fee subsidies for all first-year full-time undergraduate and graduate students (now fully including both university and professional studies). Full-time students enrolling in the second or



third years (or fourth if applicable) of undergraduate and graduate studies continue to study free of charge if they accumulate 55 ECTS points or more (60 credits is the full annual course load) in the previous academic year. Students who do not acquire this prescribed number of ECTS points pay tuition fees according to a linear model, whereby the levels of fees are variable and increase proportionally to the number of ECTS points that students are short of the 55 credit target.

In the academic year 2011/2012, the tuition fee subsidy (per student) provided to public higher education institutions by the Ministry of Science, Education and Sports (MSES) was fixed at 3,650 HRK (approximately 479 EUR) per year, regardless of the field of study. MSES can then continue to pay the subsidy for these students in the following years provided that they accumulate a minimum of 55 ECTS points every academic year. If not, these students pay fees as described above.

Regarding tuition fee levels, the Croatian and Hungarian systems share a similarity in that the state does not regulate the amounts of tuition fees charged to students. In Croatia, tuition fees for undergraduate studies have been regulated to a certain extent through the Rectors' Council, the amounts of fees for all other levels of study are at the discretion of higher education institutions. The situation is the same in Hungary. As a result, the amount of direct costs that students incur in these two countries are varied: students may be paying no tuition fees at all throughout the length of their study programme, while their colleagues may be paying a substantial direct cost for each semester. According to EUROSTUDENT survey data for Croatia (Farnell et al., 2012), the average annual tuition fee in 2010 in Croatia was 8,800 HRK (1.174 EUR). Such a situation means that the student body is extremely heterogeneous and that designing an equitable financial support system for students represents a challenge.

According to the comparative EUROSTUDENT survey report for Europe (Orr et al., 2011:112), there tends to be an inverse relationship between the re countries that are less developed economically. On the one hand, they require a well-educated work force to encourage economic development and, on the other hand, they rely on high private contributions to cover the costs of such an education system. Croatia is a case in point for this dilemma.

Living Costs

Apart from tuition fees as a direct (study-related) cost, students also incur indirect (living) costs. According to EUROSTUDENT survey data for Europe (Orr et al., 2011), living costs account for around 75% of students' expenses, irrespective of whether they live with their parents or not. Living costs consist of: accommodation, meals, transportation, health costs, childcare, communication, books and educational materials, daily expenses, social and leisure activities and other regular living costs. In the Croatian context, 82% of the total costs of students are living costs, according to the Croatian national EUROSTUDENT report (Farnell et al., 2012:50).

Based on data collected in the six case studies presented in this report, the monthly living costs of students differ substantially among the countries analysed in this study. Approximations are provided in Table 1.6 below.

**Table 1.6 Self-reported monthly living costs for students enrolled in 2011**

Country	Monthly cost of living
Austria	800-1,000 EUR
Croatia	340-350 EUR
Germany	667-800 EUR
Hungary	160-320 EUR
Slovenia	288-395 EUR
Sweden	1,000-1,200 EUR

Source: ACCESS questionnaire

The approximations provided for Hungary suggest that students in that country have the lowest minimum monthly cost of living. The maximal amount for Hungary comes close to Slovenia and Croatia which form one cost group with respect to the average monthly cost of living, approximated at around 350 EUR per month. In Germany, monthly costs vary between 667 and 800 EUR, followed by Austria with 800-1,000 EUR and finally Sweden, with average monthly costs of living amounting to more than 1,000 EUR. These differences in living costs should be reflected in the levels of financial support from the state, and the report addresses this question in the following sections.

However, the average monthly living costs in a particular country obscure the fact that costs significantly differ according to whether students live with their parents, independently or in student accommodation. When this data is analysed for countries in this study, important differences appear and the data is provided in Table 1.7 below.

Table 1.7 Proportion of students living with parents, and living in student accommodation in the academic year 2009/2010

Country	Living with parents, in %	In student accommodation, in %
Austria	21%	8%
Croatia	43%	15%
Germany	24%	13%
Sweden	12%	31%

Note: While in the rest of the report, the percentage of students living in student accommodation in Croatia is quoted from the Eurostudent report for Croatia (Farnell et al., 2012), here we quote the comparative Eurostudent report (Orr et



al., 2011) to ensure that the data is comparable.

Source: Orr et al. (2011), ACCESS questionnaire

With respect to the type of accommodation that students live in, the countries analysed in this study, for which Eurostudent data was available, can be grouped into three clusters. Sweden stands alone as a country where only around a tenth of students live with their parents and almost a third of all students live in student accommodation. In Austria and Germany, between 21% and 24% of students live with their parents and German students are more likely to live in student accommodation than Austrian students. Finally, a larger proportion of students from Croatia live with their parents. In Croatia, according to the comparative Eurostudent report (Orr et al., 2011), 15% of the total student body is housed in student accommodation. These differences may be said to reflect, on the one hand, the availability of student accommodation within a particular higher education system and, on the other hand, may be influenced by the structure of student financial support provided in a particular country. For instance, when students are provided with direct grants for living expenses, they may be more likely to move out of the parental home. Conversely, in countries where living costs are not adequately publicly funded and/or where the availability of student accommodation is severely restricted, the prohibitive costs of housing expenses may represent a serious barrier to higher education access for students whose parental home is not in the same location as the higher education institution they are attending.

According to the comparative EUROSTUDENT survey report (Orr et al., 2011:141), housing costs are the biggest financial burden of students throughout Europe. The relative proportion of students living in different types of housing by country therefore reveals important information about their overall costs. In Sweden, accommodation costs for students up to the age of 24 contribute to 41% of students' total monthly expenses, while this figure is 35% in Germany, 37% in Austria and 34% in Croatia. According to the same source, travel costs constitute 5% of total student expenditure in Sweden, 8% in Germany, 6% in Austria and 5% in Croatia.

Students' sources of income

Comparatively analysing student financial support systems in different countries should start from an understanding of how the status of a student is legally regulated by the state. Namely, the state can either consider students as independent individuals or as individuals who are legally dependent on their families. The assumption of independence carries two kinds of position from the perspective of the state: either the state assumes responsibility for funding the student for the duration of active study, or the student is treated as an independent income-earner. According to the comparative EUROSTUDENT report, students in Europe combine income from the three sources mentioned above: family, state and employment (Orr et al., 2011).

With respect to family contribution, there is a general expectation in some systems of higher education that families should meet the costs of students. In these countries, parents are the "first stop" for financial support, although in some cases the state supports parents by providing special benefits for the support of their children, either directly through child benefits or indirectly through tax rebates (Orr et al., 2011). Among the countries analysed in this study, all of the countries apart from Sweden consider students to be legally dependent on their families⁸ and hence to be the financial responsibility of their parents.

The type of student financial support provided by the state follows logically from the above-mentioned distinction between students as legally dependent on their families and students as independent citizens. In the case of dependency on the parents, the state primarily designs programmes to support students who come from families of

⁸ Individuals are considered to be legally dependent on their parents only up to a certain age - e.g. until the age of 24 in Austria, 26 in Croatia.



lower socioeconomic background. Grants will in such cases be subject to means-testing and available only to students coming from families identified as in need of financial assistance from the state. In cases such as Sweden, on the other hand, the state designs financial support mechanisms based on the premise that students are independent young adults who all need assistance from public funds while studying. Finally, states also design programmes intended to support students according to merit or some other target objective.

With respect to student employment, this form of income should primarily be seen as a coping strategy used by students to supplement their other funding sources (Orr et al., 2011). The extent to which students resort to employment during their studies depends on state regulations regarding student employment, as well as on the availability of other financial support mechanisms. In addition, the proportion of students who work also depends on the composition of the student body. For instance, many students in Sweden re-enter higher education after several years in employment and the average age of the student population in Sweden is 28, which results in there being a significant proportion of students who have their own income as a source of funding their studies.

Composition of income

As Haaristo et al. (2011) note, one of the main questions that arises when analysing the financial situation of students is their reliance on public (state) or private income sources (family, own income). Irrespective of whether students are treated as independent individuals or as dependants of their families, the key question is whether the state should take over some of the financial burden - either from the family or the students themselves. An examination of the composition of income for 21-year old students (Haaristo et al., 2011:2) shows these distinctions between countries, shown in Table 1.8.

Table 1.8 Composition of total monthly income for students not living with parents (2009–2010)

Country	Public sources	Family/partner contributions	Self-earned income	Other
Austria	11%	36%	42%	11%
Croatia	10%	76%	8%	6%
Germany	15%	49%	28%	8%
Sweden	57%	7%	20%	16%

Source: Haaristo et al. (2011:2)

Whereas 57% of the income of students in Sweden came from public funding sources (family contributions: 7%, employment: 20%), in Germany the corresponding proportion was 15% (family contributions: 49%, employment: 28%) and in Austria 11% (family contributions: 36%, employment: 42%). In Croatia, only 10% of all students' income came from public funding, whereas 76% of their income came from family/partner contributions and 8% from self-earned income. Among these cases, only in Sweden does the state have a predominant role in the students' monthly

1.2

Direct financial support

income, while in all other cases private contributions from families or self-earned income cover the largest proportion of students' costs (child benefits, tax reliefs and other benefits from the state are not included).

Grants

The forms of direct financial support to students considered in this report are grants and student loans. The authors of this report have decided to categorise the grant systems into "general grants" (which are non-competitive and available to a significant proportion of students) and "targeted grants" (which pursue specifically designed objectives and may or may not be competitive, and tend to be available to a smaller proportion of students).⁹

The strength of having a general grant is that the state recognises students as a category that should be supported by public funds. A general grant programme implies relatively wide coverage of the student body. It contains an equity dimension since it is non-competitive - all students who are eligible receive the grant. In addition, it encourages independence of students and puts students in control of their expenses. Table 1.9 below provides an overview of the six country cases in terms of whether grants include a merit component.

Table 1.9 Provision of grants for student costs across selected countries, in 2011

Country	Grants without merit component	Grants with merit component
Austria	+	-
Croatia	-	+
Germany	+	-
Hungary	-	+
Slovenia	-	+
Sweden	+	-

Source: ACCESS questionnaire

Among the countries analysed in this report, Sweden has a system of general grants that are available to all students whose own income is below a particular threshold. Although this indicates a level of means-testing, the threshold on student's own income is set high and the Swedish system is not targeted at lower-income students: it provides grants for

⁹ In addition to the term "grant", the authors will occasionally use the term "scholarships" in this report. The term will be used to refer to a form of "targeted grant", which is usually characterised by being competitive and (partially) merit-based, with a small number of grants awarded. The term "scholarship" is also used by several countries as the English translation of the national term for "grant".



the majority (65%) of students. The grant covers part of their costs and they can receive student loans for the other part of their costs. In Germany and Austria a similar system exists, in that all students below a particular income threshold determined by family income and own income receive grants, so these programmes can be classified as grants without a merit component. However, in Austria and Germany financial support is targeted at lower-income groups, so the income threshold is lower (and hence financial support is available to a smaller proportion of students). These systems differ from the ones in Croatia, Hungary and Slovenia where there is a merit component in grants targeted to students from low-income families.

In systems which provide general grants, the key debate revolves around the income level at which the state supports the student, as well as the actual level of support in terms of monthly amount of the grant. In Sweden, for example, where the average student age is 28 and many students work, it makes sense to compose a system that combines general grants with a student loan programme. The report returns to this question in the following sections.

Table 1.10 General grants available in Sweden, in 2011

General grant				
Country	Public sources	Family/partner contributions	Self-earned income	Other
Sweden	Regular study progress	Undergraduate and graduate students, from public and private institutions and studying full-time or above 50% of a full-time equivalent study load. In practice, almost all students are eligible, but the awarding of financial support is based on a means test (student's own income).	65% of students (even more students are eligible for the grant than actually apply for it)	333 EUR per month. Annual amount is 3,000 EUR. Further supplements are available for students with children

Source: ACCESS questionnaire

In Sweden, a requirement for continuing to receive financial support is regular study progress. However, this is not a merit criterion indicated through students' grades, but only through coursework completion. The programme is intended for students enrolled in undergraduate and graduate studies, from public and private institutions and studying in full-time capacity or part-time capacity (with more than 50% full-time equivalent study load). A means test is applied and relates to students' own income. As mentioned above, 65% of students in Sweden receive a general grant. The general



grant scheme in Sweden is intended to go together with the publicly-administered loan system, as explained in the sections below.

In Austria, virtually all students are eligible for direct student financial support in the form of the Study Grant: eligible students are full-time undergraduate and graduate students, from public or private institutions, enrolled in either university studies or professional studies. The grant is based on need, although (as in Sweden) regular study progress is also a requirement. According to 2010 data, 19% of the overall student body received this form of support (Statistics Austria). The maximum annual grant available is 5,700 EUR, although some groups (students with children, students without parents, etc.) are eligible for a grant amounting to 8,148 EUR per year. The average grant in the academic year 2010/11 was 4,308 EUR.

Germany administers a federal student financial support programme based primarily in the criteria of need, which is in some ways similar to the Austrian Study Grant programme. The German *BAföG* programme (*Bundesausbildungsförderungsgesetz*/German Federal Law on Support in Education) is intended for full-time students at all levels and is based on means-testing of both students and their families. However, it is different to the Austrian programme in that the monthly allowance is a 50% grant and a 50% loan that students must pay off after completing their studies. As can be seen in Table 1.13, around 17% of all students (eligibility determined by income, nationality, course attendance, age) enrolled in Germany receive this form of financial support.

In Croatia and Slovenia, state-level grant programmes are targeted to different groups of students and administered at the central level in the responsible ministry for higher education. In Slovenia around 19% of all students receive direct financial support from the state (42,646 scholarship recipients in 2010), while in Croatia approximately 3.7% of all students receive the State Scholarship (4,214 recipients in 2011/2012). However, this figure for Croatia is misleading since grants are provided not only through the main State Scholarships programme, but also through four other state-level institutions, and through most local and regional government authorities – for which, unfortunately, there is no centralised data available. However, according to EUROSTUDENT data for Croatia (Farnell et al., 2012), 28% of Croatian students reported to be receiving grants.

In Hungary, student financial support funded by the state is fully decentralised and all grants are awarded through competitions administered at the level of higher education institutions on the basis of various criteria. Based on the lack of data, it is difficult to draw generalised conclusions about the types of grants that are awarded, however, most of the grants are awarded based on merit.

Regarding “targeted grants”, the typical types of grants that exist in this category are merit-based grants (to support excellence), needs-based grants (to support disadvantaged students), grants to support mobility, and other grants aimed at specific groups of students or at a specific objective. Often, even when grants are not awarded based on merit they still contain a component that is related to study progress or merit in grades. For instance, in Croatia all state-level grant programmes have this merit-based component, regardless of the fact that the majority of these programmes have social targets.

Table 1.11 below demonstrates that all countries except Sweden have a targeted grant programme aimed at encouraging excellence, where competitive grants based on merit are awarded at the level of higher education institutions and through other non-governmental and international institutions.


Table 1.11 Merit-based grants, in 2011

Austria	<p>Performance-related grants</p> <ul style="list-style-type: none"> • Awarded to students who have an excellent record of study progress (at public or private universities and universities of applied sciences/Fachhochschulen). There is no precondition of social need (income and property of parents are not considered). • Approximately 80 EUR per month. <p>Incentive grants</p> <ul style="list-style-type: none"> • Awarded based on scientific and artistic achievements. • 77-400 EUR per month.
Croatia	<p><i>Državne stipendije / State Scholarships (category A: especially gifted full-time students)</i></p> <ul style="list-style-type: none"> • Competitive. • Awarded based grade point average and study progress. • Scholarship pertains to full length of study at one degree level. • 1,341 students received scholarship in 2011/2012. • 66-106 EUR per month.
Germany	<p><i>Deutschland Stipendium/Germany Scholarship</i></p> <ul style="list-style-type: none"> • Awarded to reward excellence. • All students (foreign and German) studying in higher education institutions in Germany are eligible. • 10,000 scholarships were available for the first year (introduced in 2011). • 300 EUR per month. • Apart from this programme, other merit-based programmes exist.
Hungary	<p>Merit-based scholarships</p> <ul style="list-style-type: none"> • Awarded through competitions administered at the level of higher education institutions, distributed according to criteria set by individual institutions. • No centrally collected data about the number of scholarships awarded. • 300 EUR per month per student (maximum amount).
Slovenia	<p><i>Zoisove štipendije / Zois scholarships</i></p> <ul style="list-style-type: none"> • Awarded to gifted students. • 7,578 students received Zois scholarships in 2010. • 225 EUR per month (on average).
Sweden	There are no grants for merit in Sweden.

Source: ACCESS questionnaire

Apart from grants based exclusively on merit, Table 1.12 presents available needs-based grants.



Table 1.12 Needs-based grants, in 2011

<p>Austria</p>	<p>Study Grant</p> <ul style="list-style-type: none"> • Awarded based on means-testing both of student and family. • Eligible: full-time students, all levels, both at university studies and professional studies. • 475 EUR per month; 679 EUR per month for specific groups (married, orphans, self-supporters, students with children, and students who study far from permanent residence of parents). • One out of six students enrolled in Austria received grant. • 70% of applicants receive this grant. <p>Study allowance</p> <ul style="list-style-type: none"> • Awarded to students who pay tuition fees but are in financial need. • Eligible: students enrolled in undergraduate and graduate, university studies and professional studies, in both public and private higher education institutions. <p>Child care subsidy</p> <ul style="list-style-type: none"> • Awarded to recipients of the Study Grant or a grant upon completion of studies with children, who have costs for professional child care in the final phase of their study. • Age limit: 41. • Up to 150 EUR per month and child. <p>Student financial support</p> <ul style="list-style-type: none"> • An auxiliary financial instrument that can be used to address social need, reward merit, help finance tuition fees, support students with special needs etc. • Students enrolled in undergraduate and graduate, university studies and professional studies, both public and private higher education institutions. • The amount of these supportive measures ranges from 180 EUR to the maximum annual amount offered as the Study Grant.
<p>Croatia</p>	<p>Državne stipendije / State scholarships (Category E: full-time students of lower family income)</p> <ul style="list-style-type: none"> • Awarded based on means-testing and merit component. • Competitive. • Eligible: full-time students, enrolled in either university studies or professional studies, in higher education institutions. Ineligible: part-time students; students at private higher education institutions. • 2,656 students (approximately 2.37% of all students) received this scholarship in 2011/2012. • Scholarship pertains to full length of study at one degree level. • 66-106 EUR per month.



Germany	<p><i>BAföG (Bundesausbildungsförderungsgesetz / German Federal Law on Support in Education)</i></p> <ul style="list-style-type: none"> • Awarded based on means-testing both of student and family. • Eligible: full-time students, all levels, enrolled in either university studies or professional studies. • 50% grant and a 50% loan. • If due to a physical or mental disability a student requires more time than the prescribed length of studies to complete the studies, the assistance following the prescribed period is provided in form of a grant only. • Around 17% of all students receive this form of support.
Hungary	<p>Needs-based financial support</p> <ul style="list-style-type: none"> • Awarded based on criteria set by higher education institutions. • Eligible: state-funded and self-funded students, both in private and public higher education institutions. • No data on coverage. • 100–500 EUR per month.
Slovenia	<p><i>Državne štipendije / State Scholarships</i></p> <ul style="list-style-type: none"> • Awarded to support secondary students over the age of 18, graduate and doctoral students from socially unprivileged backgrounds (e.g. from low-income families). • 58.3% of all scholarship recipients receive these scholarships • 14,974 students received need-based scholarships in 2010. • 177 EUR per month (average).
Sweden	<p>Supporting students with children</p> <ul style="list-style-type: none"> • Awarded to support students with children based on means testing. • 8 % of all students receive this type of support. • 64 EUR extra per month for the first child, and another 40 EUR per month for each additional child (EACEA/EURYDICE, 2011).

Source: ACCESS questionnaire

Apart from merit-based and needs-based grants, grants are also awarded for the purposes of mobility. Table 1.13 shows grants for study abroad per reviewed country. Though a separate section of this report provides an overview of financial support programmes for outgoing and incoming mobility, this information is included here in order to provide a full picture of direct financial support programmes managed at the state level.



Table 1.13 Grants awarded for the purposes of mobility (excluding Erasmus and bilateral agreements), in 2011

Austria	<p>Grants for study abroad (intended for completing a full study programme abroad)</p> <ul style="list-style-type: none"> • Paid in addition to the Study Grant. • 582 EUR per month (maximum) • The amount depends on the cost of living and studying in the respective country. <p>Mobility grant (intended for outward mobility of students enrolled in study programmes in Austria)</p> <ul style="list-style-type: none"> • Not a competitive programme (same conditions as for the Study Grant) • 905 EUR mobility grant per month; 8,148 EUR annual mobility grant.
Croatia	There are no special state- funded mobility programmes, apart from partially-funded international programmes such Erasmus, CEEPUS, Fulbright and bilateral agreements,
Germany	<p>The BAföG grants and loans are portable for both short-term and long-term study abroad. German students studying abroad can also receive an extra grant for a maximum of one year and up to 4,600 EUR (this amount can be used for tuition fees, travel costs, additional health insurance fees and does not need to be repaid).</p> <p>Additional funding opportunities for study abroad include grants and fellowships provided by the DAAD (German Academic Exchange Service).</p>
Hungary	No grants are available for study abroad, nor are student loans available for study at higher education institutions abroad.
Sweden	Same grant for studies abroad as for studies in Sweden (340 EUR per month) - i.e. national student grants are portable regardless of the state where the study takes place.
Slovenia	<p>Scholarships for study abroad</p> <ul style="list-style-type: none"> • 130 scholarships in 2010 (Statistical Office of the Republic of Slovenia) • 220 EUR per month (average). <p>Ad Futura Scholarships for international mobility: For Slovene students studying abroad on graduate and postgraduate programmes.</p>

Source: ACCESS questionnaire



Finally, Table 1.14 below gives an overview of grants for other categories of students or other purposes.

Table 1.14 Grants for other categories of students or other purposes, in 2011

Austria	<p>Grant for completion of studies</p> <ul style="list-style-type: none"> • Awarded to offer students who have been employed during their studies the opportunity to complete their study programme without stress at their jobs, especially during the period of time needed for the completion of students' final diploma papers.
Croatia	<p>Državne stipendije / State Scholarships (categories B, C, D1, F, G, I, P)</p> <ul style="list-style-type: none"> • Category B: full-time students enrolled in deficit study areas. • Category C: full-time students who agreed to work in Special Care Areas of the state or islands. • Category D1: for children of killed, died or missing persons during the Homeland War as well as children of War Veterans and Disabled War Veterans. • Category F: fulltime students resident in Vukovar. • Category G: full-time students who have lived in foster families or care centres. • Category I: full-time students with disabilities. • Category P: doctoral and postgraduate specialist students with disabilities. • The programmes also have a merit component. • 66 - 106 EUR per month.
Germany	n/a
Hungary	No grants.
Slovenia	<p>Awards for students who contribute to sustainable development</p> <ul style="list-style-type: none"> • 84 awards awarded in 2010. • 500-5,000 EUR (one-off payment). <p>HRD (Human Resource Development) scholarships</p> <ul style="list-style-type: none"> • Connect the demand of the labour market with education.
Sweden	There are no other grants in Sweden.

Source: ACCESS questionnaire

The analysis of types of targeted grants reveals which groups are prioritised by the state and what type of commitment exists to pursuing social objectives. As has already been emphasised, in Croatia all programmes are competitive and have a merit component, regardless of the fact that they declaratively pursue social objectives.

Finally, another equity component of student financial support systems relates to whether the state considers the entire cost a student incurs. No examples exist where the state finances the full cost for all students. The next level of support would be if the state covers full cost of studying through a combination of grant and loan for the majority of students (Sweden) or minority of students (Germany). Following that, a substantially cheaper model would be one where the state covers a part of costs for all students below an income threshold (Austria). Apart from those approaches, target grants can be designed in order to fully cover the costs for disadvantaged students (no country in our study has this model), and, finally, a model where specific groups and targets are identified and supported only in part (represented in this study by Croatia, Hungary and Slovenia).

It bears mentioning, however, that this section has focused on direct support in the form of grants, and has not included costs that are covered through indirect financial support (as will be developed below). In such a context, in Croatia there may indeed be a section of the student body which has a significant proportion of costs covered by the state, combining financial support through grants and indirect financial support. As an example, students who live in student accommodation, in addition to lower accommodation costs, have access to subsidised meals and have a higher likelihood of receiving a grant (Farnell et al., 2012). If further combined with no-fee paying status, such students would have a large proportion of their direct and indirect costs covered by the state.

