HIGHER EDUCATION MARKET IN CENTRAL AND EASTERN EUROPE IN THE POST-CRISIS PERIOD. COMPARATIVE ANALYSIS.

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Abstract
With a target (failed, by the way) to become the most competitive and dynamic economy in the world, Europe has scaled the market of higher education. Adopting a questioning approach in research methodology, based on interrogations such as „How the economic crisis has affected the Higher Education market in Emerging Europe?”, „How much the European Union regulations in the field of student fees, ante, during and post-crisis time affecting the employment market and equitable access at fair education in emerging European countries?”, this paper aims to present some elements of what the specialist calling „the academic market” in pre-crisis and post-crisis time in countries of Emerging Europe, in order to prove (argued by some causal relationship) that the effects of financial crisis affecting the academic market in a differentiated manner. On one hand it focuses on the effects of the economic and financial crisis, in diachronic perspective (ante, during and post-crisis). On the other hand it analyses, based on official data, the post-crisis reality of the links between student fees and financial support from government authorities. The purpose is to understand certain relationships between academic and economic environment of Central and Eastern Europe, more accurate the effects of the financial and economic crisis on higher education systems from these countries and to highlight the need to adapt to new options and trends by appropriate strategies for rethinking higher education systems in the European emerging academic markets.

Keywords: higher education market, Emerging Europe, education policies, economic crisis, post-crisis period, taxes and students fees

JEL Classification: I21, I22, I25, I28, H75, H81

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1. Introduction

The end of 2008 marked a turning point for the global economy since then began weakening thesis that the theory of the business cycle is obsolete and useless, the Great Moderation started to become the Great Recession. About the recent crisis has been written and will still write from now, a highly varied record, with analysis of the most diversified technical and less technical, X-rays "anatomical" who sought either to find the culprits phenomenon or to prove empirically the causes and spread of the global crisis, or to analyze the impact on different sectors and fields, or to provide short-term solutions, medium and long (Krugman, 2009).

Rhetoric developed after the onset of the crisis all the literature focus on questioning: economic efficiency and pragmatism through globalization vs. social protection or excessive interventionism of the state against the market?

Negative demographic trends and the financial and economic crises have had a profound effect on many higher education systems. The deepening economic crisis has had a negative impact on the newly gained institutional autonomy and on institutional budgets, particularly in the southern, eastern and central parts of Europe.

The weak economic outlook for Europe as a whole and the increase in youth unemployment in many parts of Europe have prompted many governments, the European Commission and the OECD to emphasise the necessity for higher education to respond to economic and social needs, enhance the employability of graduates, including via a stronger focus on entrepreneurship and innovation and on strengthening university-business partnerships.

In the XXI century, higher education has become a competitive enterprise, a market for all constituents; in many countries students must compete for limited places in universities, admission to the top becomes more difficult (Stromquist et al., 2007; Lee, 2008; Wit, 2009; Boer et al., 2012). Higher education has started to become an attractive area for investment and "economic exchanges" in higher education brings more profit than many other sectors.
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Universities maintain a double feature, they became increasingly more international in content and discourse, and national in terms of belonging, ownership and exploitation.

While all regions are benefiting from the expansion of higher education, this has been uneven, which resulted in obvious disparities between regions. System expansion is due to several factors:

1. First, there is pressure resulting from the expansion at lower levels of education systems.
2. Second, the rapid expansion of higher education in the recent past is also a reflex action to increase employment opportunities for university graduates.
3. Thirdly, recent data indicates expansion in this rapidly growing field of private education and borders.

The recent financial and economic crisis has highlighted the significant need for public intervention in the regulation of market processes. At the same time, the coming years will be very much dominated by the way Europe and its Member States can find the room for manoeuvre within the European budgetary framework, and in particular the forthcoming negotiations surrounding the post 2013 financial perspectives, and national budgets for such additional efforts in knowledge investment. The coming decade raises some fundamental issues as to the sustainability of public finance in Europe. On the one hand, the financial crisis is today severely constraining member states’ future public spending with deficits running way above the 3% target for the last three years now and unlikely to come back under this target before 2015 in most countries; on the other hand the public debt has risen dramatically in many member states, with rising interest rates as a future time bomb hanging over national public spending. Budgetary austerity has become in other words the dominant economic policy paradigm.

If (some) countries are not in a position to increase spending on knowledge investment in the coming years, are there scenarios possible in which the European Union could compensate? Should one e.g. increase the EU spending on research and higher education to ‘compensate’ for the fall of national spending? Or are European programmes, such as the European Union framework programs covering Research and Development (R&D), more examples of the inefficiency of European handling of R&D support policies? Or has the European focus been on the wrong parts of knowledge investments?