Student loans

All analysed country cases have commercial loan programmes for students. However, the focus of this analysis is whether the countries analysed in this study have public student loan systems in place, i.e. publicly-administered and/or publically guaranteed student loans. Such programmes exist in Austria, Hungary, Sweden and Germany and they do not exist in Slovenia and Croatia. In Sweden and Germany, the student loan programme is designed as a complement to the grant system. Table 1.15 provides information on student loans where they exist in the reviewed countries.

Table 1.15 Description of public student loan systems, in 2011

Austria	<p>Small loan programme for students who pay tuition fees.</p> <ul style="list-style-type: none"> • Eligible: full-time students (no part-time status) at undergraduate or graduate level, enrolled in either university studies or professional studies and in either public or private higher education institutions. • 300 to 1,000 recipients per year in last decade. • 760 EUR per year (loan designed to cover tuition fee only). • The interest on the loan is calculated as 1% below the 3-month-EURIBOR interest rate (communication with Gottfried Schlöglhofer, Director of the Austrian Study Grant Authority, 2012).
Croatia	No public student loan system.



<p>Germany</p>	<p>Loan is integral part of the BAföG programme, which combines a 50% grant and a 50% loan.</p> <ul style="list-style-type: none"> • Eligible: all full-time students (formally there are no part-time students); enrolled either in university studies or professional studies; undergraduate students up to the age of 30 and graduate students up to the age of 35 as well as students at private higher education institutions are eligible for this source of funding. • The loans are interest-free and they are repayable within 20 years. • Minimum monthly rate for repayment is 105 EUR. • 10,000 EUR loan to be repaid (maximum required repayment is capped at even if the loans exceed this amount).
<p>Hungary</p>	<p>National student loan programme</p> <ul style="list-style-type: none"> • Eligible: both fee-paying and non-fee paying students, full-time and part-time students are eligible. • The loan payments are available for the length of the semester (2x5 months, does not cover months of the summer recess) for a total of 5 years (10 semesters) or 7 years (14 semesters) for longer study programmes. • 1,400 EUR loan (maximum annual amount for a non-fee paying student). • 1,700 EUR (maximum annual amount for a fee-paying student). • Interest rate is variable, but set by the Government and in 2011 stood at 8%. • As of 2012 additional loan funds made available in order to cover the increase in tuition fee cost.
<p>Slovenia</p>	<p>No public student loan system.</p>
<p>Sweden</p>	<p>Loan is integral part of the grant system.</p> <ul style="list-style-type: none"> • Eligible: all students enrolled in study programmes that require at least a 50% full-time equivalent study load are eligible for a loan. • 740 EUR (basic universal loan per month during 9-10 months of study). • Approximately 226,000 students received a loan in 2010 (over 1,5 billion EUR). • Repaid in monthly or quarterly instalments at a rate that is tied to the 3-year bank average and has in the past 10 years varied between 2% and 3% annually. • Maximum repayment period is 25 years, and loans are cancelled at 68 years of age, at death or for exceptional individual reasons.

Source: ACCESS questionnaire

1.3

Indirect financial support

Among the countries analysed in this study, there are substantial differences with respect to state involvement in subsidising the living costs of students. The summarised information in the tables below focuses on five main categories of indirect financial support in an effort to compare country practices: accommodation, meals, tax transfers, travel and health insurance.

Table 1.16 Availability of subsidised student accommodation, in 2011

Country	Availability	Further information
Austria	-	Austrian Exchange Service provides some student accommodation services, but overall the state is not involved in the funding or provision of accommodation for students. There is a developed private market for student housing.
Croatia	+	Student accommodation system is administered by local student service organisations who administer indirect financial support (<i>Studentski centri/Student Centres</i>). Places are awarded through competition. Only full-time students are eligible, enrolled either in university studies or professional studies. Requirements are a combination of merit and need-based criteria. Both eligibility for student accommodation and for receiving subsidised accommodation are limited by numbers and by place of residence (in 2010/2011, one third of those applying for student accommodation did not receive it).
Germany	+	Student service organisations (<i>Studentenwerk</i>) at higher education institutions manage student halls of residence, which are in part funded by the state.
Hungary	+	Subsidised student accommodation only available to state-funded students.
Slovenia	+	All types of students are eligible for subsidised student accommodation, including unemployed part-time students.
Sweden	-	No subsidy.

Source: ACCESS questionnaire



In all countries except Sweden and Austria, student accommodation is subsidised by the state and usually administered by student service organisations, which are usually limited liability companies created at the level of the higher education institution. In countries where such student service organisations operate, they are usually in charge of student cafeterias as well, as the information in Table 1.17 below demonstrates.

Table 1.17 Availability of subsidised meals, in 2011

Country	Availability	Further information
Austria	+	System is administered by state-owned enterprise, with subsidies provided by the federal government.
Croatia	+	All full-time students at public higher education institutions are eligible for subsidised meals, system is predominantly administered by Student Centres.
Germany	+	Student service organisations (<i>Studentenwerk</i>) at higher education institutions manage local cafeteria with meals subsidised by the state. All students have access.
Hungary	-	No direct subsidies, but universities contracting out student cafeterias usually stipulate low price meal options.
Slovenia	+	All types of students eligible for subsidised meals, including unemployed part-time students.
Sweden	-	No subsidy.

Source: ACCESS questionnaire

The state subsidises meals through student cafeterias in most cases considered in this study, with the exception of Hungary and Sweden. The important question is how substantial are the subsidies. For instance, meals in student cafeterias in Croatia are heavily subsidised, to the extent that students are charged almost a symbolic amount of money for the meal. According to Budak et al. (2010), the prices of student meals in cafeterias administered by the Student Centre in Zagreb have not changed since the 1990s, standing at 0.59 EUR per basic meal. The prices of student accommodation in Zagreb have also stayed the same for a number of years, with the monthly rent at 48 EUR.



Table 1.18 Tax benefits and family allowance, in 2011

Country	Availability	Tax benefits and family allowance
Austria	+	Family allowance and tax benefits to families until age 24.
Croatia	+	Family allowances and tax benefits for families until 26 years of age.
Germany	+	Family allowance and tax benefits for families until 27 years of age.
Hungary	-	No student-specific tax benefits.
Slovenia	+	Family allowances and tax benefits for families until 26 years of age.
Sweden	- / +	No tax benefits.

Source: ACCESS questionnaire

Table 1.19 Travel allowance, in 2011

Country	Travel
Austria	Transport cost allowance, available to students receiving Study Grants and eligibility depends on their actual transport costs.
Croatia	Travel expenses not covered by state-level financial support, but students often have local travel partly covered by city governments. There is also a youth railcard available for reduced ticket price, and individual coach companies may offer student price tickets.
Germany	Student service organisations (<i>Studentenwerk</i>) or the local student union negotiate with local public transport providers for subsidised travel expenses.
Hungary	Reduced ticket prices for students available but dependent on local transport agencies.
Slovenia	50% of a monthly pass for transportation from place of residence to place of study; all full-time and unemployed part-time students are entitled to them.
Sweden	Extra student loans available for travel costs.

Source: ACCESS questionnaire



Transport costs of students are typically subsidised by local governments of cities in which higher education institutions are located, but in some countries these costs are also covered for students from a central level (for instance, in Austria and Slovenia).

Table 1.20 Health insurance provision, in 2011

Country	Availability	Further information
Austria	+	Students are co-insured through their parents until the age of 24. If the students are self-insured then the state pays half of monthly health insurance fee.
Croatia	+	All students receive mandatory health insurance through the state.
Germany	+	Until 30 years of age or 14th semester of study students are covered by national health insurance.
Hungary	+	All students receive mandatory health insurance through the state.
Slovenia	+	All students receive mandatory health insurance through the state.
Sweden	+	All students receive mandatory health insurance through the state.

Source: ACCESS questionnaire

In all the analysed cases, students are covered by mandatory national health insurance schemes. In some cases, they are co-insured through their parents until a certain legally determined age (for instance, in Austria until the age of 24).

1.4

Financial support for international mobility

When considering financial support for international mobility, it is important to consider both outgoing and incoming mobility to a particular country. With respect to outgoing mobility, this section attempts to compare two aspects: whether available state grant programmes are portable in the case that students are continuing their study programme abroad, and whether the state administers grant programmes specifically designed for study abroad purposes. With respect to incoming mobility, the question is whether countries provide financial support for incoming students in order to encourage incoming mobility and to what extent foreign students have access to domestic grant programmes.

Outgoing mobility

Table 1.21 Portability of grants, in 2011

Country	Type of grant	Portability
Austria	State-administered grant programme.	Yes, the basic Study Grant is extended into the grant for study abroad.
Croatia	State-administered grant programmes.	Yes, but only if no other student financial support is received.
Germany	<i>BAföG</i> grants and loans and other state-administered student loans.	Yes.
Hungary	State-funded scholarships, administered by Hungarian higher education institutions.	No.
Slovenia	State-administered grant programmes.	Yes.
Sweden	State-administered grant and student loan programmes.	Yes.

Source: ACCESS questionnaire

As can be seen from Table 1.21 above, the dominant picture with respect to portability is that grants are portable. The notable exception to the portability of grants is Hungary, while all other countries make provisions that enable domestic students to carry the awarded financial support with them to another country of study. In Austria, students who are



recipients of the Study Grant need to contact the responsible agency if they want to study abroad and their Study Grant will be extended into the programme called a Grant for Study Abroad. In the case of Croatia, state-administered scholarships may be carried over to another country only in case this is the sole source of financial support that students have at their disposal.

Table 1.22 Grants and student loans for outgoing mobility, in 2011

Country	Availability	Type of grant
Austria	+	Mobility grant, other bilateral and multilateral programmes.
Croatia	+	Bilateral and multilateral mobility programmes.
Germany	+	Grant for one year to cover tuition fees, other bilateral and multilateral programmes.
Hungary	+	Specific state-funded programmes for outgoing mobility, other bilateral and multilateral programmes.
Slovenia	+	State grant programmes and other bilateral and multilateral programmes.
Sweden	+	Extra mobility loans, other bilateral and multilateral programmes.

Source: ACCESS questionnaire

All countries have bilateral and multilateral mobility programmes and participate in various EU programmes for mobility – most notably Erasmus. However, all countries except for Croatia have a specifically designed state support programme for outgoing mobility, recognising outward mobility as an important societal goal.

Incoming mobility

The following Table 1.23 below refers to incoming mobility, analysing the extent to which existing state programmes of direct support in the form of grants and student loans are accessible to foreign students.

Table 1.23 Eligibility of foreign students for grants and student loans, in 2011

Country	Grant Availability	Family/partner contributions	Loan Availability	Loan
Austria	+	EU students treated the same as domestic, and are eligible to apply to federal financial support programmes. Some students from non EU/EEA also receive status of domestic students with respect to access to federal financial support programmes.	+	Public student loan programme for covering tuition fees available to all EU/EEA students.
Croatia	-	State-administered financial support programmes not open to foreign nationals; they can access scholarships only through bilateral and multilateral scholarship programmes.	-	No public student loan programme.
Germany	+/-	BAföG grants and loans awarded to international students only by exception.	+/-	Loan programme only limitedly available to foreign students.
Hungary	+	Foreign students with resident status and studying on state-funded place at the higher education institution are eligible to apply to student financial support programmes.	+	Public student loan programme available to foreign students with resident status and studying on state-funded places.
Slovenia	+	State-administered financial support programme is open to EU/EEA citizens on equal terms as those of Slovenian citizens.	-	No public student loan programme.
Sweden	+	EU citizens or relatives of EU citizens who either have a permanent residence in Sweden, or are employed or self-employed in Sweden, or are married or cohabiting with such a person in Sweden.	+	EU citizens or relatives of EU citizens who either have a permanent residence in Sweden, or are employed or self-employed in Sweden, or are married or cohabiting with such a person in Sweden.

Source: ACCESS questionnaire



International students in Germany can only gain access to domestic grant and student loan programmes through certain exceptions and it is possible that this is rule is present in other countries as well. Since access to grants/student loans is conditional on being accepted to a study programme in Germany, if admission to a programme requires the knowledge of the official language, this presents an obstacle difficult to surmount for foreign nationals. This condition may be particularly difficult to satisfy in the cases of Hungary and Slovenia and Sweden. In Croatia, however, state-administered programmes of financial support are not open to foreign nationals. The status of these programmes will have to change with the accession of Croatia to the EU. According to EU law, students from EU countries have the right to free movement in all member states. They may not be refused access to education or training in another EU country on account of their nationality and they have the same rights and/or obligations as local students. This means that if student loans or grants exist for domestic students, students from other EU countries are also eligible (European Commission, 2011b). On the other hand, as long as the language requirement for enrolment in higher education remains in place, a hidden obstacle will obstruct access of foreign students to these programmes as is the case in Slovenia, Sweden and Hungary.

In addition to opening access to domestic student financial support for foreign nationals, countries can design specific programmes to attract incoming mobility. Germany administers world-renowned programmes through the German Academic Exchange Service (*Deutscher Akademischer Austauschdienst* - hereafter: DAAD), which offers grants for foreign students and young academics to pursue their studies or further education of limited duration at German higher education institutions. Similarly, the Austrian Agency for International Mobility and Cooperation in Education, Science and Research (*Österreichischer Austauschdienst* - hereafter *ÖAD*) has programmes both for incoming and outgoing academic mobility. According to information on the *ÖAD* web site, it was founded in 1961 as an association of the Austrian Rectors' Conference with the objective of supporting international students studying in Austria. According to an *ÖAD* report, in 2011 there were 877 outgoing students and 2,149 incoming students receiving financial support for mobility in Austria, which included national grants and grants from third party sources (*ÖAD*, 2011a). Compared to the previous period which was marked by a higher outgoing and lower incoming mobility, these numbers show an overall balance.

1.5

Management of student financial support

In this section, the focus is on identifying public bodies responsible for the administration of student financial support programmes in the countries analysed in this study. Drawing from information presented in more detail in the country case studies, this section will separately analyse the bodies responsible for direct financial support and those responsible for indirect financial support. The analysis focuses on whether the countries have predominantly centralised or decentralised management systems in the area of financial support to students.

Table 1.24 Public bodies responsible for direct financial support programmes, in 2011

Country	Body responsible. Level of (de)centralisation.
Austria	<ul style="list-style-type: none"> Centralised system. Federal Study Grant Authority: a public body supervised by the Austrian Federal Ministry for Education, the Arts and Culture.
Croatia	<ul style="list-style-type: none"> Partially centralised system. Ministry of Science, Education and Sports is responsible by law for student financial support in Croatia. Local and regional government provide their own grants and may provide subsidies for transport.
Germany	<ul style="list-style-type: none"> Centralised system. Federal Office of Administration administers the BAföG.
Hungary	<ul style="list-style-type: none"> Partially centralised system. Higher education institutions receive funds from the state and administer student financial support in the form of scholarships. Student Loan Company is a public body that administers the loan programme, but the application procedure is managed by higher education institutions.
Slovenia	<ul style="list-style-type: none"> Centralised system. Ministry of Labour, Family and Social Affairs is in charge of scholarships and meal subsidies. Ministry of Higher Education, Science and Technology is in charge of student accommodation.
Sweden	<ul style="list-style-type: none"> Centralised system. Swedish National Board of Student Aid (CSN), a public body in charge of administering student funding.

Source: ACCESS questionnaire



Direct forms of student financial support are mainly managed at a centralised national level. The main difference existing between the countries examined is whether there is a separate public body set up with the mandate of managing these programmes, or whether the programmes are managed within the government, within the responsible ministry. If the cases are summarised in this way, there is a clear distinction between Slovenia and Croatia, on one side, and all the other cases. In these two cases, direct forms of student financial support are managed directly within the government, by a particular ministry. In the case of Croatia, this is the Ministry of Science, Education and Sports, while in the case of Slovenia the responsible body is the Ministry of Labour, Family and Social Affairs. In the rest of the country cases, an independent public body is set up with the mandate of governing the system. From the perspective of classic public administration theory, this should encourage more professionalism and less direct political influence on the objectives and the implementation of programmes. In practice, however, the extent to which this is true depends on whether the institution in question is actually able to ensure their independence from the government. The described financial support programmes require rather extensive administration, which sometimes causes the system to be slow-moving and create delays in the payment of grants, which is further exacerbated if the responsible units in the particular bodies are understaffed.

Table 1.25 Public body responsible for indirect financial support programmes, in 2011

Country	Body responsible, level of de/centralisation
Austria	Federal Study Grant Authority is in charge of tax subsidies and social transfers based on student status. Student accommodation and the provision of meals are not managed by the state.
Croatia	Student Centres, public bodies attached to public university, manage student accommodation, cafeterias and cultural programmes.
Germany	German National Association for Student Affairs (<i>Deutsches Studentenwerk</i>) is the umbrella organisation for the 58 local student service organisations (<i>Studentenwerk</i>) which provide student accommodation services and meals.
Hungary	Unclear which body is in charge of student accommodation. Provision of meals subcontracted out to private providers.
Slovenia	The Ministry of Labour, Family, Social Affairs and Equal Opportunities is in charge of meal subsidies, whereas the Ministry of Higher Education, Science and Technology is in charge of student accommodation. Student Dormitories are public bodies which manage the university accommodation system, and in addition to that the University Student Organisation in Ljubljana also manages student accommodation.
Sweden	Decentralised system sometimes administered by higher education institutions and sometimes by local counties or communities.

Source: ACCESS questionnaire



With respect to the ways in which indirect forms of financial support to students are administered, support such as student accommodation, cafeterias and cultural programmes are usually managed at the level of higher education institutions. Differences among the countries relate to whether the state directly subsidises any of these programmes or whether those costs are included in a larger operating budget. There are also differences relating to whether funds for indirect financial support are handled by subsidiary student service organisations, directly by higher education institutions or by other institutions providing subsidised student services (e.g. travel). For instance, in Hungary and Austria the provision of meals in student cafeterias is not part of the state-funded student financial support system, but is contracted out to private providers.



1.6

Strengths and weaknesses of student financial support systems

Part I
1.6

Experts from countries whose student financial support systems were examined in this study were asked to comment on what they see as the strengths and weaknesses of the student financial support systems in their countries. Table 1.26 summarises their answers.

Table 1.26 Strengths and weaknesses of existing financial support systems as reported by national experts on the ACCESS project (2011)

Country	Strengths	Weaknesses
Austria	<ul style="list-style-type: none"> The Austrian Study Grant programme is a pure transfer system without any loan elements. The Study Grant programme has many benefits for students with a child/children. The grant system is considered to be highly "unerring". 	<ul style="list-style-type: none"> It is sometimes confusing for students that the income-limit for a study-grant is different from the limit for family-allowance. Students with parents who are just "unwilling" (but not "unable") to pay during their study-period, cannot get a grant.
Croatia	<ul style="list-style-type: none"> The financial circumstances of students are enhanced. 	<ul style="list-style-type: none"> Subsidised student accommodation is limited in terms of how many students can receive it and also limited by place of residence. The number and amount of available grants is small. There are staff shortages at Ministry of Science, Education and Sports working on student financial support.
Germany	<ul style="list-style-type: none"> Plurality of funding sources. Portability of student financial support. Well-developed indirect support managed by the German National Association for Student Affairs (<i>Deutsches Studentenwerk</i>). 	<ul style="list-style-type: none"> Amount of public funding available is not sufficient, especially in larger cities due to high rent. Rather extensive administration and sometimes very slow reaction of the administrative apparatus create time lags concerning the payment of the grant. Coverage of the BAföG grants and loans is not very broad.



Country	Strengths	Weaknesses
Hungary	<ul style="list-style-type: none">• Because of radical overhaul of the system as of 2012, experts declined to single out strengths and weaknesses.	
Slovenia	<ul style="list-style-type: none">• 23.2% of public funds for higher education for assistance offered to students, which is above the EU27 average of 16.7%	<ul style="list-style-type: none">• All students are entitled to subsidies, even those who do not actually study but only obtain student status for the social rights and student work opportunity it offers.• Available subsidies still do not amount to the full expenses that need to be covered.
Sweden	<ul style="list-style-type: none">• System benefits students from families with lower educational attainment, with 58% of them saying they would not study without the support.• Provides for equal treatment of all students, regardless of their location of study or social background.• Loan system with low costs.	<ul style="list-style-type: none">• Subject to large bureaucratic machinery which might at times show insensitivity to individual needs and circumstances.• Some students claim that student financial support is not sufficient, especially for those with children.• Grant system with high costs (awarded regardless of family income).

Source: ACCESS questionnaire

The sections that follow present student financial support systems of the six countries analysed in this study. These should be considered as descriptive case files that offer more detailed information about the elements of the financial support systems that were analysed in this section.

Part II

Case study: Croatia

The Croatian higher education system is a binary system, consisting of university studies and professional studies. A peculiarity of the system is that universities can carry out both university and professional study programmes, whereas professional higher education institutions (universities of applied sciences; university colleges of applied sciences) can only carry out professional study programmes. According to the Croatian Agency for Science and Higher Education (2010), Croatia has

- 7 public universities and 3 private universities,
- 13 public universities of applied sciences and 2 private universities of applied sciences,
- 3 public university colleges of applied sciences and 27 private university colleges of applied sciences.

In total, there were 148,747 students enrolled in the academic year 2010/2011 (CBS, 2012). Among the countries analysed in this study, the Croatian higher education system is only larger than the one in Slovenia in terms of student numbers.

According to data of the Croatian Bureau of Statistics (CBS), the majority of students enrolled in the Croatian higher education system are enrolled in university studies (77.4%, CBS, 2012) and an overwhelming majority of students are enrolled in public higher education (ibid.). Unlike in countries where there are no part-time students recognised as a study category (e.g. Austria, Germany, Sweden), in Croatia 24.7% of students are part-time students (ibid.). Part-time students are not expected to attend lectures regularly (they follow a special programme), although they do have the opportunity to complete their study programme within the time frame of full-time study.

Currently, full-time students enrolling in their first year of studies at undergraduate and graduate level do not pay tuition fees (similarly to Austria, most of the German states, Slovenia and Sweden). However, tuition fees may be paid following the first year of study depending on the ECTS points accumulated during the academic year. Students who accumulate 55 ECTS points or above (60 ECTS is the full annual course load) do not have to pay fees, whereas other students pay a fee proportionate to the number of ECTS points that they are missing. As an example, students who have accumulated 54 ECTS points will be paying less than those who have accumulated 53 ECTS points. Part-time students, on the other hand, all pay full tuition fees, irrespective of the number of ECTS points accumulated.

According to data for the academic year 2010/2011 (CBS, 2012), 49% of students enrolled in Croatia are full-time non-fee paying students, 26% are full-time fee paying students and 25% are part-time (all fee-paying) students, meaning that 51% of students paid some amount of tuition fee. Farnell et al. (2012) show, based on EUROSTUDENT data, that students studying professional studies are more likely to incur tuition fee costs in comparison to their counterparts at university studies. The amount of tuition fees for study programmes are determined by each higher education institution.

The Ministry of Science, Education and Sports (MSES) is the central institution in charge of the student financial support system, which is coordinated jointly with higher education institutions and local student service organisations (Student Centres). Within its Directorate of Higher Education, MSES has a specialised department dedicated to the administration of the student financial support system, and its work is described in more detail in the section on management of the student financial support system below. In that section, the respective responsibilities of higher education institutions and of Student Centres are also described.

2.1

Student numbers and student costs

Trends in student numbers

Between 2006 and 2011, the total number of enrolled students in Croatia increased from 136,129 students in the academic year 2006/2007 to 148,747 students in 2010/2011, and this increase has been visible across the higher education sector (CBS, 2012). However, despite the rise of total number of enrolled students, CBS data also shows that the number of first year students in Croatia saw a decrease between 2009/2010 and 2010/2011.

Table 2.1 Trends in students numbers in Croatia between 2006 and 2011

Year	Total number of students	Number of first year students	Number of students by institution ¹¹	
2006/2007	136,129	49,065	UAS: ¹²	16,141
			UCAS: ¹³	9,413
			Universities:	109,095
2007/2008	138,126	50,990	UAS:	18,735
			UCAS:	7,054
			Universities:	110,720
2008/2009	134,188	55,377	UAS:	18,983
			UCAS:	7,691
			Universities:	105,942
2009/2010	145,263	61,146	UAS:	22,034
			UCAS:	9,027
			Universities:	112,437
2010/2011	148,747	58,794	UAS:	24,122
			UCAS:	9,539
			Universities:	113,143

Source: CBS (2012)

¹¹ It includes first and second cycle students of both university and professional studies.

¹² UAS: Universities of Applied Sciences.

¹³ UCAS: University Colleges of Applied Sciences.



Student expenditure

According to the national EUROSTUDENT report for Croatia (Farnell et al., 2012:49), overall student costs (including both study-related costs and living costs) amounted to 15,755 HRK (2,100 EUR) per semester. Of this total amount, 82% of expenses (or 12,939 HRK / 1,700 EUR) related to living costs and within this category accommodation costs were the highest. The lowest accommodation costs were for students living in student accommodation. However, the report also shows that this average conceals the fact that costs vary substantially between different groups of students. Some students have considerably lower expenses per semester and others have considerably higher expenses. The EUROSTUDENT survey results in Croatia demonstrate that higher costs are incurred by the following groups of students:

- Students enrolled in professional studies (when compared to those enrolled in university studies),
- Students at private (compared to public higher education institutions),
- Students renting accommodation,
- Students with children,
- Students who have physical or mental impairments,
- Students whose parents have only completed primary schooling ,
- Fee-paying, part-time students.

(Farnell et al., 2012).

Students with the lowest expenses do not tend to pay tuition fees, have no or very little accommodation costs, do not have expenses relating to health or children and their direct living costs (e.g. food) are low. On the other hand, students with the highest expenses on average pay tuition fees, have substantial accommodation costs and direct living costs

(Farnell et al., 2012:53).

2.2

Overview of student financial support system

According to EUROSTUDENT survey data for Croatia (Farnell et al., 2012), the student population uses the following sources of financial support to cover their costs (in responding, could indicate more than one source):

- Family (82%),
- Work (38%),
- Scholarships (28%),
- Savings (17%),
- Student loans (3%),
- Other (9%).

On average, the highest amount of money received from these sources is own earnings (1,470 HRK per month, approximately 196 EUR per month), family (1,082 HRK, approximately 144 EUR per month), followed by student loans, savings and then scholarships (the average amount of scholarship is 807 HRK, approximately 107 EUR per month).

Full-time students enrolled in Croatia are eligible for direct student financial support in the form of scholarships and indirect student financial support in the form of accommodation, meals, healthcare, transport, tax benefits for employed students and tax benefits for students' families. Part-time students are not eligible for any form of student financial support.

According to data provided by MSES, between 2005 and 2012 the average annual expenditure on direct and indirect forms of student financial support has been around 500 million HRK (around 67 million EUR). This amount includes around 200 million HRK (around 27 million EUR) of tuition fee subsidies paid directly to higher education institutions and around 319 million HRK (around 42.8 million EUR) for student financial support. The table below shows the main student financial support categories covered from the state budget in 2012.



Table 2.2 State funds allocated to student financial support, in 2012

Type of cost	In Croatian Kuna (HRK)	In Euros (EUR) (approximately)
State Scholarships programme	44 million HRK	5.9 million EUR
Subsidised meals	250 million HRK	33.5 million EUR
Subsidised student accommodation	21.5 million HRK	2.9 million EUR
Student programmes and projects ¹⁴	3.5 million HRK	0.5 million EUR
Total	319 million HRK	42.8 million EUR

Source: MSES (2012a)

Apart from the cited funds, according to MSES (2012a) in 2012 there were also funds available for the transport of students with disabilities (600,000 HRK; around 80,429 EUR) and special MSES scholarships, including scholarships for students from the town of Vukovar or students from foster families (350,000 HRK; around 46,917 EUR).

¹⁴The cost category of "student programmes and projects" refers to an allocation from the state budget which is intended to financially support the work of Student Councils and other student associations.

2.3

Direct financial support

Unlike in Sweden where almost all students are eligible for direct student financial support, in Croatia targeted scholarship programmes are available. The largest state-administered scholarship programme is implemented by MSES, while additional programmes exist in other ministries and public bodies, as is elaborated in the sections below. Apart from the state-level, other targeted grant programmes exist at local government level (municipalities, cities, counties), as well as programmes provided by international organisations, foundations, non-governmental organisations and private companies. Unfortunately, since there is no official register of scholarships available to students, it is not possible to ascertain precise figures of number of scholarships and their amounts for the entire system. Numbers and estimates for the state-level system of direct student financial support are provided in the sections that follow.

Based on the information collected for this report, State Scholarships are provided on the basis of excellence and financial need, as well as to certain specific groups, such as students with disabilities, children of homeland war veterans and cadets of the Croatian army. In the EUROSTUDENT report for Croatia (Farnell et al. 2012:68), different categories of students were compared with regards to whether they indicated receiving some form of scholarship, and the following groups were identified as being more likely to receive a scholarship:

- Students enrolled in university studies, as opposed to professional studies,
- Students at public as opposed to private higher education institutions,
- Students living in student dorms, as opposed to students who rent accommodation,
- Full-time students who do not pay tuition fees, as opposed to full-time fee-paying student. Part-time students are not eligible for scholarships.

According to these findings, there appears to be a discrepancy between need and financial support, since students who are least satisfied with funds to cover costs are those less likely to receive a scholarship.

Grants

According to official data provided by MSES, there were 4,214 recipients of the state grant programme administered by MSES (known as the State Scholarships) in the academic year 2011/2012. ¹⁵ Table 2.3 below shows the breakdown of

¹⁵ "Active" refers to students actually receiving state funds at the time of inquiry. However, the total number of students registered as scholarship recipients is higher since there are students who freeze their status because of mobility or other accepted reasons. The scholarship recipients presented in Table 2.3 therefore amount to 4,214.



scholarship recipients according to categories of State Scholarships.

Table 2.3 Croatian State Scholarships programme: total number of recipients by category, 2012

Scholarship category	Number of recipients
„A“ - especially gifted full-time students	1,341
„B“ - full-time students enrolled in deficit study areas	75
„C“ - full-time students who agreed to work in Special Care Areas of the state or islands	66
„D1“ - for children of killed, died or missing persons during the Homeland War as well as children of War Veterans and Disabled War Veterans	36
„E“ - full-time students of lower family income	2,656
„F“ - full-time students resident in Vukovar	4
„G“ - full-time students who have lived in foster families or care centres	2
„I“ - full-time students with disabilities	19
„P“ - doctoral and postgraduate specialist students with disabilities	15
Total	4,214

Source: MSES (2012a)

Given the number of scholarship recipients as presented in Table 2.3 and the number of students enrolled in the system (full-time 111,951; CBS, 2012), in 2012 an insignificant proportion of full-time students (undergraduate professional and university studies and graduate university studies) were receiving State Scholarships (around 3.7%).¹⁶ Once students are awarded a State Scholarship, they become recipients of the scholarship for the duration of their study programme as long as they ensure successful study progress.

The following categories of full-time students are not eligible for a State Scholarship: students who have completed coursework but have not met all requirements for graduation (*“apsolvent”* students), students who have not met all the conditions to enrol fully into the following year of study and students who are pausing an academic year. State Scholarships are portable for mobility purposes under the condition that the student does not receive any extra funding for the mobility programme (with the exception of the Erasmus programme). For students who are receiving extra funding, the scholarship is paused for the period of studying abroad.

¹⁶The calculation is based on the total number of full-time students enrolled in the 2010/2011 academic year which was 111,951 students (CBS, 2012).

Table 2.4 Classification of State Scholarships in 2012

Eligibility	Preconditions and circumstances which receive extra points	Amount (per month) ¹⁷
<ul style="list-style-type: none"> Especially talented full-time students enrolled in university or professional studies. 	<ul style="list-style-type: none"> Minimally 50 ECTS points. GPA falls within the top 10%. Rector's reward brings extra points. 	<ul style="list-style-type: none"> 500 HRK for students who are resident in the higher education institution city or can travel daily from home. 700 HRK for students living in student accommodation. 800 HRK for students renting accommodation.
<ul style="list-style-type: none"> Full-time students enrolled in university or professional studies who are children of war victims. 	<ul style="list-style-type: none"> Minimally 18 ECTS points. Below a particular financial threshold. 	<ul style="list-style-type: none"> 500 HRK for students who are resident in the higher education institution city or can travel daily from home. 700 HRK for students living in student accommodation. 800 HRK for students renting accommodation.
<ul style="list-style-type: none"> Full-time students of lower economic background. 	<ul style="list-style-type: none"> Minimally 18 ECTS points. Below a particular financial threshold. Number of siblings in education. Separated parents. Both parents unemployed. Student parent. 	<ul style="list-style-type: none"> 500 HRK for students who are resident in the higher education institution city or can travel daily from home. 700 HRK for students living in student accommodation. 800 HRK for students renting accommodation.
<ul style="list-style-type: none"> Full-time doctoral or postgraduate specialist students with a disability. 	<ul style="list-style-type: none"> Cannot receive any other financial support. Not working. 	<ul style="list-style-type: none"> 500 HRK for students who are resident in the higher education institution city or can travel daily from home. 700 HRK for students living in student accommodation. 800 HRK for students renting accommodation.

Source: MSES (2012a)

¹⁷500 HRK is approximately 66 EUR; 700 HRK is approximately 93 EUR; 800 HRK is approximately 106 EUR.



According to information provided by MSES (2012a), the average amount of funding for State Scholarships in the period from 2005 to 2011 was 44 million HRK (around 5,8 million EUR). For the 2012 budget, the amount earmarked for State Scholarships is 40,607,500 HRK (around 5,443,364 EUR) which shows a decrease in comparison to the average over the last seven years.

Apart from MSES, there are other ministries providing scholarships to students enrolled in the Croatian higher education sector as presented in Table 2.5.

Table 2.5 Scholarships provided by Croatian ministries other than MSES in 2009

Ministry	Eligibility	Preconditions	Amount (per month)	Number of scholarships
Ministry of Sea, Transport and Infrastructure	Enrolled undergraduate course in maritime sciences.	A minimum 4.00 (out of 5.00) GPA without having repeated a year.	1,200 HRK (approximately 161 EUR)	250 (part goes to pupils)
Ministry of Family, War Veterans and Inter-generational Solidarity	For children of homeland war veterans.	Full-time student, GPA, financial status.	1,000 HRK (approximately 134 EUR) for living costs and support towards undergraduate and graduate study. Contribution to tuition fee costs for postgraduate study of 7,000 HRK (approximately 938 EUR).	3,770 in 2011/2012 (31 for doctoral study)
Ministry of Defence	For cadets of the Croatian army.	Croatian citizenship, age, enrolled year of study.	800-1,600 HRK (approximately 107-214 EUR) depending on year of study.	-
Ministry of Foreign Affairs and European Integration	Croatian students living abroad.	Croatian citizenship, confirmation of educational status abroad.	-	282

Sources: Budak et al. (2010), MWV (2012)

In addition to the programme listed above, there have also been three generations of scholarship recipients supported by the National Foundation for Supporting Pupils' and Students' Living Standards, which was founded by the Croatian government in 2007. The Foundation receives funds from the state budget and donations from a variety of private companies and other publically owned institutions.. These scholarships are available to full-time Croatian students enrolled in university studies or professional studies at undergraduate and graduate level. In 2011, the categories of eligible students and the number of scholarships were: students studying in the fields of deficit occupations (338), active sportspersons (10), students with special needs (50) and students who until enrolling in higher education lived in children's homes or foster homes (10). The scholarship amount is 1,000 HRK per month (around 134 EUR per month) for 10 months, and the total number of recipients amounted to 408 during 2011 and 405 in 2012.

When the available information on the number of recipients of the different categories of state-level scholarships is summarised, a total of around 9,000 students receive some form of scholarship provided by the state, which amounts to 6% of the student body in Croatia. In addition, scholarships are also awarded by units of local and regional government. According to Dolenc (2010), the city of Split has a special scholarship programme for students coming from poorer backgrounds (221 scholarship annually amounting to 800-1,000 HRK per month; around 107-134 EUR per month). The city of Zagreb awards approximately 75 scholarships per year for excellent students (the amount is 65% of the average net monthly salary in the city of Zagreb which amounts to around 3,900 HRK per month; around 523 EUR per month) and 10 scholarships for students from poorer backgrounds (the amount is 30% of the average net monthly salary in the City of Zagreb which amounts to around 1,800 HRK per month; around 241 EUR). However, since information about scholarship programmes at the regional and local level is scarce, it is not possible to make any reliable estimates about the proportion of students that are receiving them.

As a conclusion, scholarships in Croatia are provided by different sources and EUROSTUDENT data for Croatia (Farnell et al., 2012) shows that 28% of students reported receiving a scholarship. Based on the authors' calculations, only 6% of scholarships are scholarships awarded by state institutions, whereas the other scholarships probably come predominantly from local and regional authorities. Precise information is not possible since there is no centralised scholarship database. The average amount of scholarship per month is 807 kuna, which covers only around 33% of students' total costs (Farnell et al., 2012). Finally, those who are least satisfied with funds to cover their costs are also least likely to be scholarship recipients. There is always a merit component included in the eligibility criteria.

Student loans

There is no public student loan system for higher education study in Croatia, but commercial banks offer student loans. According to Budak et al. (2010:287), 13 out of a total 32 commercial banks offered student loans in 2009. These loans do not have a social dimension and the market determines the interest rate of the loans. However, there are certain counties in Croatia which subsidise the interest rate on the loan.

The University of Rijeka has a loan system for its students which can cover living costs and tuition fees (Budak et al., 2010:288). The loan system also applies to students studying at other higher education institutions, but with residence in the Primorsko-Goranska County. According to the EUROSTUDENT survey report for Croatia (Farnell et al., 2012), a total of 3% of Croatian students reported receiving a loan.



2.4

Indirect financial support

Indirect financial support is regulated by the Act on Scientific Activity and Higher Education (2003). It stipulates that full-time students have rights to health insurance, subsidised living and food costs for as long as they are registered as students. This has often led to criticism that some students enrol into higher education only in order to secure these benefits. MSES is responsible for this indirect financial support, but the provision of support is carried out by local student service organisations (Student Centres) owned by higher education institutions. According to Budak, et al. (2010:289), this leads to an irregularity in the provision of subsidised student accommodation and meals across Croatia.

According to information provided by MSES for this report, the main categories of state subsidies for meals, student accommodation and student programmes amount to 275 million HRK (around 36.9 million EUR) annually. Table 2.6 below shows the breakdown of the three main cost categories.

Table 2.6 Annual public budget expenditure on indirect student financial support, 2012

Type of cost	In Croatian Kuna (HRK)	In Euros (EUR)
Subsidised meals	250 million HRK	33.5 million EUR
Subsidised student accommodation	21.5 million HRK	2.9 million EUR
Student programmes and projects	3.5 million HRK	0.5 million EUR
Total:	275 million HRK	36.9 million EUR

Source: MSES (2012a)

Meal subsidies

According to the Ordinance on Support for Covering Meal Costs, 73.65% of the total cost of meals provided by Student Centres is covered by MSES, while students contribute to 26.35% of the cost (MSES, 2012a). The number of subsidised meals that students can have ranges between 1 and 3 per day, depending on their place of residence. The selling price of the meals is determined by the Minister and it has not changed since 1998, whereas between 1998 and 2009 the index of consumer prices increased by 41.6% (Budak et al., 2010).

State subsidies for meals are transferred to the student indirectly through the funding of Student Centres. MSES funds the system of meal subsidies, but does not keep track of the actual number of students that use this subsidy, or the frequency with which they use this benefit. The actual levels of usage of this right to subsidised meals is recorded by SRCE (the University Computing Centre), which administers the student electronic ID system.

Part-time students are not eligible for subsidised meals, because it is assumed that these students work. According to Budak et al. (2010), the way in which meal subsidies are organised means a financial loss to the Student Centres which has meant on occasion that they have been compensated from the state budget.

Student accommodation subsidies

According to the Croatian EUROSTUDENT survey report (Farnell et al., 2012), most students live at home with their parents (45%). Among the rest of the student population, 31% rent accommodation, 11% live in student accommodation and 12% live in their own accommodation. Living at home with one's parents during studying is similar to the situation in Slovenia and significantly different to the situation in Sweden where only 10% of students live with their parents (Farnell et al. 2012:73).

Every year, MSES issues an Ordinance on the Criteria for Awarding Places in Student Accommodation (MSES, 2012d), which combines merit criteria (GPA and ECTS points) and social criteria, which include special group privileges such as targeting support to children of war veterans, as well as more general criteria such as family income. However, it is the Student Centres that implement the competition for awarding places in student accommodation and they are therefore entrusted with applying the criteria defined in the ordinances.

With regard to student accommodation in the academic year 2010/2011, there were 13 student halls of residence housing 11% of the student body (Farnell et al., 2012).¹⁹, while the number of students who were not admitted due to the full capacity of the residences amounted to 5,887 or approximately one third of those applying (CBS, 2012). The share of female students enrolled in student accommodation was 62.4% (CBS, 2012). The EUROSTUDENT report for Croatia (Farnell et al., 2012) shows that students enrolled in student dorms are more often enrolled in university studies than in professional studies. Part-time students, students at private higher education institutions and international students, who are not funded by MSES, are not eligible for subsidised accommodation.

Accommodation subsidies are transferred to the student indirectly through the funding of Student Centres. Student accommodation prices are determined by Student Centres which means that they vary across the country. The costs are covered partly by the student and partly by MSES which pays 105 HRK (around 14 EUR; MSES, 2012a). This has not changed since 1993 (Budak et al., 2010:292).

In addition to covering cost of accommodation in student halls of residence, MSES also secures some funding for students residing in private accommodation. These subsidies are also awarded through a public competition process, which is administered by Student Centres. Those students who are awarded the right to this subsidy are refunded directly to their personal bank accounts. At the University of Zagreb's Student Centre²⁰ (University of Zagreb, 2011), the subsidy for a student living in private accommodation was 147 HRK per month (around 20 EUR per month) in the academic year 2011/2012. The criteria for receiving this subsidy were the following: GPA (above 4.49 out of 5.0) and adverse family and

¹⁹The cost category of "student programmes and projects" refers to an allocation from the state budget which is intended to financially support the work of Student Councils and other student associations.

²⁰University of Zagreb Student Centre issued a call for subsidising students enrolled in private accommodation in 2011/2012 which is available at http://www.sczgj.unizg.hr/media/uploads/smjecaj/2011/natjecaj_s.pdf.



personal conditions (no parents, divorced parents, both parents unemployed, children of war veterans, students with special needs, student parents). It seems that this subsidy is available to students from all Croatian higher education institutions.

Health insurance

Full-time students are insured through their parents under the national health care system until the age of 26 (otherwise the cut-off point is 18 years of age). This applies to students enrolled in university studies or professional studies at undergraduate and graduate level, but not at doctoral level.

Tax benefits

Full-time students who earn less than 50,000 HRK (around 6,702 EUR) per year do not have to pay income tax. If students earn less than 10.966,67 HRK (around 1,470 EUR) per year, their families are entitled to tax benefits.

Status of students studying at private higher education institutions

With respect to ways in which state subsidies relate to students studying at public and private higher education institutions, they fall into two groups. The first group of subsidies relates to tax exemptions and health insurance, which are regulated via the student's family employment status, and these are equally available to all students irrespective of whether they study at a private or public higher education institution.

The other group of subsidies relates to meals, student accommodation and scholarships. In this group of subsidies, there is uneven treatment of students from public and private higher education institutions. Article 88 of the Act on Scientific Activity and Higher Education (2003) stipulates that full-time students are eligible for state subsidies for meals and student accommodation, making no distinction between students from public and private higher education institutions. Furthermore, article 109 states that besides funding public higher education institutions, the state budget may finance private higher education institutions as well. This means that there is no obstacle to extending state subsidies for meals and student accommodation to students from private higher education institutions.

However, in practice students from private higher education institutions do not have access to these subsidies. For instance, for the academic year 2012/2013, the MSES Decree on Student Placements in Student Accommodation (MSES, 2012b) refers to students at public higher education institutions, while Student Centres are allowed to propose criteria for the accommodation of students from private higher education institutions, on condition that they receive permission from MSES. Similarly, the subsidy for offsetting costs of private accommodation is open only to students at public higher education institutions (University of Zagreb, 2011). The same is true for meal subsidies. According to Article 4 of the Bylaw on Student Meal Subsidy (MSES, 2002), only students from public higher education institutions are eligible for this form of state support. Even though some sources claim that some students at private higher education institutions have access to this subsidy, there is no regulation that specifies the rules and eligibility of this access, nor reliable data regarding its coverage. Finally, according to MSES regulations (MSES, 2012c), State Scholarships are available only to full-time students studying at public higher education institutions.

2.5

Financial support for international mobility

Outgoing students

The State Scholarship is portable under the condition that the student does not receive any extra funding for the mobility programme. The exception to this is the Erasmus programme. For students who are receiving extra funding, the scholarship is paused for the period of studying abroad.

There is no targeted public funding for studying abroad. The MSES Directorate for International Relations used to provide financial support for Croatian students studying abroad, but this has been replaced by international mobility programmes such as Erasmus, CEEPUS, bilateral and multilateral agreements.

Incoming students

According to the web site "Study in Croatia"²¹ presently the majority of Croatian higher education institutions do not offer any scholarships or financial support for international students. International students are also not eligible to apply for national scholarships. However, according to the web site, there are a number of scholarships available to international students through bilateral programmes administered by MSES, through university bilateral agreements and programmes such as CEEPUS, Erasmus Mundus as well as through the Erasmus programme managed by the Croatian Agency for Mobility and EU Programmes.

International students are obliged to pay tuition fees unless otherwise specified in the bilateral agreement for mobility. Tuition fees for study programmes in Croatia are determined by each higher education institution. The range of tuition fees for international undergraduate students varies depending on the higher education institution and the field of study. According to the "Study in Croatia" web site, tuition fees for undergraduate degree programmes in the humanities and social sciences can range from 6,000 HRK (around 800 EUR) to 16,500 HRK (around 2,200 EUR) per year, tuition fees for technical sciences are approximately 22,000 HRK (around 3,000 EUR) per year and tuition fees for the natural sciences and medical study amount to 27,000 HRK per year (around 3,600 EUR).

Once Croatia becomes a member of the EU (expected in mid-2013), it will no longer be able to have different standards for international students from EU countries: students from any EU country have the same rights and/or obligations as local students. This means that if there is a fee charged to domestic students, students from other EU countries pay the same amount of fee, and if there are student loan or grant programmes for domestic students, then students from other EU countries are also eligible (European Commission, 2011b).

²¹ More information available at <http://www.studyincroatia.hr/>.



With regard to healthcare, full-time students with dual citizenship or foreign students who come from countries which have a signed agreement with Croatia are entitled to subsidised healthcare provision. These include the following countries: Austria, Belgium, Bosnia and Herzegovina, Montenegro, France, Italy, Luxembourg, Hungary, Macedonia, the Netherlands, Germany, Slovenia and Serbia.²² Otherwise, foreign students are required to take out a health insurance policy in Croatia during the length of their study programme. A health insurance policy with the Croatian Health Institute costs 400 HRK per month (around 54 EUR) and entitles the user to full healthcare coverage. Students from Germany, Hungary, the Czech Republic and Slovenia may use the healthcare services upon presentation of the European Health Insurance Card (EHIC) and regulated temporary stay permit. In addition, students from Poland and Great Britain may use the healthcare services upon presentation of a valid passport and a temporary residence permit.²³

²² Information about the existence of bilateral agreements regarding health insurance is provided on web sites of universities in Croatia. For instance, the University of Zadar provides this information (http://www.unizd.hr/Portals/0/pdf/Status_zdravstveno_osigurane_osobe.pdf), as well as the International Relations Office of the University of Zagreb (http://international.unizg.hr/international_students/degree_seeking_students/before_coming_to_zagreb).

²³ Information provided by the International Relations Office of the University of Zagreb.

2.6

Management of student financial support

The student financial support system in Croatia is managed by MSES. MSES is responsible for ensuring funding from the state budget, it manages the student financial support system through the payment of tuition fees for full-time students, and is in charge of awarding State Scholarships. In addition, it oversees the system of subsidies for meals and student accommodation, as well as payment of transport subsidies and tuition fees for students with special needs. Finally, it finances student programmes via the Student Council organisations at higher education institutions.

Within MSES, the Higher Education Directorate is responsible for the student financial support system. More specifically, the Sector for higher education institutions' management and student financial support has one department charged with managing and overseeing the student financial support system (Student Support Department) and another department charged with operational oversight of higher education institutions (Department for Finances of Higher Education Institutions). The Student Support Department awards State Scholarships for full-time students as well as scholarships for students with special needs and gifted students. Apart from that, it administers the programmes of student transport subsidies and it closely cooperates with Student Centres in terms of subsidised meals and student accommodation. The Department for Finances of Higher Education Institutions administers the payment of tuition fees for full-time students of undergraduate, graduate and integrated studies at higher education institutions.

Other institutions involved in the coordination of the student financial support system in Croatia are higher education institutions themselves and the Student Centres. Higher education institutions are responsible for the functioning of Student Councils which fund student programmes and activities, and they manage the information databases which regulate student access to meal subsidies, participation in international exchange programmes and other types of international mobility and cooperation. Finally, Student Centres are in charge of the administration of student cafeterias and student accommodation.



2.7

Policy concerns

From the perspective of MSES, which is the central institution responsible for both direct and indirect forms of student financial support, the key strength of the existing system is the fact that available programmes positively affect the financial circumstances of students, which democratises the access to higher education for young people of various social backgrounds. The key weakness as identified by MSES is that current programmes do not have a wide enough reach, or more specifically that they do not cover all students enrolled in the particular categories selected for state subsidies. In addition, there is room for improvement with respect to competences and knowledge of officials in MSES and other coordinating institutions in dealing with this complex system. Policy concerns mentioned by MSES officials include: how to identify socioeconomic status of students (family income as reported by tax authorities may not always be valid) and what to do with students at private higher education institutions.

According to Vukasović (2009), the student financial support system in Croatia largely relates to indirect support (subsidised healthcare, meals, student accommodation and transport) rather than direct support to full-time students, whereas part-time students are not eligible for any student financial support. Vukasović (2009) also notes that subsidised student accommodation is limited by numbers of available places and also limited by place of residence and that the number of available grants is small.

Part III

Case studies: Austria, Germany, Hungary, Slovenia and Sweden

The sections that follow present individual country systems. These should be considered as descriptive case files that offer more detailed information about the elements of the financial support systems that were presented in Part 1.



3.1

Austria

In this introductory section, it is important to draw attention to three characteristics of the Austrian system of higher education that are relevant for understanding the student financial support system.

Firstly, Austria is a federation, consisting of nine states, but the core of the student financial support system is the responsibility of the federal government and is coordinated by the Austrian Study Grant Authority (ASGA). In addition, support measures through taxation are also the responsibility of the federal government. On the other hand, elements of indirect financial support such as subsidised meals and student accommodation are the responsibility of respective states in which higher education institutions are located.

Secondly, since 2009 there are no tuition fees for regular full-time students enrolled in Austria. However, certain groups of students are charged tuition fees, such as non-EU international students and students who take longer to complete their programme than the prescribed length of study (Doolan et al., 2012). Regarding the amount of the tuition fees for extended length of study, the amounts are set at 363.36 EUR per semester by the Austrian Federal Ministry for Education, the Arts and Culture.²⁴ However, students may be exempted from paying this fee under the following circumstances: illness, pregnancy, childcare, disability, military service or work (ibid.).

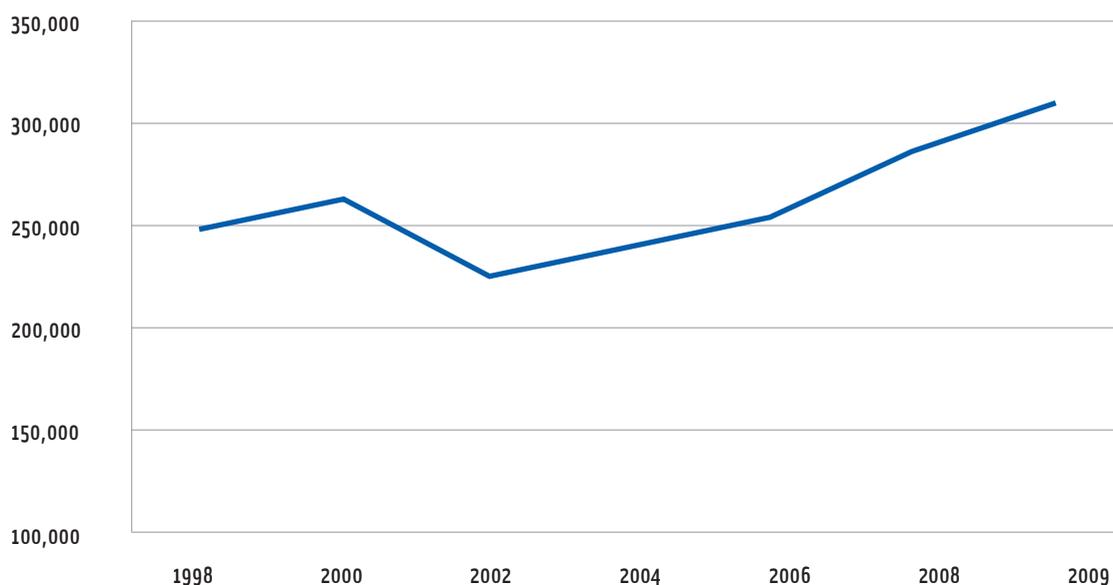
Thirdly, the Austrian system does not recognise part-time students as a study category. Similarly to Germany, all students are officially considered full-time students, though exceptions are made with respect to employment and family commitments (Doolan et al., 2012). Finally, for purpose of easier comparison with other country case studies, it should be noted that there are 22 public universities in Austria, six of which are art universities, three medical universities, and one university for continuing education (ibid.). In the public sector, there are also 20 universities of applied sciences and 17 teacher training colleges. With respect to private universities, in 2009 there were 11 such institutions accredited in Austria.

²⁴Information relevant for the summer semester of 2013, according to information available at the ÖAD web site <http://www.oead.at/index.php?id=1406L=1>

Student numbers and student costs

Trends in student numbers

Figure 3.1 Total number of students enrolled in higher education in Austria, for period 1998–2009



Source: Eurostat

When the overall number of students enrolled in Austria is considered, Eurostat data for the period 1998 to 2009 show two distinct periods as shown in Figure 3.1. While there was a stagnation and decrease in student numbers in the observed period (from 247,500 in 1998 to 223,700 in 2002), since 2002 Austria has witnessed a steady and considerable increase in overall student numbers. In 2009, the recorded number of students was 308,200. According to the statistics portal of the Austrian Federal Ministry of Science and Research, the most recent student numbers in the winter semester 2010 show a further increase. According to this source, the total number of students enrolled in Austria is 340,382. While the difference from 2009 may in part be due to a different methodology between Eurostat and the Ministry statistics portal, the trend is undeniably one of continued increase in overall student numbers. Table 3.1 below shows the breakdown of the total number of students enrolled in Austria in the winter of 2010.



Table 3.1 Breakdown of the total number of students enrolled in university studies in Austria, academic year 2010/2011.

Level of study	Number
Undergraduate students	158,176
Graduate students	25,883
Doctoral students	29,897
<i>Diplomastudium</i> (pre-Bologna)	126,426
Total number of students	340,382

Source: Statistics Austria²⁵

These numbers, however, only capture the number of students enrolled in university studies, and not those enrolled in professional studies. Table 3.2 below shows the breakdown of student numbers in professional study programmes. Finally, when it comes to students enrolled in the private university sector, official statistics for the winter semester 2010 report 6,301 such students (Statistics Austria).

Table 3.2 Breakdown of the total number of students enrolled in professional studies in Austria, 2010/2011

Level of study	Number
Undergraduate students	27,086
Graduate students	8,795
Doctoral students	-
<i>Diplomastudium</i> (pre-Bologna)	1,683
Total number of students	37,564

Source: Statistics Austria²⁵

Student expenditure

According to the comparative EUROSTUDENT survey report (Orr et al., 2011), students across Europe spend the largest share of their budget on living costs, not study-related costs, irrespectively of whether they live with their parents or not. In Austria, monthly living costs for students amount to 800 EUR if they live in student accommodation (ÖAD, 2011a). In case they pay tuition fees, their monthly costs are over 1,000 EUR (ibid.).

²⁵ Statistics Austria is the federal public body responsible for federal statistics. It publishes data pertaining to education on its web site http://www.statistik.at/web_en/statistics/education_culture/index.html

Based on EUROSTUDENT survey data, Orr et al. (2011) analysed the composition of total student expenditure, calculating it separately for students who live with parents and those who do not. The EUROSTUDENT data for Austria shows that the proportion of students living with their parents is 20.6%, 79.4% live away from their parents and among that group 8.1% live in student accommodation (ibid.). For students living with parents, 87% of their total costs go towards living costs, while 13% go towards study-related costs. For the large majority of students who live away from their parents' home, living costs command an even larger portion of their total costs: 91% as opposed to 9% that goes towards meeting study-related costs (ibid.).

With respect to direct (study-related) costs, in Austria around 23% of undergraduate students pay tuition fees (Orr et al., 2011). As was already mentioned, the tuition fee at public universities is 363.36 EUR per semester, or 726.72 EUR per year. It is paid by students overextending the prescribed length of study and by non-EU/EEA international students. Additionally, institutions of professional higher education (*Fachhochschulen*) and private higher education institutions are allowed to charge tuition fees. An additional study-related cost that students incur is the student union membership fee which is 16 EUR per semester (ÖAD, 2011a).

However, it is important to keep in mind that for the 23% of undergraduate students who pay tuition fees, 18% have fees covered through state support (Orr et al., 2011). In other words, a small proportion of undergraduate students enrolled in Austria actually incur direct costs in terms of tuition fees and these are usually students who are enrolled in professional studies and work full-time, which disqualifies them from state support. In addition, it is important to emphasise that among the majority of students who do not pay tuition fees, 34% receive grants for covering living costs (ibid.). Overall, it seems that in Austria the state plays a substantial part in easing the financial burden of studying, in spite of the continual increase in the number of students as was shown in Figure 3.1.

Overview of student financial support system

The federal system of financial support for students enrolled in Austria was introduced in the 1960s with the aim of opening universities to make it possible for children from low-income families to start an academic career (ASGA, 2010). Since 1992, the grant programmes have been increasingly linked to indirect federal aid measures. The Austrian federal system of financial support can be divided into two sections: transfer payments, which students receive directly in cash (in the form of grants, transport cost allowance and other types of allowances), and expenses which the student benefits from either by transfer payments to the students' parents or non-cash benefits (indirect support in the form of health insurance, tax benefits and so on) (ASGA, 2010).

In terms of how eligibility for state support is defined, in Austria students up to the age of 24 are considered as being dependent on their families and the system of student financial support is designed around this legal formulation. Until students reach the age of 24²⁶, their families receive child benefit in the amount of approximately 210 EUR per month (Orr et al., 2011). While the family has a legal responsibility to support the student, the federal student financial support system is designed to help in instances where families are unable to fund the student. The logic of this system is reflected in the data according to which 28% of students not living with their parents receive the federal Study Grant and about 21% of students living with their parents also receive the federal Study Grant (Orr et al., 2011). The system is not based on the distinction of students' living conditions, but rather on the level of family income. On average, 28% of students not living with their parents receive a grant of around 400 EUR per month, which contributes 11% to their total income.

²⁶ In July 2011 the age limit was reduced from 26 to 24.



The system, however, does take into account whether it is “reasonable” for students to live with their parents or if their location of study is too far away (Orr et al., 2011). If students are required to travel over 60 minutes by train or bus between the residence of their parents and the municipality in which the higher education institution is located, it is justified that they live away from home and in that case they qualify for a higher grant from the ASGA.

Moreover, the federal financial support system also distinguishes between students who earn their own income and those who do not. Students with self-earned income over the last four years receive a higher grant, independently of their parents' income. That is the reason why the average grants are higher among older students (Orr et al., 2011).

Finally, the highest ratio of grant recipients (38%) and the highest average grant of 480 EUR per month is among students from low education backgrounds (Orr et al., 2011). However, the majority of this group does not receive student financial support and relies strongly on self-earned income. Therefore, income from student financial support contributes only 15% of the total expenses for this group. On the other hand, 19% of students from higher educational backgrounds receive a grant of on average 380 EUR per month, which amounts to around 7% of the average income of that group.

Direct financial support

The Austrian system of financial support administers a large Study Grant programme, which could be classified as general grant since all students can apply. The programme is competitive, but relies on the family means test. In the next sections, this general grant system is introduced first, followed by brief descriptions of targeted grants also administered by the ASGA.

Austrian Study Grant Programme

Every year, a call for applications for Study Grants is published within legally determined periods during the winter term (September 20 to December 15) and summer term (February 20 to May 15). The official application forms are provided by the ASGA and are made available online (www.stipendium.at) to be submitted with additional required documentation. Recipients of Study Grants receive monthly grants for all 12 months in a year.

Eligibility

All students, enrolled in either university studies or professional studies, at the undergraduate and graduate level can apply for the Study Grant. Under certain circumstances students at private institutions are also eligible to apply. When Study Grant recipients are grouped according to the type of institution where they study, it results in the breakdown in the Table 3.3 below.

Table 3.3. Study grant recipients by type of higher education institution, data for the academic year 2009/2010

Type of higher Education Institution	Percentage
Universities	74,5%
Universities of applied science	19%
Teacher training colleges	4%
Academies	0.5%
Private universities	1%
Nursing academies	1%

Source: ASGA (2011)

Applicants for Study Grants must be Austrian citizens. Foreign citizens are treated equally in the case of close relation to Austria (at least 5 years subject to Austrian income tax via at least one parent). Citizens of EEC countries and citizens of a third country are generally treated equally, as well as refugees under the Geneva Convention (ASGA, 2010).

Preconditions for receiving the Study Grant

The ASGA Study Grant programme has preconditions that combine needs-based and merit-based criteria. However, it is primarily a programme designed to offset the inability of some families to fund the living and study-related costs of their children. Hence, demonstrated need and level of income are the main preconditions that qualify applicants for the grant. Once a student becomes the grant recipient, the programme has in place requirements regarding study progress and rules regarding completion of studies. Finally, the Study Grant programme also includes requirements regarding age of applicant and regulations pertaining to change of study subjects. All six of these requirements are presented in Table 3.4 below.

**Table 3.4. Requirements for Austrian Study Grant Programme, 2010**

Type of requirement	Description
Demonstrated need	Assessed on the basis of income and number of family members of students (parents and spouses).
Income	Requirement to submit proof of any income according to the most recent tax assessment, income from employment by means of a pay slip of the most recent calendar year and income from agricultural and forestry activities as determined by the most recent assessed taxable property value (if there is no income tax assessment).
Study progress	During the first two semesters of studies, admission as a regular student will suffice as proof of study progress. For subsequent semesters, regulations require students to submit proof of study progress in a particular field of study (ECTS-points or credits for courses and exams). The prescribed length of studies may not be exceeded by more than one semester ("semester of tolerance").
First degree	Students are not allowed to have completed another study programme or a comparable post-secondary education programme in Austria or abroad.
Age	Students must start their studies before reaching the age of 30. Paid employment, raising of children or disability may increase the age limit for the commencement of a graduate-level study programme to a maximum of 35 years of age. Generally students are allowed to work during their time of studies. If their annual income exceeds the amount of 8.000 EUR, the exceeding amount will have to be paid back.
Change of studies	Students may not change their study programme more than twice and not later than after the second semester of the study programme they first enrolled. Changing the study programme after this deadline results in non-eligibility for grants. It is possible, however, to be included once again in the Study Grant programme after a set period of time and based on study progress. The regulations of change of studies are also valid for the receipt of family allowance.

Source: ASGA (2010)

Coverage

Looking at the programme overall, one out of six students enrolled in Austria receive this grant. However, the proportion is significantly higher for first semester students, where one out of three receives the Study Grant.

The Study Grant programme is received by 70% of those who apply for the grant. The total number of applicants to the programme in the academic year 2009/2010 was 65,275 and in 2010/2011 was 65,104 (Schlöghofer, 2012).

Amount

The maximum Study Grant is set at 5,700 EUR annually, or 475 EUR per month. For some groups (married, orphans, self-supporters, students with children, and students who study far from permanent residence of parents) the maximum annual grant is 8,148 EUR annually, or 679 EUR per month. The average value of Study Grants in the academic year 2009/2010 was 4,234 EUR, and it grew to 4,308 EUR in 2010/2011 (Schlöghofer, 2012). The difference between the general prescribed amount of the grant and the average grant actually paid to students stems from the fact that each grant is calculated by taking into account actual case-by-case family income, tax transfers, and where applicable, the own income of students and their spouses.

Targeted Grants

Information about targeted grants administered by the ASGA is summarised in Table 3.5 below. Targeted grants may be divided into three broad categories: grants for specific types of cost (tuition fee, transport etc.), grants for study abroad and merit-based grants. In addition, the ASGA has targeted grant programmes aimed at helping students complete their studies and provide additional financial support.

Table 3.5 Targeted grants administered by the Austrian Study Grant Authority, 2010

Type of grant	Description
Grants covering specific type of cost	
Study allowance	Financial support for students who pay tuition fees, but are in financial need.
Transport cost allowance	The amount of the transport cost allowance is paid by the authorities for Study Grants by law and depends on the actual transportation costs. There is no legal entitlement to such an allowance.
Child care subsidy	For recipients of a Study Grant or a grant upon completion of studies with a child/children, who have costs for professional child care in the final phase of their study. Age limit: 41. Up to 150 EUR per month and child. The spouse cannot have an annual income higher than 21,800 EUR.



Type of grant	Description
Study abroad programmes	
Grants for study abroad	<p>Grants for study abroad are awarded in two ways:</p> <ul style="list-style-type: none"> • Through extension of eligibility for Study Grants for the period of study abroad, by no longer than four semesters; • Through additional supportive measures such as grants for study abroad, including travel cost allowance and subsidies for language courses. <p>The grant for study abroad amounts to a maximum of 582 EUR per month. It ranges from 73-582 EUR per month and is paid in addition to the Study Grant. The amount depends on the cost of living and studying in the respective country. For instance, if Austrian students would study in Croatia, they would receive a 73 EUR monthly grant for study abroad, and another 75 EUR for transport cost allowance (ASGA, 2011). Duration: 3 months (minimum) - 20 months (maximum). In 2009/10, there were 1,659 students recipients of this grant (ASGA, 2011).</p>
Mobility grant	<p>A new form of student financial support since 2008/2009, with the aim to support students who study their entire undergraduate or graduate study programme at a state-accredited university or university of applied sciences outside Austria, but within the EEA and Switzerland. This grant programme was introduced in response to EU pressures (ASGA, 2011).</p> <p>In 2009/2010, the grant was received by 508 students, in 2010/2011 the grant was received by 744 students (Schlöghofer, 2012).</p> <p>This is not a competitive programme: if students are eligible (same conditions as for the Study Grant), they receive an annual mobility grant of 8,148 EUR.</p>

Type of grant	Description
Merit-based grants	
Performance-related grants	<p>Eligibility:</p> <ul style="list-style-type: none"> • Students who have an excellent record of study progress (universities, <i>Fachhochschulen</i> / universities of applied sciences, private higher education institutions and other educational institutions determine the concrete parameters of this offer). • Students who have not exceeded the eligibility period of the respective section of the study programme. • Students who have a grade point average of no more than 2.0 (where 1.0 is the best grade and 5.0 the worst). <p>Important: There is no precondition of social need (income and property of parents are not considered). The amount of the performance-related grant cannot fall below 726,72 EUR per academic year.</p>
Incentive grants	<p>Awarded based on scientific and artistic achievements. The amounts are between 700 EUR and 3,600 EUR for one academic year.</p>
Other grants	
Grant upon completion of studies	<p>Designed to offer those students who have been in paid employment during their studies the opportunity to complete their study programme without stress at their jobs, especially during the period of time needed for the completion of students' final diploma papers. This supportive measure is granted for a maximum of 18 months for completion of studies.</p> <p>Eligibility:</p> <ul style="list-style-type: none"> • A minimum of half-time employment for at least 36 months in the previous four years, including officially recognised periods of child care. • The diploma paper must be in progress and there must be only a few exams left. • Paid employment must be given up for the period of time during which the grant is paid. • The age limit is 41. <p>The grant amounts between 600 EUR and 1,040 EUR per month depending on the number of working hours of a student's recent employment. Fully employed individuals receive higher grants. Should the study programme not be completed successfully within six months after the last payment of the grant upon completion of studies, the entire amount of money received has to be reimbursed. The grant was received by 287 students enrolled in 2009/2010 and by 258 students enrolled in 2010/2011 (Schlöghofer, 2012).</p>



Type of grant	Description
Student financial support	An auxiliary financial instrument that can be used to address social need, reward merit, help finance tuition fees, support students with special needs etc. The amount of these supportive measures ranges from 180 EUR per month to the maximum amount offered as Study Grants.

Source: ASGA (2010), ASGA (2011), Schlöglhofer (2012)

Student loans

The ASGA operates a loan system for students who pay tuition fees and are not eligible for the basic federal Study Grant. It covers exclusively the cost of tuition fees, so it amounts to 363.63 EUR per semester.²⁷ The interest on the student loan is calculated as 1% below the 3-month-EURIBOR interest rate (Schlöglhofer, 2012). In the last decade since the programme's inception, between 300 and 1,000 students per year received this loan. The student loan programme can extend to a maximum of 15 semesters, and is not open to students older than 35 at the start of their study programme (ibid.).

Indirect financial support

Indirect financial support provided by the federal government represents an important component of social support to students during their studies and it mainly consists of financial resources made available to students' parents. As mentioned earlier, parents have a legally stipulated obligation to care for their children until they are able to provide for themselves which constitutes the basis of entitlement to this type of financial support. The supportive character of these measures is indicated by the fact that indirect federal aid for children ends after a child reaches the age of 18, but if the child becomes a student then the period may be extended to the age limit of 24 (ASGA, 2010). The system of indirect financial support has five major components: family allowance, health insurance, tax benefits, subsidies to the Austrian student union and subsidies for student accommodation and meals. Each of these components is presented below.

Family Allowance Programme

The amount of family allowance depends on the age and number of children. For students between 19 and 24 years of age family allowance amounts to 152.70 EUR per month. Exceptions in terms of length of coverage are made for students who served in the army, performed alternative civilian service, or gave birth to a child - these groups are covered until the age of 25 (Schlöglhofer, 2012). If there are at least 2 children in the family, the overall amount of the allowance per month is raised by 12,80 EUR, for 3 children by 47,80 EUR, for 4 children by 97,80 EUR and for any further child by 50 EUR. For children with special needs, the amount is raised by 138,30 EUR per month (Schlöglhofer, 2012). The Student Support Act stipulates the eligibility and duration periods of these supportive measures as well as their extension in specific cases.

²⁷ In Austria, there are private banks that provide student loans. Such programmes are offered for instance, by Erste bank, Reiffeisen, Wustenrot and others. However, private loan systems are not the focus of this report, but rather the array of financial instruments that the state provides in aid of students.



Health and Accident Insurance

The General Social Security Law stipulates that students are covered through the mandatory system of accident insurance. Accident insurance is obligatory and does not require the student to pay separate fees. In addition, according to the aforementioned Law, students may choose to be covered under the health insurance policies of their parents or spouse. This type of co-insurance through one's parents has the following preconditions:

- Proof of study progress in the first period of post-secondary studies of eight credit hours per year,
- No special proof in the second period of studies,
- Age limit of 24 years.

Similarly to the case of the Family Allowance Programme, the Student Support Act stipulates all the conditions and possible exceptions to the general rules of the programme.

In addition, within the system of mandatory health insurance, students have the option of self-insurance on favourable terms in the case that co-insurance via parents, spouses or partners, or employment is not available. In such cases of self-insurance, the Federal Ministry of Science and Research contributes half of the monthly health insurance fees. The preconditions for the subsidised self-insurance are:

- Income below 8,000 EUR per year,
- Maximum of two changes of study programme,
- Minimum prescribed duration of the study programme may not be exceeded by 4 semesters,
- No age limit.

Tax Benefits

Students eligible for family allowances are also entitled to financial support in accordance with the regulations of the Family Allowance Tax Act. Parents living with children enrolled in university studies are eligible for a child tax credit. Those who do not live with their children are eligible for the child support tax credit. The tax credits uniformly amount to 50.90 EUR per child per month (ASGA, 2010).

In addition, based on the Income Tax Law the parents have the right to additionally file for tax reduction due to extraordinary expenses for students studying outside their places of residence. The Financial Aid to Students Act stipulates eligibility in terms of reasonable distances (*ibid.*). Finally, only parents of students eligible for family allowances qualify for tax benefits. This ensures the eligibility for subsidies only for those students providing proof of study progress in their field of study.

Subsidies for the Austrian Union of Students

The Austrian Union of Students receives funds from the government for providing services to students such as low-cost meals, financial support for housing, expenses for child care, subsidies in case of social distress or conflicts with parents about support payments (ASGA, 2010).



Subsidies for student accommodation and student cafeterias

The ASGA is also in charge of providing subsidies for housing and kindergartens admitting students' children as part of the indirect measures of financial support for students. These measures are intended to support students from outside the towns where their higher education institution is located in order to live at a reasonable price and thus ensure more equitable access to higher education (ASGA, 2010). However, the federal government does not administer or fully finance student accommodation. In recent times, the ÖAD (Austrian Agency for International Mobility and Cooperation in Education, Science and Research), has taken up the task of providing student accommodation. In addition, in Austria there is a developed private market for student housing.

With respect to meal subsidies, again the federal government does not administer the system but provides subsidies instead. The Österreichische Mensen Betriebsgesellschaft mbH manages the major part of student cafeterias. The company is a state-owned enterprise since 1997 and it is obliged by contract with the government to provide meals to students at reasonable prices, under the principle of covering costs rather than making a profit (ASGA, 2010). In addition, the Federal Ministry for Science and Research provides subsidies for the establishment of new student cafeterias and supports the maintenance of existing enterprises, but no subsidies are granted for the operation of student cafeterias (ibid.).

Financial support for international mobility

This section is organised in order to first provide an overview of available financial instruments for outgoing students, followed by an overview of financial instruments available to incoming students to Austria.

Outgoing students

The main question regarding outgoing students from a particular country is whether the available grant programmes are portable upon changing their country of study. In the case of Austria, health insurance is portable within the EU/EEA area, as is stipulated by EU law for member countries. Apart from that, as mentioned before, the ASGA has developed two grant programmes designed for Austrian students to study abroad – grant for study abroad and the mobility grant. While the mobility grant is a separate programme designed specifically for enrolling in study programmes in a foreign country, the grant for study abroad is an extension to the existing Study Grant programme in order to make it “portable” and more suitable for study abroad purposes. With respect to the state-administered student loan system, since it is designed specifically to address tuition-fee costs that are federally regulated in Austria, this programme is not portable.

Incoming students

Since Austria is an EU member country, the federal financial support programme is open to EU/EEA citizens on equal terms as those of Austrian citizens. In addition, citizens of other countries may be eligible for the federal Study Grant depending on their length of residence in Austria²⁹ as well as refugees whose status falls under regulations of the Geneva Convention.

Management of student financial support

As has been emphasised throughout this report, the student financial support system in Austria is managed by the federal ASGA and supervised by the Ministry. ASGA administers all the government grant and student loan programmes, as well as administers the indirect support mechanisms such as subsidies, tax breaks and the like. Only the segment of

²⁹There were 399 Croatian citizens receiving the Study Grant in 2009/2010 (ASGA, 2011).

student accommodation and meals for students is not directly administered by the ASGA.

The general means-test necessary for proving eligibility for state support requires the proof of satisfying the following conditions:

- Financial need,
- Austrian citizenship or equal status,
- First study programme enrolled (exception: graduate or doctoral study programmes, which obviously require the completion of a previous degree),
- Study progress:
 - for undergraduate programmes: 30 ECTS after 2nd semester, 90 ECTS after 6th semester,
 - for graduate programmes: 20 ECTS after 2nd semester,
 - for doctoral programmes: 12 ECTS after 2nd semester,
- Age limit: student is not older than 30 years at the beginning of the study programme (possible increase of the age limit up to maximum 5 years).

Since the ASGA manages all student financial support, it keeps records about the entire system. It can provide information about eligibility, number and type of applications received, number and type of grants awarded per academic year. With respect to measures taken to counter abuse of the existing financial support system, the ASGA annually performs checks whether a student who has received a grant in this year has earned an income of more than 8,000 EUR (Schlöghofer, 2012). In cases where such instances happen, the student has to repay the difference.

Policy concerns

For the ASGA, the general Study Grant programme is the largest and most significant public expense. Table 3.6 below shows the overall amount of public funds that were spent on this programme between the academic year 2006/2007 and 2010/2011.

Table 3.6 Data on the overall amount of the Austrian Study Grant Programme, 2006–2011

Academic year	Amount in million EUR
2006/2007	188
2007/2008	194
2008/2009	209
2009/2010	188
2010/2011	182

Source: Schlöghofer (2012)



While it appears in Table 3.6 that the overall amount grew until 2008 and then slumped, it is important to note that the academic year 2008/2009 was the last year in which tuition fees were obligatory for all students enrolled in Austria. From 2001 to 2009, the Study Grant programme included the refund of tuition fees to all students who receive a Study Grant and have a record of study progress, but were not entitled to a Study Grant because of a slightly exceeding income level (ASGA, 2010). As a result, this direct financial study support was expanded.

In the period from 2000 to 2007, there was no increase to the amount of the Study Grant, but in 2007 amendments to the Study Financing Act were made, increasing the amount of the Study Grant by 12% (ASGA, 2010). In absolute figures, this amendment was most beneficial to students from very low-income families. Students who were entitled to a Study Grant annually received up to 876 EUR more since the academic year 2007/2008 (ibid.).

In 2008, the Austrian Parliament enacted the abolition of tuition fees and since the academic year 2009/2010 the Study Grant programme covers only living costs and not study-related costs of students. This helps explain the fall in the total annual allocation as seen in Table 3.6 above. The ASGA has been continuously improving the management of the Study Grant programme, as well as the programming of its available funding. In 2005, there were improvements to the application process including the setting up of online applications, while in 2008 a new grant programme - the Mobility Grant - was introduced (Schlöghofer, 2012).

According to ASGA, the main strengths of the current financial support system is that it provides considerable financial transfers and does not rely on providing loans to students. In addition, the existing system is generous to students with children, and it is generally considered reliable (Schlöghofer, 2012). With respect to its weaknesses, its complexity is sometimes confusing for students. More importantly, since the whole system relies on legal provisions which stipulate that parents have the legal obligation to finance their children, it cannot help students whose parents are unwilling rather than unable to pay for their studies. Table 3.7 below summarises these strengths and weaknesses.

Table 3.7 Positive and negative aspects of the Austrian financial support system for students, valid in 2012

Positive	Negative
The Austrian Study Grant programme is a pure transfer system without any loan elements.	It is sometimes confusing for students, that the income-limits for a study-grant is different from the limit for family-allowance.
The Study Grant programme has many benefits for students with a child/children.	Students with parents that are just “unwilling” (but not “unable”) to pay during their study-period, cannot get a grant.
The grant system is considered to be highly “unerring”.	

Source: Schlöghofer (2012)

3.2

Germany

The higher education system in Germany consists of universities, universities of applied sciences and colleges of art/music. There are currently 104 universities, six colleges of education, 14 colleges of theology, 51 colleges of art, 189 universities of applied sciences and 30 universities of applied sciences for public administration (Beerkens-Soo, 2010).

Higher education in Germany is the responsibility of two administrative levels: (1) the Federal Ministry of Education and Research, and (2) the Ministries of Education, Cultural Affairs and Science which operate at the level of 16 federal states (*Länder*) whose ministers are part of the Secretariat of the Standing Conference of Ministers of Education and Cultural Affairs of the states. The role of the Federal Ministry is defined in the Basic Law and includes legislative power, although individual states can also enact legislation unless the Basic Law specifies otherwise.

Tuition fees are one of the areas that are decided upon by the individual states. According to Marcucci and Usher (2012:31), tuition fee policy in Germany changed in January of 2005, when the country's Supreme Court overturned a ban on the charging of tuition fees and ruled that individual states could introduce tuition fees. According to Marcucci and Usher (2012), six states charge tuition fees to all students at undergraduate and graduate level, whereas five states charge tuition fees to students who exceed the prescribed duration of studies or have already completed one degree. These tuition fees range between 375-500 EUR per semester. Similarly to Austria, all students are officially considered full-time students, though exceptions are made with respect to employment and family commitments (Doolan et al., 2012).

In Germany, indirect student financial support (subsidised student accommodation and subsidised meals) is managed by the German National Association for Student Affairs (*Deutsches Studentenwerk*), and administered by 58 local student service organisations known as *Studentenwerk*. Direct student financial support is funded by the federal state, but is administered either by the local student service organisations (*Studentenwerk*) or local government administration (*Bundesland*). Student loans are administered by a German government-owned development bank (*KfW: Kreditanstalt für Wiederaufbau*).

It is important to note that in 2011, according to Marcucci and Usher (2012), Germany (like Sweden) experienced a small increase in student financial support – increase at or below the level of inflation. The expenditures for the direct student financial support were 2.9 billion EUR in 2010.³⁰

Student numbers and student costs

Trends in student numbers

The German higher education system is a binary system consisting of university and professional studies. In the academic year 2011/2012, there were a total of 2,377,034 students enrolled in the German higher education system. Out of these students 1,567,890 (65,9%) were enrolled at universities, 33,340 students enrolled in art colleges (1,4%), 744,150 students enrolled in professional higher education (31,3%), and 31,654 (1,3%) students enrolled in administrative technical colleges (Federal Statistical Office of Germany). According to available data, there was a steady increase

³⁰ For more details on the expenditures for the direct student financial support please refer to <http://www.bmbf.de/press/3223.php>



in the number of first year students enrolled in the German higher education system in the period from 2009/2010 to 2011/2012, as shown in the table below. According to the comparative EUROSTUDENT survey report (Orr et al. 2011:50), 95% of students enrolled in the German higher education system are full-time students.

Table 3.8 Numbers of first year students enrolled in Germany between 2009/2010 and 2011/2012.

Student numbers	2009/2010	2010/2011	2011/2012
University students	220,602	232,822	267,191
Professional higher education students	131,269	136,362	157,653

Source: Federal Statistical Office of Germany

Student expenditure

According to EUROSTUDENT data (Orr et al. 2011:134), the most important expenditure in the category living costs for students maintaining their own households are accommodation costs (1/3 of income). It is important to note that the data shows that accommodation costs are higher in big cities (ibid.). Table 3.9 provides average amounts for costs students enrolled in Germany incur.

Table 3.9 Average monthly amount of student expenditure by expense in 2009

Expense	Average monthly amount
Rent	281 EUR
Food	159 EUR
Clothing	51 EUR
Transport	81 EUR
Health insurance	59 EUR
Telephone, internet, radio, TV licence	35 EUR
Work/study materials	33 EUR
Leisure activities	63 EUR
Total	762 EUR

Source: Deutsches Studentenwerk (2013)



As mentioned earlier, six (out of 16) states in Germany charge tuition fees to all students at undergraduate and graduate level, whereas five states charge tuition fees to students who exceed the prescribed duration of studies or have already completed one degree (Marcucci and Usher, 2012:31). These tuition fees range between 375–500 EUR per semester. Ten states also charge administrative fees of 25 to 75 EUR per term (ibid.).

Overview of student financial support system

Financial support to cover student costs comes from three main sources: family, state and own income (e.g. employment, savings). An examination of the composition of all students' monthly income in Germany based on EUROSTUDENT survey data (Orr et al., 2011:118) shows that income from public sources accounts for 15% of total student monthly income, whereas family/partner sources account for 49% of monthly income. Self-earned income accounts for 28%. In other words, the family seems to be the most important income source.

Direct financial support

There are no general grants in Germany. However, there is a combination of targeted grants (needs and merit tested) and student loans available.

BAföG grants and loans (needs-based)

The national student financial support scheme in Germany is called *BAföG* (*Bundesausbildungsförderungsgesetz*/ German Federal Law on Support in Education). Its core idea is to enable everyone an education independent of their financial/economic situation (Vossensteyn et al., 2013) and it consists of a 50% grant and a 50% loan (FMER, 2013). If a student requires longer to complete a study programme due to physical or mental difficulties, the assistance following the prescribed length of study is provided solely in the form of a grant. Around 17% of all students (eligibility determined by income, nationality, course attendance, age) receive this form of support (Vossensteyn, 2013:95).

According to the web site of the Federal Ministry of Education and Research (FMER, 2013), these grants and loans are administered by the Federal Office of Administration (*Bundesverwaltungsamt*). The loans are interest-free and they are repayable within 20 years. The obligation to repay begins five years after the prescribed period of study. Currently the minimum monthly rate for repayment amounts to 105 EUR. Recent amendments have abolished the former possibilities for waiving a partial repayment obligation on the basis of social criteria or to encourage the speedy conclusion of studies. However, the maximum repayment total is capped at 10,000 EUR, even if the received loans exceed this amount.

The guiding principle of the *BAföG* programme is ensuring equal opportunities in education (FMER, 2013), therefore it is not surprising the eligibility for receiving the financial support is dependent on family circumstances: the income of students, their spouses and their parents are all taken into consideration. Categories of students who are eligible for this type of support are: German nationals (and students from EU/EEA member states if they meet certain conditions, e.g. living in Germany), students at full-time both university and professional study programmes, undergraduate students up to the age of 30 and graduate students up to the age of 35. Students at private higher education institutions are also eligible for this source of funding.

The maximum rate of financial support for a student living away from home is currently 670 EUR per month (FMER, 2013). This increase was made in 2010 from 648 EUR for students living away from home to 670 EUR and from 478 EUR



to 495 EUR for those living with their families (Marcucci and Usher, 2012). The FMER's (2013) web site states that the exact amount depends on various factors including the housing and health insurance situation of the applicants, as well as the income, savings, assets of the applicant and those of their spouses or parents. Additional allowances are paid to students with children up to 10 years of age – 113 EUR for the first and 85 EUR for each additional child. The duration of the financial support is based on the prescribed length of study.

Germany Scholarship – Deutschland Stipendium (merit-based)

According to Marcucci and Usher (2012), a new federal-level grant programme called the Germany Scholarship was introduced in 2011, with funding from the federal government and private contributions. The programme aims to reward excellence and encourage a culture of scholarship in Germany (unlike the *BAföG* programme, it is not linked to the socioeconomic status of the student) and provides recipients with 300 EUR per month. All students (foreign and German) studying in higher education institutions in Germany are eligible. The scholarship is awarded based on merit, social commitment (as demonstrated by participating in student clubs, university politics, religious or political organisations) and personal characteristics (overcoming hardships, etc.). In 2012, 10,977 scholarships were awarded, although this amounts to less than 1% of the total number of students enrolled in Germany (Vossensteyn et al., 2013).

Other direct funds

According to Vossensteyn (2004:36), apart from *BAföG* grants and loans and the Germany Scholarship, there are other sources of funding available to students, which are mostly merit-based scholarships. Particularly gifted students may receive a grant from relevant foundations (*Begabtenförderungswerke*). These foundations generally maintain close links with churches, political parties, trade unions or industry. One exception, however, is the German National Scholarship Foundation (*Studienstiftung des deutschen Volkes*), which does not adhere to any particular orientation and which is also Germany's largest foundation of its kind. Both the central government and the federal states (*Länder*) support the work of these foundations by providing substantial funding, the greater part of which is provided by the central government.

The German Academic Exchange Service (DAAD) offers scholarships for foreign students and young academics to pursue studies or further education of limited duration at a German higher education institution. In addition to the DAAD, some federal states (*Länder*) also have special funds for providing assistance to foreign students at the local higher education institutions.

On completion of a first degree, students may also receive scholarships to support their further studies in line with the postgraduate assistance acts (*Graduiertenförderungsgesetze*) of the federal states (*Länder*). The foundations for gifted students (*Begabtenförderungswerke*) also provide students who have already completed a first degree with grants to enable them to study for a doctorate. Finally, there are several smaller foundations, which usually have private funds at their disposal and financially support students with disabilities.

Student loans

According to Vossensteyn (2004:38), the main student loans are *BAföG* loans which are administered by the Federal Office of Administration. As has been mentioned, they are interest-free and repayable within 20 years. Due to low income the repayment period can be extended to 30 years maximum. The obligation to repay begins five years after the expiry of the maximum period of educational training. At the time this study was conducted, the minimum monthly rate for repayment was 105 EUR. The obligation to repay the loan may be waived if the income of the grantees does not



exceed specific tax-free allowances, if they care for a child under the age of 10 (or for a child with special needs) and if they are unemployed (or only marginally employed). In addition, students who belong to the best 30% of examinees in their year may, on request, be exempted from the obligation to repay the loan in full (25% of their debt can be waived). Finally, nobody has to repay more than 10,000 EUR, even if the received loans exceed this amount.

In addition, since 2006 students can apply for student loans (which are not means-tested) from private banks within a special loan programme by the federal bank *KfW:Kreditanstalt für Wiederaufbau*. This loan (*Studienkredit*) can be awarded flexibly up to 650 EUR monthly for full-time studies at undergraduate and graduate level. Doctoral students, students following a second study and students up to the age of 44 are also eligible for the student loan (Vossensteyn et al., 2013). The interest rate follows the EURIBOR plus an additional percentage point for administrative costs. Repayment usually starts between 18 and 23 months after having received the last payment (ibid.).

Indirect financial support

According to Vossensteyn et al. (2013:98), total public expenditure on higher education in Germany in 2004 was 16,905,721 EUR, out of which 59% were teaching allocations, 6% was direct financial support in the form of grants and 1% in the form of student loans, whereas other support included: 11% healthcare, 4% facilities, 1% transportation, 15% child-related payments, 3% tax exemptions.

As mentioned in the introduction to this case study, most forms of indirect student financial support are managed in Germany by the German National Association for Student Affairs (*Deutsches Studentenwerk*), the umbrella organisation for 58 local student service organisations (*Studentenwerk*) that administer the support. The local student service organisations provide public services for the economic, social, medical and cultural support for students at German universities. Among the services provided are: student accommodation, student cafeterias, administration of government funds for students (*BAföG*) and psychological assistance. According to web site of the student service organisations, they help to create a society based on equity.³¹ Funding for these organisations comes partly from mandatory fees paid by the students.

The system of indirect financial support has the following major components: student accommodation, meals, healthcare and tax benefits.

Student accommodation and student cafeterias

According to the comparative EUROSTUDENT survey report (Orr et al., 2011:153,157), 76% of students enrolled in Germany live independently (own lodging, sublet, private flat), whereas 24% of students live with their parents. Out of the 76% of students living independently, 12.7% live in student accommodation. Information provided on the *Deutsches Studentenwerk* web site suggests that rent is on average 250–280 EUR per month. There is state-subsidised student accommodation (generally all students are eligible but there is a maximum number of semesters that they can be housed in student accommodation), but there are also private companies providing student accommodation.

State-subsidised meals are provided in student cafeterias. All students are eligible to eat in the local *Studentenwerk* cafeteria. Student Union meal vouchers are sometimes available as a means-tested tool.

³¹ For more detailed information please refer to <http://www.studentenwerke.de/main/default.asp?id=09910>.



Healthcare

In Germany, there are two kinds of health insurance, compulsory/public and private. According to DAAD (2013), all statutory health insurance funds in the country are obliged to insure students up to the age of 30 (or to the end of the 14th full study semester). Once students reach the age of 30 (or if they study for longer than 14 semesters), they can continue to be insured through a statutory health insurance fund by paying a higher premium. If students are older than 29 when they start studying, they must take out private health insurance.

Tax benefits

According to Haaristo et al. (2011) parents are obliged to support their children by law in Germany and in return they are provided with child support, tax reliefs or other benefits by the state, so an important share of the family support in students' income might actually still come from public sources. According to Vossensteyn (2004:39), family allowance is made for children aged between 18 and 27 when they are training for an occupation and their own income does not exceed 7,680 EUR per calendar year.

According to Vossensteyn (2004), students have to pay income tax just as any other resident taxpayer. However, pursuant to the German Income Tax Law, individuals who are subject to unlimited tax liability can subtract from their taxable income (not from the tax to be paid) any expenses for their own initial and continuing education up to an amount of 920 EUR per calendar year. This amount increases to 1,227 EUR if and when the taxpaying students are living away from their own household for the purpose of initial or continuing education. Educational costs within the meaning of this provision include expenses for first degree studies at a university, university of applied sciences (*Fachhochschule*) or other institution of higher education. Expenses for a doctoral study programme may also be deductible. Deductible expenses do not include expenses for the repayment of student loans. The interest on a student loan can, however, be deducted. Living expenses are also not deductible as education expenses, except when there are additional expenses incurred by students living away from home.

Other

Transport benefits are available through either the local student service organisations (*Studentenwerk*) or the local student union that negotiate framework agreements with local public transport providers.

Financial support for international mobility

Outgoing Students

The *BAföG* grants and loans are portable for both short-term and long-term study abroad. German students studying abroad can also receive an extra grant for a maximum of one year and up to 4,600 EUR (this amount can be used for tuition fees, travel costs, additional health insurance fees and does not need to be repaid).³² Additional funding opportunities for study abroad include grants and fellowships provided by the DAAD. German health insurance is portable within the EU/EEA area, as is stipulated by the EU law for member countries.

Incoming Students

According to the *Deutsches Studentenwerk* web site,³³ *BAföG* grants and loans are only awarded to international students enrolled in exceptional circumstances. International students can claim this form of funding if: one parent has German citizenship; they have or have had a German spouse; they are a legitimate asylum seeker, stateless or a refugee; one

³² For more detailed information please refer to <http://www.bmbf.de/en/18228.php>.

³³ For more detailed information please refer to http://www.internationale-studierende.de/en/prepare_your_studies/financing/government_funding/.



parent was legally employed in Germany for three years within six years before the beginning of studies, or they were legally employed in Germany for five years before the beginning of studies. In addition, the student loan which is available to German students (a low interest loan from the state granted for a maximum of 24 months and amounting to 300 EUR per month) is also only limitedly available to international students.

However, there are various sources of financial support for international students. Both foreign and German students studying in higher education institutions in Germany are eligible for the Germany Scholarship (described earlier in this section). Furthermore, the DAAD offers scholarships for foreign students and young academics to pursue studies or further education of limited duration at a German higher education institution. In addition to DAAD scholarships, some federal states (*Länder*) also have special funds for providing assistance to foreign students at the local higher education institutions.

With some countries, such as members of the EU/EEA, Germany has a social security agreement.³⁴ This means that, as long as students have public health insurance in their home country, they can also get this insurance coverage approved by a public health insurance company in Germany. Many local student service organisations (*Studentenwerk*) offer student financial support packages for international students which, besides student accommodation and meals, may also contain health insurance. Indirect support mechanisms concerning subsidised meals and student accommodation are available to all students no matter whether they are German, EU or non-EU citizens.

Management of student financial support

The *BAföG* programme is funded by the federal level, but administered either by the local *Studentenwerk* (*STW*) or the administration of the local government (*Bundesland*). Student loans are administered by the German government-owned development bank *KfW: Kreditanstalt für Wiederaufbau*. Indirect student financial support is administered by the local *Studentenwerk* (*STW*).

Policy concerns

According to the findings of the ACCESS study on student financial support in Germany, the positive aspects of Germany's current student financial support system are a plurality of funding sources, portability of financial support and well-developed indirect support provided through local student service organisations (*Studentenwerk*). On the other hand, the negative aspects of the student financial support system include insufficient available amount of public funding (especially in larger cities due to high rent), extensive administration and sometimes very slow reaction of the administrative apparatus which creates time lags concerning the payment of grants. Furthermore, the coverage of the *BAföG* grants and loans is not satisfactory, because it covers only 17% of all students.

³⁴For more detailed information please refer to http://www.internationale-studierende.de/en/on_arrival/health_insurance/.



3.3

Hungary

The Hungarian higher education funding and student financial support system underwent a radical change in the academic year 2012/2013 (starting in September 2012), which will deeply affect the data and analyses presented in this section. In short, the change brought a 20% cut in the overall budgets of higher education institutions, a significant reduction of the number of fully state-funded places and potential doubling of fees charged to self-funded students. The data presented in this chapter refers to the regulations and statistics preceding this far-reaching regulatory and legislative change.

In Hungary, unlike other countries presented in this report, access to student financial support largely depends on whether students enrol in state-funded or self-funded places. Students enrolling in state-funded places have most or all of their tuition fee costs covered by the state (directly to the higher education institutions). This is the case regardless of whether the higher education institution is public or private,³⁵ or whether the institutions focus on professional or university programmes. As reported by the ACCESS project national expert it can therefore be the case that private higher education institutions have fully state-funded study programmes and that public institutions have fully self-funded (i.e. tuition-fee based) study programmes.

In addition, the distinction between the state-funded and self-funded places also influences the eligibility of students to receive further state support, such as student accommodation or grants/scholarships. The ratio of state-funded to self-funded places has been most favourable in the natural sciences and least favourable in the humanities. While some part-time study programmes were also eligible for state-funded places, this practice will be discontinued from 2012.

Specificities of the Hungarian higher education system

As stated above, the Hungarian student financial support system's main categorical distinction is between state-funded places, regardless of nominal public/private status of higher education institution and type of study programme, and self-funded places. At public higher education institutions state funding for "student places", i.e. money transferred by the state to higher education institutions to cover the cost of study, amounted to about 20% of the institutions' budgets in 2008, and as low as 8% in some arts programmes.

A number of structural changes have occurred in Hungary's higher education degree structure, which have led to complexities regarding how students are categorised in official higher education statistics. Firstly, prior to 2005, higher education statistics included post-secondary two-year study programmes which did not lead to a university degree, alongside all other study programmes at the undergraduate, graduate and doctoral level. From 2005 to 2010, the Bologna Process three-cycle system was gradually introduced, alongside the existing pre-2005 study programmes. In 2009/2010, there were 82 post-secondary degree programmes, 189 college³⁶ programmes and 215 university

³⁵ There are, however, different levels within the private status. Due to an agreement with the Vatican the private higher education institutions owned by the Catholic Church receive types of public funding, which other private institutions are not eligible to receive.

³⁶ Colleges and college programmes share some characteristics with universities of applied sciences, but cannot be fully equated with them. The remainder of this country case file will thus refer to them as colleges, as suggested translation from Hungarian and a term used in source documents.



programmes. Furthermore, there were 248 undergraduate programmes, 232 graduate programmes, 17 integrated programmes (combining both undergraduate and graduate study), 333 further education programmes and 53 doctoral programmes. As of 2010, the new Bologna system took full effect and only study programmes that fit into the three-cycle structure are permitted, with no distinction between university studies and professional studies. There are 19 public universities, 7 private universities, 10 public colleges and 34 private colleges. These structures will be further affected with the new law that comes into force as of September 2012: namely, the number of private institutions will be reduced with a forced integration between 2012 and 2015.

In the latest Bologna Process degree structure, full-time students and part-time students are distinguished and only full-time students can be state-funded. Full-time study programmes are effectively all day-time courses, while part-time study programmes cover evening programmes (0.5 full-time equivalent study load – hereafter: FTE), correspondence programmes (0.33 FTE) and distance learning programmes (0.25 FTE). There is no distinction between professional and university study programmes or institutions, with all former graduates of those institutions entitled to upgrading their previous college degrees to undergraduate degrees and of their previous university degrees to graduate degrees. For the purposes of this report, this means that no data is available distinguishing university and professional study programmes.

There is also no statistical distinction between private and public funded study programmes, as most study programmes have different mixes of state- and self-funded students, while some public and private higher education institutions have so-called “fully self-funded” study programmes. Since many study programmes were at the time of data-collection still undergoing a process of transition in order to be in line with the Bologna Process structure (even after 2010), differentiations between undergraduate, graduate and doctoral categories also do not apply. Thus, the most significant distinction for considerations of the student financial support system in Hungary is between state-funded and self-funded students.

Student numbers and student costs

According to Péli et al. (2010), in the academic year 2009/2010 there were a total of 370,331 students enrolled in higher education in Hungary, of which 242,701 were enrolled in full-time study programmes. Figure 3.2 indicates that while the total student number peaked in Hungary in 2005³⁷, the number of state-funded places remained relatively constant over the past 10 years. The total student number reflects oscillations in number of self-funded students, which make up just under half of the total student body. This is set to change drastically with the new legislation, with an expected sharp rise in proportion of self-funded students³⁸, while overall number of students is projected to drop by over 10% in the next 10 years due to demographic trends.

³⁷ It coincides with the introduction of the current Higher Education Act.

³⁸ More correctly, this is the number of so called self-funded student places. Students enrolled in some of those places had to pay fees, but could have been supported by grants. No precise data is available.



Table 3.10 Overall numbers of state-funded and self-funded student places in Hungary in 2008/2009

Academic year	Total		State-funded		Self-funded	
	Number	%	Number	%	Number	%
2008/2009	381,019	100	211,777	56	169,242	44

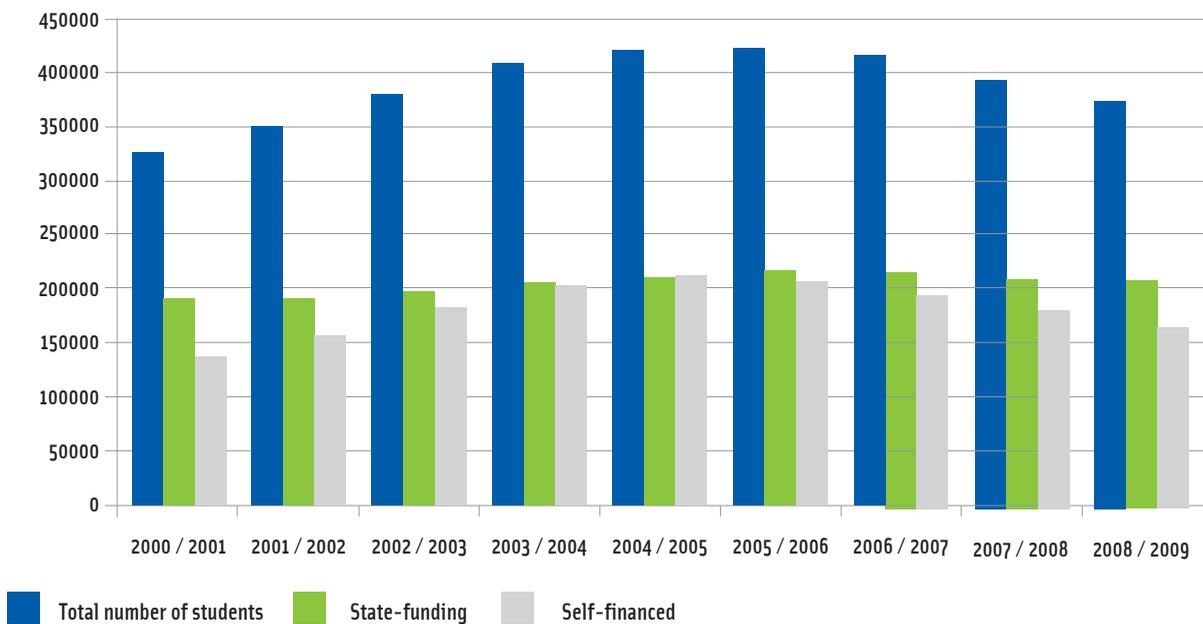
Source: Péli et al. (2010)

Table 3.11 Number of state-funded students studying on full-time places in Hungary in 2008/2009 and 2009/2010.

Academic year	Number of state-funded full-time places	% of all full-time places
2008/2009	184,243	80.37
2009/2010	183,458	80.58

Source: Péli et al. (2010)

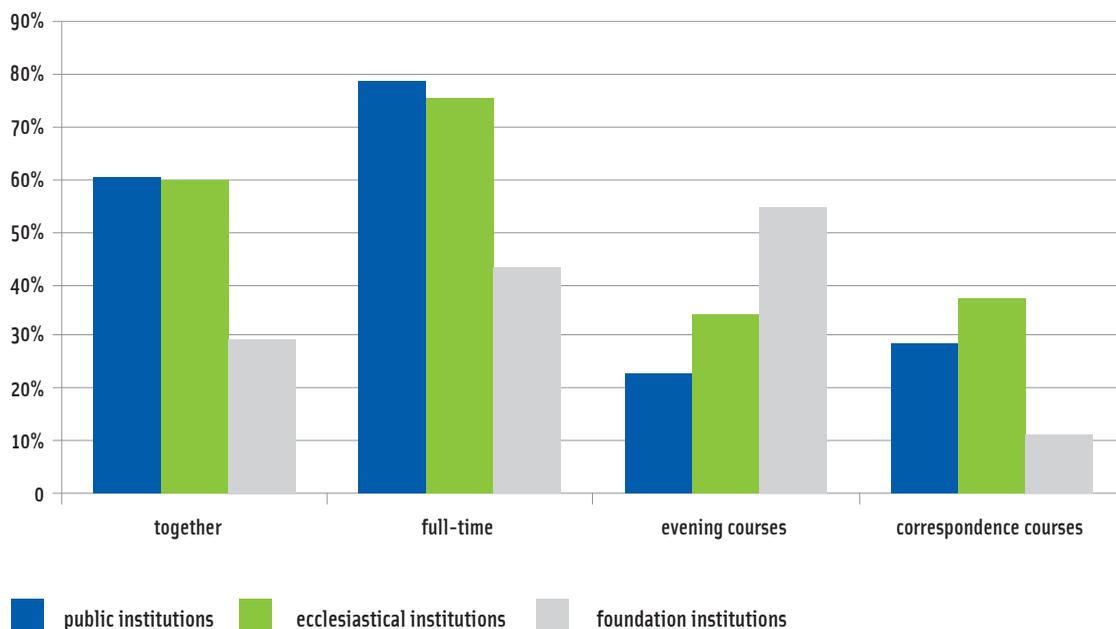
Figure 3.2 Ten year trends in total number of students and numbers of state-funded and self-funded student places, 2000-2009



Source: Péli et al. (2010)

Péli et al. (2010:11) also provide data on the distribution of state-funded places across types of higher education institutions' status (public, ecclesiastical and foundation-based) and study programme types (full-time and two types of part-time study programmes). Figure 3.3 shows that most of the state-funded places were provided on full-time study programmes, regardless of higher education institutions' public/private status, but some state-funded places were available for part-time study programmes at different institutions.

Figure 3.3 State-funded places distribution in the academic year 2009/2010.



Source: Péli et al. (2010:11)

State-funded students pay no tuition fees, but the number of places available under such conditions at different higher education institutions is limited, as described above. State-funded students can keep the state-funded place for the prescribed length of the study programme and two additional semesters. If they study beyond the prescribed length, the student loses the state-funded place and has to pay fees. Additionally, as of 2008, state-funded students are also required to achieve a predetermined grade point average in order to keep their state-funded place. Failing to achieve the prescribed grade point average means the state-funded place would be awarded to self-funded students with the highest grade point average. In reality, however, this transfer of state-funded stats affects only about 2-5% of the student body.

All other students (42% in 2009/10 according to EACEA/EURYDICE, 2011) are considered as "self-funded" students and they pay tuition fees. No official statistics are available regarding the amounts of tuition fees. However, the range of fee amounts charged varies greatly from 1,000 to 7,000 EUR for full-time study programmes per year, with the average at 1,500 EUR per year. However, this figure conceals great differences across academic disciplines and institution types, with no overall regulation or guidance from the state. Since 2005, general administrative fees have been forbidden by the state and other student charges (applicable to all students regardless of the type of enrolment) can only be collected



for special services. According to the ACCESS project national experts for Hungary, higher education institutions need the income from tuition fees since it makes up to 50% of their operational income.

According to Eurostat data for 2006 (EC and HIS, 2009), fees make up 19% of overall student expenditure in Hungary, with the median value at 9%. A rough estimate could then place average overall student expenditure at 15,000 EUR per year for self-funded students, while Vossensteyn (2004) estimates student expenditure as being between 2,500 EUR and 9,130 EUR per year. A more recent update from the ACCESS expert for Hungary agrees with these estimates, although warns of a great range in living costs depending on the city and on tuition fee costs, depending on the study programme. Annual living costs are between 1,600–3,200 EUR, while paying tuition fees could raise overall costs to 9,200 EUR. Students' families mostly cover these costs.

Overview of student financial support system

In the absence of the EUROSTUDENT survey data for Hungary, it can be assumed that the majority of students receive some form of parental financial support, since there are no universal grants available to cover the costs of living. Self-funded students also need assistance with tuition fee costs. Budapest, as the place where most higher education institutions are based, is also a more expensive place to live in than other Hungarian cities.

There are merit-based grants (called "scholarships") distributed by higher education institutions on the basis of a lump-sum allocation from the state. According to EACEA/Eurydice (2011), only state-funded students are eligible for this scholarship, and 40% of them receive some form of grant. There are also grants for students from low-income families, which are also distributed by the higher education institutions.

The state provides indirect support for student culture, sport and for textbooks, and these funds are included in the institutional lump-sum funding of higher education institutions and are awarded in accordance with the number of state-funded students at a particular institution. Its benefits are in principle available only to state-funded students. The categories of support for culture, sport and textbooks together amount to around 600 EUR per year, per state-funded student.

Student accommodation is available to state-funded students and places in student halls of residence are awarded by the higher education institutions, based on the capacity and student's family taxation records. There is a reduced rent available for students from low-income families. Transportation authorities and public institutions sell tickets at student prices, but it is unclear whether any of these are subsidised by public funds. No data is collected concerning self-earned income of students.

No other indirect state support aimed specifically at students is available. Meals and healthcare are not state-subsidised specifically for students, and there are no tax benefits for students' families. According to EACEA/Eurydice (2011), financial support to students in the form of grants and student loans has since 2005 represented around 15% of total public expenditure on higher education, which, considering the overall expenditure on higher education at 1% of GDP, represents an investment of 0.015% of GDP into student financial support.

Universal student loans for Hungarian citizens and residents are also available. They are operated by a publicly-owned company and are intended to be a self-sustainable system. According to EACEA/Eurydice (2011; based on 2009/10

data), the maximum loan amounts are different for students on state-funded places (max. 140 EUR per month, 1,400 EUR per year) and others (max. 170 EUR per month, 1,700 EUR per year). There is also an additional monthly supplement of 34 EUR per month available to orphans and students with unemployed parents.

Direct financial support

Grants/scholarships

As an introductory note, it is important to note that in Hungary the provision of state-funded places is officially considered as a financial support measure, and the tuition waivers are called Hungarian National Scholarships, despite being transferred directly to higher education institutions and not operating as a voucher system. Since the state-funded places are used to fund tuition expenses and are transferred directly to higher education institutions, as well as not actually contributing to costs of living of students, the authors shall not treat these public expenditures as direct student financial support in this report.

There are no general grants available in Hungary, but there are additional scholarships for state-funded students at undergraduate and graduate level, as well as special state scholarships for doctoral studies. The scholarships are either merit-based (based on grade-point average) or needs-based. The merit-based scholarship funds are transferred as a lump-sum to the higher education institutions and distributed according to the criteria set by individual institutions together with student organisations. The maximum amount awarded is 300 EUR per month per student. There is no centrally collected data about the number of grants awarded, since this is within the domain of each higher education institution. The EACEA/Eurydice (2011) report estimates that 40% of the eligible student population at all levels receives a scholarship, which is roughly 25% of the total student population.

The needs-based support is not distributed through the individual higher education institutions, but through a centralised fund that all eligible students can apply to (known as Social Scholarships). The scholarship amounts usually distributed to students are between 100 and 500 EUR per month and the application process requires tax-return forms as proof of qualification for the support. There is also needs-based indirect support for disadvantaged students through additional points awarded in the competition for state-funded places (about 9% of maximum number of points can be gained in this way).

As mentioned above, higher education institutions also receive direct support for students, culture, sport and textbooks in the amount of 600 EUR per year, per state-funded place. The higher education institutions themselves decide how to distribute these funds to students. It is unclear whether the student-price tickets for public transportation, museums and performances is directly subsidised by the state, i.e. whether the institutions are reimbursed for the difference in ticket prices.

Student loans

All students who are Hungarian nationals or residence permit holders below 40 years of age are eligible for a state student loan, regardless of whether they study as state-funded or self-funded students, and regardless of whether they are enrolled in a full-time, part-time or a correspondence study programme. Student loans are administered by a state-owned agency and there are no commercial bank loans aimed at students. The loan payments are available for five months of a semester for a total of five years (a total of 10 semesters) or seven years (14 semesters) for longer study programmes.³⁹ The maximum monthly amount of the loan for state-funded students is 140 EUR (1,400 EUR annually)

³⁹ For more information please refer to <http://www.diakhitel.hu/index.php/en/to-our-clients/2011-10-11-11-30-04/features-of-the-student-loan>.



and for other fee-paying students the maximum monthly amount is 170 EUR (1,700 EUR annually). Loans are paid out per month or per semester depending on the choice of students. An additional 34 EUR per month is available upon special application to students who are orphans or who have at least one parent seeking employment for a maximum of two semesters. Loan applications can be submitted to higher education institutions or certain banks and other lending institution branches, and there are special arrangements which allow for the loan payments to be transferred directly to the higher education institutions accounts to cover tuition fees.

Interest incurs from the first instalment until the loan is repaid. The interest rate is variable, but set by the Government and in 2011 it stood at 8%. Repayment starts at the latest three months after the official closing of the student status, or three months after the student reaches the age of 40, and continues in monthly instalments. For the first two years, borrowers pay back an amount that is 6% of the annual minimum wage and then 6% of their own annual income (averaged over two previous years) if it is above minimum wage. Students who took out at least one maximum 170 EUR loan payment pay back 8% of minimum wage or their own income. Those who took out additional loan payments repay 8% of the minimum wage or their income respectively if they studied on state-funded place and 9% of minimum wage otherwise. Loans can be repaid in advance in total or in part without additional charge. As of 2011 for those who are at least three years into repayment it is possible to ask for repayment discount without providing special justification.

Late repayment is penalised with additional interest, and loan repayment contracts are cancelled altogether in case of repayment delay that exceeds six monthly loan-payments or if a breach of contract criteria is established. It incurs repayment of the entire amount of the loan within eight days. In case of default, the loan repayment data is shared with the Central Credit Information System which affects the borrowers' potential to secure other loans.

From the academic year 2012/2013, in addition to the regular student loan there is also a tuition fee-tied student loan to be spent exclusively on educational costs. Eligibility criteria are the same as for the regular student loan (except the maximum age being 35), but the amount cannot exceed the total amount of tuition fees and is transferred directly to the higher education institution. These loans carry a special state subsidy for repayment so that the interest for the borrower is fixed at 2% per year, while the state covers the difference. This loan requires no special evaluation except for the tuition fee invoice from the higher education institution, and repayment starts only after the study programme has been completed or the student reaches 35 years of age. It is repaid in instalments proportional to the borrower's income (at least 4% of annual income), and has no fixed repayment duration or limit on advance repayment.

Indirect financial support

Some of the direct support mechanisms described above could be treated as indirect student financial support, depending on how the higher education institutions decide to distribute the funds transferred to them by the state. Therefore, the support described above relating to students' cultural and sport activities and textbooks could be considered as indirect student financial support, as well as the "student-price" tickets that might be offered by museums and other institutions.

Student accommodation is available only to state-funded students, of which over 40% live in such accommodation (Vossensteyn, 2004). Some students live with their parents, and among these students are predominantly students who live in rural areas. In Budapest, there are a great number of students living in rented rooms or flats with prices up to 200 EUR per month for a shared room. Hungary has also seen a new trend in cities whereby investors provide private student accommodation at low prices in the vicinity of higher education institutions.



There are no state-subsidies for meals in student cafeterias, but the contract between universities and subcontractors usually contains clauses about low price meal options. No special health-care provision is in place for students as such, because they are as citizens covered by the national social security which includes health-care.

Needs-based support is also indirectly provided through a system of awarding additional points to certain categories of students enrolled in the competition for state-funded study places. A maximum of 40 points out of 440 can be obtained in this way. Eligible needs-based categories in this case include physical disabilities, socially disadvantaged position⁴⁰ or caring for children. Although students relying on this type of assistance make up less than 7% of all applicants for higher education study programmes, they have a slightly higher chance of gaining admission compared to their peers with the same number of points. On top of this assistance, there is also a mentoring programme administered by the Student Union in which senior students help younger students from socially disadvantaged backgrounds with coursework and social integration. However, the coverage of this programme is limited.

Financial support for international mobility

Most, if not all, of the direct student financial support is unavailable to outgoing students on mobility programmes, even if mobility is a part of the course. Although higher education institutions are allowed to distribute some of the student financial support funds that they manage to outgoing students, in practice it is difficult to budget for that purpose. There is no specific state support for outgoing students enrolling in a full degree programme abroad. The student loan company does not list any foreign higher education institutions as eligible course providers for student loan contracts.

State-funded places are available for incoming students of Hungarian ethnicity or nationality and other nationals with a residence permit. If granted study on a state-funded place these students are then entitled to all other benefits available to students on state-funded places. There are also some special scholarships for students of Hungarian ethnicity and nationality from neighbouring countries.

EU students are eligible to compete for the state-funded places but only for the study programmes in Hungarian, as fees are charged for all study programmes in which the language of instruction is different from Hungarian regardless of students' nationality. Students on exchange programmes such as Erasmus are eligible for subsidised student accommodation places if there are places available. There are no recorded cases of EU students applying to study on a state-funded place in Hungarian.

Management of student financial support

The majority of student financial support is administered by higher education institutions through their own institutional budgets. The amounts for student financial support are earmarked as such and under the audit (and in some cases with the option of a veto) of the Student Councils. Although prior to 2005 there was a formal distinction between universities and colleges,⁴¹ the latter mostly offering so-called "college degrees", after 2005 all institutions officially granted higher education institution status by the Parliament have the same legal status. This means that all institutions have the same right of access to public funding, with some specific conditions attached to those acknowledged to be private institutions.⁴² The national government awards accreditation for individual study programmes, allocates state-funded places and conditional programme budgets to institutions.

⁴¹ This is not identical with UAS/UCAS institutions in the current Croatian system.

⁴² Private institutions are mostly financed by foundations.



Higher education institutions' formal ownership and available state support overlaps with the funding allocations for individual state-funded places. For example, 20% of places on a study programme in a foundation-owned higher education institution⁴³ could be state-funded places, while the remainder are self-funded places. A similar study programme in a state-owned higher education institution⁴⁴ could have 30% state-funded places and the remainder as self-funded places. On average, state-owned higher education institutions had to generate over 50% of their income from tuition fees in order to cover operational costs. Faculty members receive per capita state-funding only in the official public higher education institutions. Private institutions negotiate the number of state-funded places for their study programmes with the state. In some church-owned and private-owned institutions this can cover as much as 50% of the student body. In public higher education institutions, funding from state-funded student places amounted to about 20% of the institutions' overall budget in 2008.

Public higher education institutions receive per capita funding for high quality research personnel ("excellence"), while all higher education institutions are eligible for competition for publicly funded research grants. Public and catholic church owned higher education institutions are eligible for state maintenance support, while other private higher education institutions are not.

Some scholarships are managed in cooperation between national and local governments (Vossensteyn, 2004). In case of means-tested support, the tax-returns of students' families are provided as evidence of eligibility for support. A centralised national database of the financial support available to students and record of its recipients is under construction. There are no specific measures currently taken to counter abuse of the financial support system.

In the case of loans, the system is more efficient, with the loan managed by a centralised public student loan company. The loan application information is provided on the company web site (in Hungarian and English) and available from higher education institutions and partner banks and other lending institutions. The applications are also received through higher education institutions and partner banks and other lending institutions. There is a centralised database of loan recipients and some data can be shared with the Central Credit Information System in case of systematic default on repayment.

Policy concerns

Systematic data on trends in funding student financial support in Hungary are scattered at best, and contradictory at worst. According to Jongbloed et al. (2010:101), expenditure per student has decreased by more than 5% from 1995 to 2008. EACEA/Eurydice (2011) shows a significant increase between 2000 and 2007 in the funding of student financial support, while the ACCESS project national experts claim that data and research on student financial support is unavailable and that the available data is misleading due to changes in the official statistical data collection over the period of interest.

At the policy level, many minor changes affecting the funding of student financial support took place over the last 10 years, but there has been no significant effect on the most important categories of state-funded study places, the volume of which remained more or less constant. There has been a more pronounced effect on the overall student numbers through peaking of self-funded study places around 2005. This was an unsuccessful attempt to transfer more cost to students enrolled in mid-2000s. No significant changes are reported over the last 5 years in either tuition fees or direct student financial support.

⁴³The foundation-owned higher education institution receives no operational and other grants from the state.

⁴⁴The state-owned higher education institution receives operational funding from the state.



However, significant changes are expected as of September 2012 with the new higher education law: 20% cuts in higher education institutions' budgets, cuts in the number of state-funded study places and increase in tuition fees. Current Government projections propose just under 34,000 fully state-funded places at first-year undergraduate level, 15,500 "half-funded" undergraduate study places⁴⁵ and 19,600 fully state-funded graduate study places. 1,300 new doctoral students will also study on state-funded places. In contrast, in the academic year 2011/2012 there were about 53,000 fully state-funded, first-year undergraduate places. Even with awareness of the pitfalls of the current system, these are viewed as negative changes by the ACCESS project experts and are so portrayed in the Hungarian media.

There is also a policy change to focus state-funded places in science and engineering study programmes, seen as desirable by the policymakers (although these study programmes are not seen as desirable by the potential students). The downside of such changes is that they are not based on data, and the policy-makers steer financial resources towards particular subjects based on political and economic strategic concerns from domains other than (higher) education.

⁴⁵This means the government funding transferred to the higher education institutions will cover 50% of the stated tuition fee, while the students themselves will have to cover the other 50%.



3.4

Slovenia

The Slovenian system of higher education is a binary system including university and professional higher education. In the academic year 2009/2010, there were three public universities (with 53 member institutions), two private universities (with seven member institutions), and 26 free standing higher education institutions, of which 12 receive state subsidies (Doolan et al., 2012). The vast majority of students study in the public higher education sector: in the academic year 2008/2009 only 7.4% of students studied in the private higher education sector (Statistical Office of the Republic of Slovenia, SORS, 2009). There is a distinction between full-time and part-time students and in the academic year 2008/2009, 72.6% of Slovenian students were full-time students (SORS, 2009).

In Slovenia, similarly to both Austria and Sweden, full-time undergraduate and graduate students pay no tuition fees, whether they are from Slovenia or another EU-member state. However, this non-fee paying status is restricted in terms of full-time students not being allowed to repeat the year or change their study programme. Part-time students and non-EU foreign students pay tuition fees both for undergraduate and graduate studies. In the case of doctoral studies, tuition fees are charged but subsidies exist for domestic and EU students.⁴⁶ The amounts of tuition fees in Slovenia are determined by the higher education institutions themselves, but in accordance with guidelines set by the Ministry of Higher Education, Science and Technology. In 2007, Slovenia allocated around 23% of its total public expenditure on higher education to student financial support (Santiago, 2011). Slovenia belongs to the group of countries that consider students financially dependent on their parents (EHEA, 2009).

Student numbers and student costs

There were 107,134 students enrolled in higher education in Slovenia in the academic year 2010/2011 (SORS) which is 7,739 fewer students than in the previous academic year. There were 91,539 students enrolled in higher education institutions classified as universities and 15,595 students enrolled in professional higher education studies.

According to the Slovenian EUROSTUDENT report (MHEST, 2010:36), student living costs per month (classified as including accommodation, health costs, daily costs, communication, transport etc.) reach 333 EUR for students covering the costs themselves and 245 EUR for students whose costs are covered by others (e.g. parents, partner). Study-related costs are calculated per semester (include tuition fees, books, photocopies, excursion, contribution to university for social care) and come out to 247 EUR for students covering the costs themselves and 173 EUR for students whose costs are covered by others. Under the assumption that a semester consists of four months, this would mean that monthly study-related costs amount to 62 EUR or 43 EUR, depending on who is covering the student's costs. It means that the average monthly expenditure comprising living costs and study-related costs ranges between EUR 395 for students covering the costs themselves, and EUR 288 for students whose costs are covered by others. These calculations are based on responses from full-time and part-time students at different study programmes and types of institution.

In terms of full-time and part-time student status, only part-time students pay tuition fees in undergraduate and graduate studies, and there are approximately 30% of part-time students. For undergraduate studies, tuition fee amounts range from 1,600–7,436 EUR and for graduate studies 1,805–9,471 EUR per year (EACEA, 2011).

⁴⁶ For more information please refer to <http://www.slovenia.si/study/>

Overview of student financial support system

In Slovenia, the state provides both direct and indirect financial support. According to Marjetič and Lesjak in ISSBS (2011:6), public financial support in 2010 included 74.7% of funds for scholarships (55.8 million EUR), 18.3% for meals (13.7 million EUR), 5% for accommodation (3.8 million EUR) and 2% for transport (1.5 million EUR).

Direct financial support

In Slovenia, direct financial support is available through different targeted scholarship programmes, which are both means-tested and merit-based. In other words, there are no general state funds available to all students who qualify for higher education entry. According to the EUROSTUDENT data for Slovenia (MHEST, 2010), 19% of all students received some form of scholarship in the academic year 2009/2010.

According to Zagorc (2011), State Scholarships are intended for students from low socioeconomic family backgrounds, up to the age of 27, as the primary eligibility criteria. These scholarships are also for students with disabilities, as well as for deficit occupations. In 2010, according to SORS (2011), 16,212 students received this form of support. SORS data indicates that the average amount of national scholarships is 180 EUR per month, which is a little less than half of the average costs incurred by students who cover the costs themselves (EUR 395 per month) and a little more than half for students whose costs are covered by others (EUR 288 per month).

Zois scholarships (named after Sigmund Zois) are scholarships for academic excellence and gifted students, both Slovenian and foreign students studying in Slovenia (Zagorc, 2011). In 2010, according to SORS (2011), 6,843 students received this scholarship. The average amount of scholarship is 248 EUR per month.

Other scholarship options include:

- Scholarships for Slovenes living abroad: 144 scholarships in 2010 (average of 220 EUR per month) (SORS 2011),
- Awards for sustainable development: 84 in 2010 (500–5,000 EUR one-off payment) (Zagorc, 2011),
- Human Resource Development scholarships,
- *Ad futura* programmes for international mobility (Zagorc, 2011),
- Erasmus scholarships: used by 1,174 students enrolled in 2010 at an average amount of 314 EUR per month.

There is no public student loan system. Although Slovenia introduced a student loan system in 1999, it was discontinued because the number of applicants was low (Dolenec, 2010). There are commercial bank loans though.



Indirect financial support

Indirect financial support in Slovenia is provided in the form of subsidised student accommodation, meals, travel, health insurance, cultural activities and sport club membership, tax reduction and allowances for families. All full-time and unemployed part-time students have the right to these forms of support (Marjetič and Lesjak, 2011).

With regard to student accommodation, all full-time students at private and public higher education institutions living away from home are entitled to a subsidy. According to the Slovenian EUROSTUDENT report (MHEST, 2010), 16% of students live in student accommodation. Out of the 84% who do not, 36.4% of students live with their parents and 63.6% of students live in a different type of accommodation. In the academic year 2011/2012, the monthly student accommodation subsidy amounted to 17 EUR per student living in student accommodation, 32 EUR per student living in private student accommodation, and 40 EUR per student living in privately arranged accommodation (ISSBS, 2011). According to Dimc (2011), student accommodation in Slovenia is managed by a private agency and students with disabilities have priority admission to student accommodation.

Meal subsidies were used by 41,876 students enrolled in the academic year 2010/2011 (ISSBS, 2011), which is approximately 40% of students, although all full-time and unemployed part-time students are entitled to them. Meal subsidies include both subsidised meals at student cafeterias and through meal vouchers - the subsidy is 48 EUR per month (Dolenec, 2010). According to Dimc (2011), students with special needs can receive additional meal vouchers.

Travel subsidies include 50% of a monthly pass for transportation from place of residence to place of study (EHEA, 2009). All full-time and unemployed part-time students are entitled to travel subsidies.

The EACEA/Eurydice (2011:88) report cites that tax benefits for student families are provided in Slovenia, the amount depending on the number of supported children (EUR 2,251.46 to 7,351.57 per year in 2009). All parents of higher education students under 26 years old when enrolling are eligible for tax benefits. The same report also states that family allowance is available based on income per family member as a percentage of the average wage in Slovenia, on the student's age, and on the number of supported children (EUR 19.64 to 135.55 per student per month in 2009, EACEA/EURYDICE, 2011). In addition, there is an income tax deduction for student work - in 2003 this pertained to a maximum of 6,321 EUR annually.

Financial support for international mobility

Outgoing Students

Financial sources that students can use for studying abroad (MHEST, 2010) include: grants/loans from host country, support by student loan from home country (repayable), support by grant from home country (non-repayable) and EU grants. The EUROSTUDENT report for Slovenia (MHEST, 2010) notes that students studying abroad were primarily financed by their parents (29%), followed by own income from previous job (23.1%), work during studies abroad (7.3%), grants/loans from host country (17.2%), support by student loan from home country (1%), support by grant from home country (9.9%), EU grants (8.9%) and other (3.6%).

According to the EHEA (2009), any outgoing mobility programme that is recognised as part of regular studies is regarded as study at a national higher education institution. All rights, linked with the student status in Slovenia, therefore remain unchanged. Three main types of national scholarships⁴⁷ are portable during the short-term outgoing mobility and they amount to more than 90% of all scholarships available. Students may also apply for these scholarships for long-term



outgoing mobility (degree mobility) when a chosen study programme is not provided at Slovene higher education institutions or when studying abroad is geographically more suitable. In all other cases, the candidates have to prove that studying abroad will enhance their employability and/or professional expertise. In case of a company scholarship, the interest of the company is decisive. There is also the Slovene Human Resource Development and Scholarship Fund - *Ad futura* which distributes mobility scholarships for studies abroad. Loans for outgoing student mobility, both for short-term and long-term mobility, are offered by Slovene Human Resource Development and Scholarship Fund (EHEA, 2009).

Incoming Students

Since Slovenia is an EU member country, student financial support (scholarships, accommodation) is open to EU/EEA citizens on equal terms as those of Slovenian citizens. The responsible ministry has set a quota for subsidised accommodation for incoming students, under the same conditions as for Slovene students, who receive a CEEPUS, bilateral scholarship or a scholarship from the Slovene Human Resource Development and Scholarship Fund. Universities also have the possibility to offer a limited number of places in student halls of residence for the Erasmus students (EHEA, 2009).

Management of student financial support

The Ministry of Labour, Family, Social Affairs and Equal Opportunities is in charge of student scholarships and meal subsidies, whereas the Ministry of Higher Education, Science and Technology is in charge of student accommodation.

Policy concerns

According to Marjetič and Lesjak (2011), 23.2% of public funds for higher education was provided to student financial support in Slovenia in 2008, which is above the EU27 average of 16.7%. However, a concern is that student financial support benefits go to students who do not actually study but only obtain student status for the social rights and student work opportunity it offers. In addition, the available subsidies are estimated as not amounting to the full expenses that need to be covered.

The EACEA/Eurydice (2011) report states that the share of expenditure on public financial support for students had decreased in Slovenia between 2000 and 2007, which is also a reason for concern. The Resolution on the National Higher Education Programme 2011–2020 for Slovenia, has placed the social dimension among the seven priority areas of the system and has cited the following recommendations for the student financial support system, including an introduction of a special student loan scheme:

- For undergraduate students, the period of award of social transfers will be four years regardless of the completion of study.
- For graduate students, the period of award of social transfers will be two years regardless of the completion of study.
- For doctoral students, a uniform scheme of funding of study and living expenses of an individual for a certain number of candidates will be implemented. For those who will not enter the scheme the period of award of social transfers will be three years regardless of the completion of study.
- Special loan schemes will be an additional form of help and not a replacement of scholarships. The interest rate will be subsidised by the state and for the individual it will be less than the usual commercial interest rate.

⁴⁷ It refers to the state social scholarships, Zois merit-based scholarships and company scholarships.



3.5

Sweden

The most renowned characteristic of the Swedish student financial support system is the near universal availability of grants to all students completing 75% of previous year's course requirements, and no tuition fees for enrolment into study programmes. Swedish society treats students as independent individuals requiring public support to achieve higher educational attainment. While fees are not charged,⁴⁸ maintenance support is available conditional on the students' own income, rather than their parents' or households'. Student financial support is centrally managed through a specialised government agency *CSN Centrala studiestödsnämnden*.

While the state supports the operational costs of public universities and other higher education institutions, no further state subsidies are provided for student accommodation and meals for the students, although student halls of residence and student cafeterias do exist. Although there are a few private higher education institutions in Sweden, official student statistics do not divide data into private/public categories. Students at universities never pay fees, regardless of the official status of the university (i.e. the source of the operational grant), while they may do so in a small number of private higher education institutions, but such data is not officially recorded. Students enrolled in these few private higher education institutions are eligible for grants and loans under the same conditions as the students enrolled in public higher education institutions.

Likewise, while de-facto part-time students do exist, they are accorded no specific category or status within the public support system, other than being characterised by percentage of the full-time course requirements. Their eligibility for a grant is conditional on their annual income, and on being enrolled in at least 50% of the full-time course requirement.

Alongside universities, Sweden also has higher vocational education but it does not lead to the university-equivalent degree and is excluded from representation in this study for the lack of equivalent in the Croatian educational system. Higher vocational education is also part of the student financial support system.

Student numbers and student costs

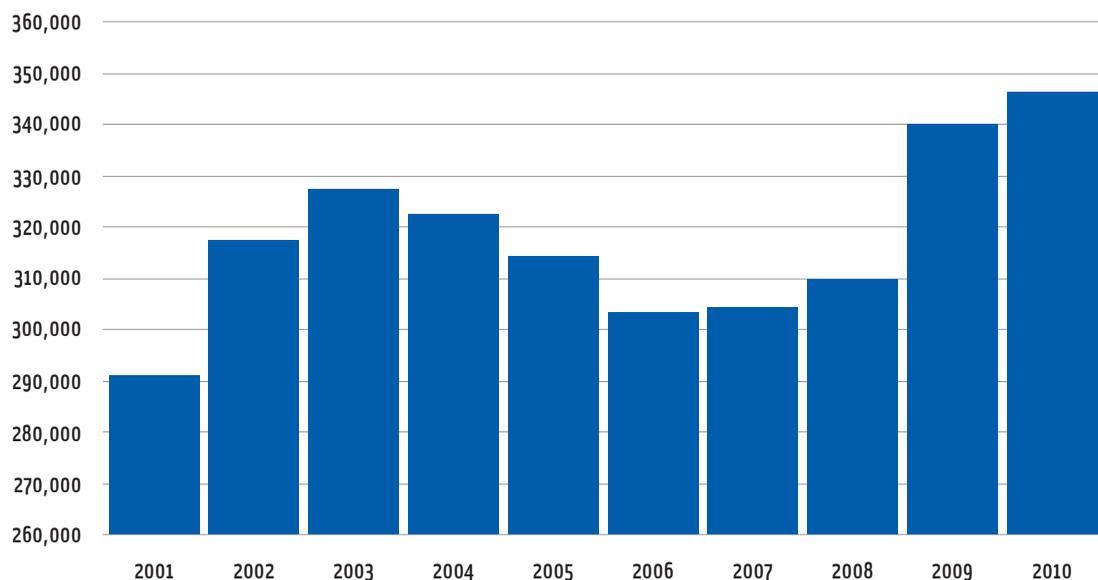
Considering the overall number of students enrolled in Sweden, the National Statistics Office (SCB) shows in Figure 3.4 distinct periods of rise in student numbers prior to 2003, then a continued fall between 2004 and 2006 (though less than 10%), and then a levelling off and another rise leading to 2010. At the same time, the doctoral student numbers in Figure 3.5 experienced an even deeper decline after 2003, which started recovering in 2008, but has as yet not reached the peak level from the academic year 2002/2003.

The official statistics collected does not distinguish between full-time and part-time students as separate categories, but the Eurydice report EACEA/Eurydice (2011:29) estimates the proportion of part-time students enrolled in the system

⁴⁸ For more information please refer to <http://www.slovenia.si/study/>

at about 40%. Also, in the statistics for first- and second-cycle studies there is a small proportion of students enrolled in nationally specific tertiary qualification programmes, who will in the end obtain an undergraduate or graduate degree. According to slightly different data from the Swedish National Agency for Higher Education,⁴⁹ in the academic year 2009/2010 the number of full-time equivalent students enrolled in first and second cycles of higher education was 316,386 of which 256,036 in undergraduate study programmes, 54,943 in graduate study programmes and 5,048 in nationally specific programmes that do not fit into the three-cycle system.

Figure 3.4 Number of students enrolled in higher education, first and second cycle (undergraduate and graduate) studies, 2001-2010

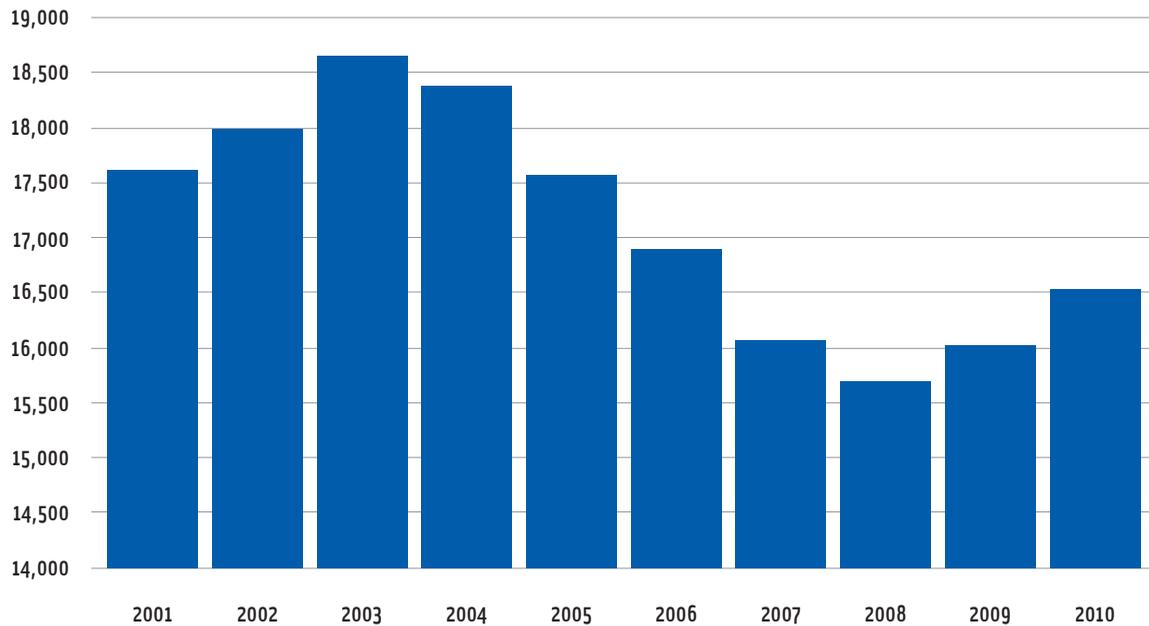


Source: SCB

⁴⁹ For more information on Swedish National Agency for Higher Education please refer to www.hsv.se.



Figure 3.5 Number of students enrolled in higher education, third cycle (doctoral) studies, 2001-2010



Source: SCB

On average, monthly expenditure of those students, based on the responses to a questionnaire of the Swedish Board of Student Aid (CSN) was just over 1,000 EUR (Sauli, 2007; CSN, 2011a). This cost combines living costs and study-related costs, while fees are not charged. This is an average over all age-groups and family situations. While fees are not charged⁵⁰ there is an additional annual administrative fee of 16 EUR for students taking publicly administered student loans.

Students' living costs differ depending on whether they live with their parents or not. Just over 10% of all students live in the parental home, where they are assumed not to incur accommodation costs. According to the comparative EUROSTUDENT survey report (Orr et al., 2011), accommodation costs for others take up 36% of monthly expenditure for those living alone, 48% for those living with partner and/or children, and 29% for those living in student accommodation. Other than living in the parental home, student accommodation is the next cheapest option available to students, and 31% of students live in halls of residence or other accommodation arrangements organised by the higher education institution (Orr et al., 2011). Food takes approximately another 20% of expenditure, travel 3-5% (depending on age), and other study-related costs another 5%. Thus for living costs and study-related costs an average Swedish student needs a minimum of 600 EUR per month.

⁵⁰The fees are charged to the third-country nationals. Third-country nationals are students from non-EU/EEA countries or Switzerland, and will have to pay fees as of academic year 2011/12.

Overview of student financial support system

Students enrolled in Swedish public higher education institutions do not pay tuition fees and the student costs include living and administrative costs as described above. Those are covered through parental and other family support, grants, student loans and self-earned income. According to the CSN statistics concerning students who receive state support, 25% receive further support from their parents and 15% receive support from their partners.

Public support is provided in the forms of grants and student loans. 65% of all students receive public support in form of grants. Grants are available almost universally and are non-refundable, though they are means-tested based on students' own income. Only those students who are eligible for a grant are also eligible for student loans. About 50% of all students take out such a loan, but there has been a 20% drop within the last decade. Finally, about 45% of all students also have some self-earned income. The amount of that income does not, however, prevent most of them from qualifying for grants and loans. Less than 10% of all students who receive public support receives reduced support due to self-earned income.

With such different categories of students based on income, it is difficult to generalise concerning the proportion of different sources that contribute to their income. According to the comparative EUROSTUDENT survey report (Orr et al., 2011) and Haaristo et al. (2011), under 10% of students' income is covered by parental, partner or other family contributions, 60% by the state support (grants and student loans), 10-20% from self-earned income and another 15-20% from further unspecified sources. While other grants (aside from the CSN grants) are available in Sweden, they are rare and no official statistics on grants distribution is available.

The general grants in Sweden are awarded as non-refundable public endorsement of individuals' investment in their own education, while the student loans are considered individuals' own investment into their education (but sheltered from the market operations of the banks). As mentioned, 65% of all students receive grants, and approximately 50% of all students take out a student loan. Only grant-receiving students are eligible for a loan. Students must apply for grants and loans, and to qualify they must be attending a college or university and be below 54 years of age. Eligibility for a loan may be further limited to 45 years of age, depending on size and proposed length of repayment. The eligibility for grants and loans is dependent on means-testing of students' own income, and for the purposes of state support all students are treated as independent individuals regardless of their family situation. It is important that the grants and loans are also available to Swedish nationals studying abroad.

No indirect student financial support is available as such. Meals and student accommodation are provided but are not subsidised by the state, although universities may provide off-market meals and student accommodation on the campus. Public health-care is universally available and not aimed specifically at students. There are also specialised accommodation grants available, but these are not aimed specifically at students. There are special arrangements for student transport, but those are not arranged or subsidised by the state.

While the student loans are largely a self-funded system, the grants are a direct annual public expenditure. In 2010, approximately 1.2 billion EUR was spent on grants, which constituted about 0.3% of the national GDP.



Direct financial support

Direct financial support from public sources, in forms of grants and student loans, is available to all students enrolled in at least 50% of the full-time course requirements, regardless of the sources of financing of the higher education institution they study at, regardless of the form of programme (university or professional study) and it even covers other educational programmes not covered by this study (secondary and higher vocational education, folk high-schools etc.). Support is also available to adults completing secondary and compulsory education courses. Support is only available at the time of active study, not during vacations, and is paid per week of study. Support is not available to part-time students taking less than 50% of full-time course requirements, or those students who failed to complete less than 75% of their previous year's course requirements.

General grants are thus available to students enrolled in at least 50% of full-time course requirements at accredited public or private higher education institutions. These students must be below 54 years of age to be eligible. The support will be continued in the subsequent academic year if the Swedish National Board of Student Aid (CSN) receives proof that at least 75% of course requirements from the previous year have been satisfied. This information is recorded through an automated system connecting the higher education institutions and CSN.

Additionally, each year, grants and student loans are based on means-testing of the students' own income, which is conditional on the information from the national taxation office. For students exceeding an annual income of approximately 15,800 EUR the grants will be progressively reduced depending on the income amount exceeding the defined limit. However, income higher than this limit is permitted if the proposed length of study is shorter than normal. No other competitive, or merit-based criteria are applicable for the eligibility for a grant or student loan.

The grants awarded amount to approximately 333 EUR per month, which is about one third of students' estimated monthly costs, and about half of the estimated "survival costs" of students. In 2010, about 293,000 students enrolled in Sweden, and a further 30,000 abroad, received state support in the form of grants (CSN, 2011b). Universal grants can be supplemented with additional grants for students with dependent children which amount to 64 EUR extra per month for the first child, and another 40 EUR per month for each additional child (EACEA/EURYDICE, 2011:91).

All students enrolled in study programmes that require at least 50% of a full-time equivalent study load are eligible for a student loan. Student loans are available only to those who qualify for and receive a grant. There are certain restrictions tied to the repayment potential for students over 45 years of age. The basic universal loan amounts to about 730 EUR per month during 9-10 months of active study in a particular year. Together with a grant this is sufficient to cover the average living expenditure of Swedish students, with the loan covering two thirds and the grant covering one third of that amount. Supplementary loans of about 200 EUR per month are available to students who require additional travel costs for the purpose of study. There are also additional loans of unspecified amount available to students studying abroad and older students. In 2010, approximately 226,000 students received a loan, which amounted to over 1,5 billion EUR.

The loans are repaid in monthly or quarterly instalments at a rate that is tied to the 3-year bank average and has in the past 10 years varied between 2% and 3% annually. Loans must be repaid regardless of employment status of borrower as a conventional annuity loan. However, the annuity may be income-contingent upon special application from the borrower to CSN. Traditionally, repayments were charged at a flat rate throughout the repayment period, but since

2001 the new modified scheme charges lower annuities for the first years of repayment and then increasingly higher annuities as the repayment period continues. The maximum repayment period is 25 years, and loans are cancelled at 68 years of age, at death or for exceptional individual reasons following application to the central funding agency CSN.

Interest on the amount borrowed starts incurring even at the time of studies (while receiving loan payments), and repayment starts 6-12 months after the completion of studies. Advance repayment is possible, and it is also possible to apply to CSN to have the loan repayment reduced to 5-7% of borrower's current income. If the borrower enters a new period of formal study, loan repayments can also be reduced.

Indirect financial support

In Sweden, indirect student financial support is not available to students as such, but is available to all citizens or residents through other state social support mechanisms. All students over 18 years of age and some secondary students below that age are considered independent citizens, and not a financial responsibility of their parents. As such they are encouraged to enrol in higher education, both for personal and wider social benefits. The society is prepared to assist them in obtaining such higher qualifications through the universal grants and a system of subsidised loans. In all other support from public funds, they are equated with all other citizens and eligible for public support depending on their income. Availability of student accommodation and student cafeterias is also not a concern of the central student support funds, but of individual universities. Student accommodation and cafeterias are not subsidised from public funds for either construction or maintenance. Healthcare is universally available to Swedish citizens and residents regardless of their study status.

Financial support for international mobility

Grants and loans are fully portable for study worldwide, with the same eligibility conditions and limitations, and with additional loans available for the higher costs of studying abroad (higher living costs, tuition fees, insurance, travel costs, etc.). Swedish citizens and EU-citizens ordinarily resident in Sweden for at least two of the last five years prior to public support application are eligible for such portable support. About 30,000 Swedish students annually receive support for study at universities worldwide, in part supported by the grants and loans system.

Universal public support in the form of grants and loans is available to EU citizens and third-country nationals who hold a residence permit and whose primary reason of settlement is not to enrol into a study programme. Such support is not available to third-country nationals without such a residence permit.

Management of student financial support

The public student financial support is managed by a single central government agency with offices in multiple locations across the country, the Swedish National Board of Student Aid (*Centrala studiestödsnämnden*), known as CSN. The support of applications and payments are mostly handled by an automated system with occasional human checks. The system is cross-referenced with the university course databases (for confirmation of enrolment and completion) and local tax authorities (for individual income verification). There are penalties for submitting incorrect data and misusing



the system. The amounts of student financial support and eligibility criteria are set by the national government through parliamentary provisions in law and through government decrees, which detail annual regulations of the student financial support system and its financial management.

Policy concerns

According to EACEA/Eurydice (2011), despite the economic crisis Sweden is committed to maintaining a high level of government expenditure on higher education. Although the same report notes a slight drop in the share of student financial support within the higher education budget in Sweden, this was caused by the fact that the funding of the overall higher education system (operational grants, research etc.) has increased, thus accounting for the relative drop of expenditure on student financial support despite the overall volume growth.

The most significant structural reform concerning Swedish students occurred in 2001 when the loan system changed from an income contingent loan-scheme to a loan of annuity type with lower annuities in the first years of repayment and higher towards the end (progressive). At the same time, higher grants were introduced. Since then the amount of student financial support has been raised in 2010 and 2011 again, and the income limit for means-testing has been raised in 2011.

The most significant reform for the foreign students enrolled in Sweden came into power at the start of the academic year 2011/2012, when the parliament voted in favour of the government proposal that third country students pay a fee for enrolling in study programmes (EACEA/EURYDICE, 2011). The fees are set by individual higher education institutions.

There is little to be said about the negative aspects of the Swedish student financial support system, other than it being subject to large bureaucratic machinery which might at times show insensitivity to individual needs and circumstances. However, a lot of care has been invested to avoid such situations. Students themselves in one out of two cases claim that student financial support is not sufficient, especially for those with children, while the public at large complains that the support is too generous and that the system is too liberal with respect to means-testing the self-earned income of students. On the other hand, such a system benefits students from lower family educational backgrounds, with 58% of them saying they would not be able to study without the support, and only 30% of students with a higher family educational background stating the same.

The latter situation is one of the most positive aspects of the Swedish system, as it increases participation of students from lower socioeconomic and educational backgrounds, according to CSN. The way the system is set up and managed also provides for equal treatment of all students, regardless of their location of study or background. It is an example of an efficient use of resources for the development of technical solutions for financial support management on a large scale, according to CSN. Also, in this way, the financial support administration is fully separated from the institutions providing the study programme, and each is thus unaffected by the other - financial by academic, and vice versa. Finally, in recent years (2011) a larger part of the student body says that the support provided is sufficient to cover living and study-related costs than was the case in 2007, according to CSN.

Recently, concern has been expressed (Stolt, 2011) about the drop in interest in taking out student loans and the high average age of Swedish undergraduate and graduate students. The former is considered to be a result of an increase in limit of self-earned income permitted for grant recipients and the 2001 change in loan repayment conditions. The latter is thought to be a consequence of lack of incentives for earlier enrolment and completion of studies. Both are issues of continued monitoring and debate in Swedish higher education policy.

ANNEXES

Bibliography

ACCESS Questionnaire. (2011). Data on Student Financial Support Collected for Countries that Participate in the Project ACCESS. Zagreb: Institute for the Development of Education.

Act on Scientific Activity and Higher Education. (2003). Zagreb: Official Gazette 123/03, 198/03, 105/04, 174/04, 46/07, 45/09. Retrieved from https://www.azvo.hr/images/stories/o_nama/Act_on_Scientific_Activity-UNOFFICIAL_TRANSLATION.pdf

Austria Study Grant Authority [ASGA]. (2010). Financial Aid for Students enrolled in Austria. Information Brochure by the Austrian Study Grant Authority. Retrieved from http://www.stipendium.at/fileadmin/download/PDF/english_information/grants_engli h.pdf

Austria Study Grant Authority [ASGA]. (2011). The Austrian Study Grant System. Presentation held at the Access project meeting at the University of Graz, November 8, 2011.

Beerkens-Soo, M. (2010). Higher Education Investments: International Comparison. Enschede: Center for Higher Education Policy Studies.

Budak, J., Slijepčević, S. and Švaljek, S. (2010). Financijske potpore studentima u sustavu visokog obrazovanja u Hrvatskoj. *Revija za socijalnu politiku*, 17(2): 277-297.

CSN - Swedish National Board of Student Aid. (2011a). Beviljning av studiestöd 2010/2011 (Approval of Financial Student Aid 2010/2011). Retrieved from http://www.csn.se/polopoly_fs/1.1031!/beviljningsstatistiken-ver-11-inkl-omslag-rattad-20120607.pdf

CSN- Swedish National Board of Student Aid. (2011b). Studiestöd 2010. Retrieved (19/04/2013) from http://www.csn.se/polopoly_fs/1.1253!/studiestodet-2010.pdf

Croatian Bureau of Statistics [CBS]. (2012). Students, 2010/2011 Academic Year. Statistical Reports. Zagreb: Croatian Bureau of Statistics. Retrieved from <http://www.dzs.hr/>

DAAD German Academic Exchange Service. (2013). Health Insurance. Retrieved from: <https://www.daad.de/deutschland/in-deutschland/regeln/en/8839-health-insurance/>

Deutsches Studentenwerk, DSW(The German National Association for Student Affairs). (2013). Financing: Costs of Living. Retrieved from http://www.internationale-studierende.de/en/prepare_your_studies/financing/costs_of_living/

Dimc, N. (2011). Inclusion of Students with Special Needs in the Study Process at the Faculty of Social Sciences, University of Ljubljana. Presentation held at the ACCESS project meeting at ISSBS in Celje, September 28, 2011. Retrieved from http://www.tempus-access.info/wp-content/uploads/2011/10/FSS-UNILJU_Inclusion.pdf

Dolenec, D. (2010). Model financiranja visokog obrazovanja: primjeri prakse u devet zemalja Europske Unije. Zagreb: Institut za razvoj obrazovanja.

Doolan, K., Dolenc, D. and Domazet, M. (2012). *The Croatian Higher Education Funding System in a European Context: A Comparative Study*. Zagreb: Institute for the Development of Education.

Education, Audiovisual and Culture Executive Agency [EACEA/EURYDICE]. (2011). *Modernisation of Higher Education in Europe: Funding and the Social Dimension*. Brussels: EACEA/EURYDICE. Retrieved from http://eacea.ec.europa.eu/education/eurydice/documents/thematic_reports/131EN.pdf

European Communities and HIS, Hochschul-Informationen-System GmbH [EC and HIS]. (2009). *The Bologna Process in Higher Education in Europe: Key Indicators on the Social Dimension and Mobility*. Eurostat Statistical Books. Luxembourg: Office for Official Publications of the European Communities.

European Commission. (2011a). *Recent Developments in European Higher Education Systems*. European Commission staff working document (SEC (2011) 1063 final), 20 September 2011. Brussels: European Commission. Retrieved from http://ec.europa.eu/education/higher-education/doc/wp0911_en.pdf

European Commission. (2011b). *Your Rights as a Mobile Student: A Guide to the Rights of Mobile Students enrolled in the European Union*. Luxembourg: Publications Office of the European Union. Retrieved from http://ec.europa.eu/education/pub/pdf/higher/move_en.pdf

European Higher Education Area [EHEA]. (2009). *National Report Regarding the Bologna Process Implementation 2007-2009: Republic of Slovenia*. Retrieved from http://www.ehea.info/Uploads/Documents/National_Report_Slovenia_2009.pdf

Eurostat. (n.d.). *Statistics (database)*. *Indicators on Education Finance*. Retrieved from http://epp.eurostat.ec.europa.eu/portal/page/portal/statistics/search_database

Farnell, T., Doolan, K., Matković, T and Cvitan, M. (2012). *Social and Economic Conditions of Student Life in Croatia: National EUROSTUDENT Report for Croatia*. Zagreb: Institute for the Development of Education.

Federal Ministry of Education and Research of Germany [FMER]. (2013). *Introduction to BAföG*. Retrieved from <http://www.bmbf.de/en/18228.php>

Federal Statistical Office of Germany. (n.d.). *Statistics (database)*. Retrieved from <https://www.destatis.de/EN/Homepage.html>

Haaristo, H.S., Orr, D. and Little, B. (2011). *Intelligence Brief: The Similarities and Differences Between Students' Income*. Retrieved from http://www.eurostudent.eu/download_files/IB_Student_income_091211.pdf

International School for Social and Business Studies [ISSBS]. (2011). *The Social Dimension of Higher Education . The Situation in Slovenia*. Celje: International School for Social and Business Studies.

Jongbloed, B., de Boer, H., Enders, J. and File, J. (2010). *Progress in Higher Education Reform Across Europe. Funding Reform. Volume 3: Rates of Return Survey and Funding Fiches*. Enschede: Center for Higher Education Policy Studies.

Marcucci, P. and Usher, A. (2012). 2011 Year in Review: Global Changes in Tuition Fee Policies and Student Financial Assistance. Toronto: Higher Education Strategy.

Marjetič, D. and Lesjak, D. (2011). Social Dimension of Higher Education. Presentation held at the ACCESS project meeting at ISSBS in Celje, September 28, 2011.

Ministry of Higher Education, Science and Technology [MHEST]. (2010). EUROSTUDENT SI 2010: Economic, Social and Housing Conditions, and the International Mobility of Students enrolled in Slovenia. Ljubljana: Ministry of Higher Education, Science and Technology. Retrieved from http://www.mizks.gov.si/fileadmin/mizks.gov.si/pageuploads/Visoko_solstvo/EUROSTUDENT_AN_2010.pdf

Ministry of Science, Education and Sports of the Republic of Croatia [MSES]. (2002) Pravilnik o potpori za pokriće troškova prehrane studenata. Zagreb: Official Gazette 51/2002. Retrieved from <http://public.mzos.hr/Default.aspx?art=5437&sec=2259>

Ministry of Science, Education and Sports of the Republic of Croatia [MSES]. (2012a). Correspondence with the Directorate for Study Support.

Ministry of Science, Education and Sports of the Republic of Croatia [MSES]. (2012b). Decree on Criteria for University Student Accommodation. Retrieved from <http://public.mzos.hr/Default.aspx?art=8934>

Ministry of Science, Education and Sports of the Republic of Croatia [MSES]. (2012c). Call for Applications for State Scholarships. Retrieved from <http://public.mzos.hr/Default.aspx?sec=3434>

Ministry of Science, Education and Sports of the Republic of Croatia [MSES]. (2012d). Odluka o kriterijima za raspodjelu mjesta u studentskim domovima studentskih centara i učeničkim domovima u Republici Hrvatskoj za akademsku godinu 2012./2013. Retrieved from <http://public.mzos.hr/Default.aspx?art=8934&sec=3141>

Ministry of War Veterans of the Republic of Croatia [MWV]. (2012). Information on Grants for Students. Retrieved (18/06/2012) from <http://www.branitelj.hr/>

ÖAD Austrian Agency for International Mobility and Cooperation in Education, Science and Research. (n.d.). Facts and Figures. Retrieved from http://www.oead.at/oead_infos_services/about_us/facts_figures/EN

ÖAD Austrian Agency for International Mobility and Cooperation in Education, Science and Research. (2011a). Austria Welcomes You. A Brief Guide to Educational Opportunities for International Students. Retrieved from http://www.oead.at/welcome_to_austria/legal_practical_issues/entry_to_austria/EN/

ÖAD Austrian Agency for International Mobility and Cooperation in Education, Science and Research. (2011b). Individual ÖAD Mobilities. Retrieved from http://www.oead.at/fileadmin/oead_zentrale/ueber_den_oead/dokumentation/mobilitaetsstatistik/einzelmobilitaeten/OeAD_Einzelmobilitaeten_2011.pdf

Orr, D., Gwosc, C. and Netz, N. (2011). Social and Economic Conditions of Student Life in Europe. Synopsis of indicators. Final report. EUROSTUDENT IV 2008–2011. Bielefeld: W. Bertelsmann Verlag.

- Péli, E. M., Kozma-Lukács, J., Csécsine, M. E., Hagymásy, T., Könyvesi, T. and Tuska, Z. (2010). Statistical Yearbook of Education 2009/2010. Budapest: Ministry of National Resources. Retrieved from: http://www.nefmi.gov.hu/letolt/statisztika/okt_evkonyv_2009_2010_100907.pdf
- Santiago, P. (2011). Building Sustainable Funding Strategies in Higher Education: Trends, Challenges and Policy Directions. Retrieved from http://cmimarseille.org/_src/SELM2_wk3/SELM2_wk3_Santiago.pdf
- Santiago, P., Tremblay, K., Basri, E. and Arnal, E. (2008). Tertiary Education for the Knowledge Society: OECD Thematic Review of Tertiary Education. Volume 2. Paris: Organisation for Economic Cooperation and Development.
- Sauli, S. (2007). Living Conditions of Students enrolled in Higher Education. Serie UF - Utbildning och forskning. Stockholm: SCB Statistics Sweden.
- SCB Statistics Sweden. (n.d.). Statistics (database). Retrieved from http://www.scb.se/default____2154.aspx
- Schlöglhofer, G. (2012). Deputy Director, Austrian Study Grant Authority. Personal correspondence and filling in parts of the questionnaire.
- Schwarz, S. and Rehburg, M. (2004). Study Costs and Direct Public Student Support in 16 European Countries - Towards a European Higher Education Area? *European Journal of Education*, 39(4):521-532.
- Statistics Austria. (n.d.). Statistics (database). Retrieved from http://www.statistik.at/web_en/
- Statistical Office of the Republic of Slovenia [SORS]. (2009). Scholarship Recipients, Slovenia. Retrieved from http://www.stat.si/eng/novica_prikazi.aspx?id=3635
- Statistical Office of the Republic of Slovenia [SORS]. (2011). Statistics (database). Retrieved from http://www.stat.si/eng/novica_prikazi.aspx?id=4189
- Stolt, C.J. (2011). Student Support in Sweden. Presentation held at the ACCESS project meeting at ISSBS in Celje, September 28, 2011. Retrieved from http://www.tempus-access.info/wp-content/uploads/2011/10/CSN_Sweden-financial-support_social-dimension.pdf
- Šćukanec, N. (2013). Overview of Higher Education and Research Systems in the Western Balkans: Country Report - Croatia. Retrieved from http://www.herdata.org/public/HE_and_Research_in_Croatia_FINAL.pdf
- University of Zagreb, Student Centre in Zagreb. (2011). Natječaj za utvrđivanje prava na potporu smještaja studenata u privatnom smještaju na području Grada Zagreba, Zagrebacke županije i Sisacko-Moslavačke županije za akademsku godinu 2011./2012. Retrieved from http://www.sczg.unizg.hr/media/uploads/smjestaj/2011/natjecaj_s.pdf
- Vossensteyn, H. (2004). Student Financial Support. An Inventory in 24 European Countries. Background Report for the Project on Portability of Student Financial Support. Enschede: Center for Higher Education Policy Studies. Retrieved from <http://doc.utwente.nl/49908/>

Vossensteyn, H., Cremonini, L., Epping, E., Laudel, G. and Leisyte, L. (2013). *International Experiences with Student Financing. Tuition Fees and Student Financial Support in Perspective*. Enschede: Center for Higher Education Policy Studies.

Vukasovic, M. (ed.). (2009). *Financing Higher Education in South-Eastern Europe: Albania, Croatia, Montenegro, Serbia, Slovenia*. Beograd: Centre for Education Policy.

Zagorc, S. (2011). *Slovenian Scholarship System*. Presentation held at the ACCESS project meeting at ISSBS in Celje, September 28, 2011. Retrieved from http://www.tempus-access.info/wp-content/uploads/2011/10/MLFSA_TEMPUS-Access.pdf

Glossary

Although most of the terms used are in accordance with national and international literature on the subject, and most terms will be known by stakeholders in the field of higher education, the following comments and definitions of terms used may be of assistance for reading the report:

Degree structure terminology (e.g. undergraduate/bachelor's/first cycle): In this report, the following terms are used to describe degree structures in the countries analysed in this study:

- Undergraduate: this term is used instead of (but a synonym for) the term "bachelor's" or "first-cycle" study programmes/degrees.
- Graduate: this term is used instead of (but a synonym for) the term "master's" or "second-cycle" study programmes/degrees.
- Doctoral: this term is used instead of (but a synonym for) the term "PhD" or "third-cycle" study programmes/degrees.

Country-specific study programmes that do not fit into the aforementioned terms are referred to by their country-specific titles (e.g. "post-secondary two-year study programmes"; "postgraduate specialist study programmes").

Direct and indirect public expenditure on higher education: Direct public expenditure on higher education refers to funds provided directly to higher education institutions (or paid directly to university staff), usually including funding for teaching, research and development. Indirect public expenditure on higher education refers to payments of public funds made to individuals or households in the form of direct student financial support (grants, loans and other allowances). A considerable difference between direct and indirect expenditure on higher education should indicate relatively high expenditure on direct student financial support mechanisms.

Direct and indirect student financial support: Direct financial support refers to grants and loans, which are direct monetary transfers to individual students, usually not specifying what type of cost they should spend them on. Indirect financial support refers to various forms of subsidies and tax benefits which do not result in the receipt of funds by individual students, but which instead lower the cost of a particular good or service, or which facilitate access to income (e.g. tax exempted student work). In particular, subsidies are transfers made to institutions and services that students may benefit from should they be in position to use them, such as accommodation, meals and transport.

Direct and indirect costs of higher education: Direct costs of higher education incurred by students refer to costs that are immediately related to a student's study programme, include primarily tuition fees and other administrative fees paid to the higher education institution, as well as educational materials (books, computers, etc). Indirect student costs of higher education relate to the living costs of students while they are studying, which consist primarily of accommodation, meals and transportation, as well as all other categories (health costs, childcare, communication, books and educational materials, social and leisure activities and other miscellaneous costs).

Grants (and scholarships): Grants refer to non-repayable money transfers that are made to individuals for the purpose of supporting them financially during their education. The authors of this report have decided to categorise the grant

systems into “general grants” (which are non-competitive and available to a significant proportion of students) and “targeted grants” (which pursue specifically designed objectives and may or may not be competitive, and tend to be available to a smaller proportion of students).

In addition to the term “grant”, the authors will occasionally use the term “scholarships” in this report. The term will be used to refer to a form of “targeted grant”, which is usually characterised by being competitive and (partially) merit-based, with a small number of grants awarded. The term “scholarship” is also used by several countries as the English translation of the national term for “grant”.

Professional higher education/professional studies: In binary higher education systems, professional higher education refers to the part of system that provides study programmes that are vocationally- oriented (in this report: “professional studies”), compared to theoretically-based, academic study programmes provided at traditional research universities (in this report: “university studies”). The term “professional higher education” is used in this report, in line with the use of the term by the sector’s umbrella organisation in Europe, EURASHE (European Association of Institutions in Higher Education), instead of the terms “vocational higher education” or “non-university higher education”, which are sometimes used internationally.

Study progress: In this report, study progress refers to the timely completion of courses and/or entire study programmes by students, in accordance with a prescribed length of study set by the higher education institution and or by the institution providing financial support to a student. Study progress can take the form of the mandatory completion of a minimum number of ECTS points per semester or academic year, or of the completion of a study programme within a set timeframe (e.g. two semesters after the end of the formal duration of the study programme).

Means testing: Means-testing is a method used for determining whether an individual or family qualifies for a government financial assistance programme, and is used in order to target assistance to those who are most in need. Means-testing either defines a certain income threshold (personal income and/or household/family income) below which individuals or families are eligible to receive assistance, or can provide variable amounts of support more progressively, by calculating the level of support based on the precise level of income.

Abbreviations

ACCESS	Project "Towards Equitable and Transparent Access to Higher Education in Croatia (ACCESS) ", funded by the European Commission through the TEMPUS programme, http://www.tempus-access.info/english/
ASGA	Austrian Study Grant Authority
BAföG	German Federal Law on Support in Education
CBS	Croatian Bureau of Statistics
CEEPUS	Central European Exchange Programme for University Studies
CSN	Swedish National Board of Student Aid
DAAD	Deutscher Akademischer Austauschdienst (German Academic Exchange Service)
ECTS	European Credit Transfer System
EURIBOR	Euro Interbank Offered Rate
FMER	Federal Ministry of Education and Research of Germany
FTE	Full-time equivalent
GPA	Grade Point Average
MHEST	Ministry of Higher Education, Science and Technology of Slovenia
MOLFSA	Ministry of Labour, Family, Social Affairs and Equal Opportunities of Slovenia
MSES	Ministry of Science, Education and Sports of the Republic of Croatia
MWV	Ministry of War Veterans
ÖAD	Österreichischer Austauschdienst (Austrian Agency for International Mobility and Cooperation in Education, Science and Research)
PPP	Purchasing Power Parity
SCB	Statistics Sweden
SORS	Statistical Office of the Republic of Slovenia
UAS	Universities of Applied Sciences
UCAS	University Colleges of Applied Sciences

About the ACCESS project

This study was implemented in the scope of the international project *Towards Equitable and Transparent Access to Higher Education in Croatia - ACCESS*, which is funded by the European Commission through the TEMPUS programme.

Basic information about the project

Title: *Towards Equitable and Transparent Access to Higher Education in Croatia - ACCESS*

Number of project: 158745-TEMPUS-1-2009-1-DE- TEMPUS-SMGR

Project grant holder: Technische Universität Dresden, Germany

National coordinator: Institute for the Development of Education, Croatia

Duration of project: 15.01.2010 – 15.07.2013

Project web site: www.iro.hr/access

Project summary

Overall objective: Contribute to ensuring equitable and transparent access to higher education in Croatia by removing financial obstacles, improving data availability and building capacity for action.

Specific objectives:

- Collect data on social status of students enrolled in Croatia to evaluate the effectiveness of higher education funding and student financial support policies and assess the capacity to enhance them,
- Establish a policy framework to enhance the social dimension and transparency of the higher education funding and student support system in Croatia, which can be translated into amendments of laws and regulations,
- Establish a national coordination group to implement and monitor measures for equitable and transparent access to higher education.

Expected results: A concrete proposal for a new higher education funding and student financial support system in Croatia, which will rely on the principles of evidence-based policy making, which can be translated into concrete amendments of laws and regulations and whose implementation can be monitored by a National Coordination Group.

Project consortium

Croatian partners:

- Agency for Science and Higher Education
- Association for Higher Education Development "Universitas"
- Croatian Council of Universities and University colleges of Applied sciences
- Croatian Student Council
- Institute for Social Research, Centre for Educational Research and Development

- Institute for the Development of Education
- Institute of Public Finance
- J.J. Strossmayer University of Osijek
- Juraj Dobrila University of Pula
- Ministry of Science, Education and Sports (Croatia)
- University of Dubrovnik
- University of Rijeka
- University of Split
- University of Zadar
- University of Zagreb

Individual experts

- Jon File, Centre for Higher Education Policy Studies, University of Twente (the Netherlands)

International partners

- Corvinus University Budapest (Hungary)
- CSN - Swedish National Board of Student Aid (Sweden)
- International School for Social and Business Studies (Slovenia)
- Karl-Franzens University Graz (Austria)
- Malardalen University (Sweden)
- Ministry of Higher Education, Science and Technology (Slovenia)
- TU Dresden (Germany)

ACCESS

**The Croatian
Student Financial
Support System
in a European
Context:
A Comparative Study**

**Karin Doolan, Danijela Dolenc
and Mladen Domazet**



Institute for the
Development of Education

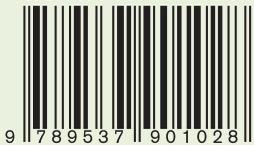


Ministry of Science, Education and Sports
of the Republic of Croatia



Institute for the Development of Education
Preradovićeva 33
HR - 10000 Zagreb
t: +385 1 4555 151 / +385 1 4817 195
f: +385 1 4555 150
e-mail: iro@iro.hr
www.iro.hr

ISBN 978-953-7901-02-8



9 789537 901028