As in the banking and financial sector, in higher education system too, if the market is poorly regulated, this can cause significant turbulence. Treating higher education as a market where supply and demand phenomena manifested by well-established rules, proved that under globalization this was a really beneficial, especially for the last 30 years (Varghese, 2010a, 12; Chang, 2010, 18-19). Similarly, relying empirical evidence of a survey conducted by UNESCO in 2009 on the impact of the crisis in the 51 countries Varghese stresses that, in general, the crisis has stimulated models of financial autonomy of universities in terms of cost sharing (Tuition and other fees), their recovery (different types of student loans) and financial diversification, which allowed academics to be less dependent on government budgets (Varghese, 2009a, 37; Varghese 2009b, 14; Varghese 2009c, 8).

In follows, we intend to analyze certain relationships between academic and economic environment in the emerging economies of Europe (states post-communists from Central and Eastern of Europe: Bulgaria, Estonia, Hungary, Latvia, lethonia, Poland and Romania), more accurate the effects of the financial and economic crisis on higher education systems from these countries and to highlight the need to adapt to new options and trends by appropriate strategies for rethinking higher education systems in the European emerging academic market. Of course, the topic is very broad and involves thorough comprehensive approach, but we will stop to point systematically few answers to the questions:

1. How is the phenomenon of Academic globalization before the current recession in terms of the Higher Education market?
2. How the economic crisis has affected the Higher Education market in Emerging Europe?
3. How much the European Union regulations in the field of student fees, ante, during and post-crisis time affecting the employment market and equitable access at fair education in emerging European countries?
4. What should be limits of the state intervention in these options?

Trying to answer them, we can discern a bipolarity of the approach of research at hypothetical level:

- Economic and financial crisis has negatively affected the higher education market in emerging European countries by lowering employment and capacity to invest in education (self-financing for universities, student loans, etc.).
- The need for state intervention to moderate financial regulations and developing strategies to unlock the movement of goods, services, capital and people to revive the national higher education market academic.

The answers it focuses on the conditions the national higher education systems operate in (such as financing higher education, student fees and support), the output of higher education in context of globalization (rate of internationalization by Erasmus Programme), indicators reflecting the inclusiveness of higher education (like the rate of longlife learning inclusion).
2. Academic Emerging Europe and crisis: between effects and responses

Higher education systems in Europe have been affected very differently and reflects to some extent the impact of the crisis as a whole has had on national economies. In some countries, higher education systems have benefited from stimulus packages provided by their governments, the beginning of the crisis, although they have not always been used to ameliorate the effects on universities and research activity. Moreover, higher education systems have been affected in different stages of the crisis. In some countries, universities have experienced the negative impact of the financial crisis from the beginning of 2009, while others were affected only later and, in a few isolated cases, the impact was a very little felt. What transpires is the evidence that the current economic and financial crisis has left few unaffected higher education systems.

The most important European and international institutions and organizations have started collecting data and have closely followed developments in the global economic crisis and its impact on the education sector worldwide. The main objective of monitoring by observing the impact of the crisis was public funding of universities and to identify, in particular, trends in higher education funding. The impact of the crisis on private sources for funding of universities was also monitored, although the lack of available data has been quite difficult to identify trends in this direction [6]-[7]-[22]-[23].

Other relevant issues have been identified: the consequences for education budgets, how this affects job market and wages, which is the impact on the sectors of education, the role of financial support instruments (loans, packages incentives) for students, researchers, teachers (if any exists), how trade unions have responded to various government measures and long-term impact of the crisis and the responses to this crisis (Varghese 2010b, 5).

Financial and economic crisis of 2007-2008 and the subsequent recessionary events had a huge impact on public finances in all European Union countries in the past six years. Increasing public deficits and the public debt has raised fears about the sustainability of public finances in the European Union. This situation has prompted the European Commission and Member States to take strong measures to stabilize and then strengthen their tax situation, including strengthening governance decision on integrated economic and budgetary coordination.

It is obvious that the higher education level, the outlook is slightly more complex, despite the fact that the Bologna Declaration and the Lisbon Strategy have created all the prerequisites of a European Higher Education Area (EHEA) (Wit, 2008, 185). Although most European countries, whether or not political and financial euro area have applied the provisions of uniformity required by the treaty and declaration-mentioned strategy, they have felt in a wide range effects of the crisis, or that the answers of academic environment were very varied.

For example, the emerging economies of Central and Eastern Europe were particularly hard hit by the global financial and economic crisis that has hit the area in late 2008. Countries in the region were vulnerable to collapse border financial services in general, because their economies had high exposure to foreign markets and were dependent largely on foreign investment as a result of their integration into the EU economic area. In countries where governments have contracted loans from international financial institutions - such as the IMF - to help restore their strong destabilized markets were further tightened public spending as part of lending conditions, eroding possibilities for a reduction the negative impact on the public sector.

Different governments have contracted various loans from different international institutions (IMF, European Commission, World Bank, EBRD etc.) during 2009. For loans from IMF conditionalities that have traditionally been associated with these loans require rigid fiscal measures in order to overcome the debt, which led those governments to push for cuts in public spending, with inevitable consequences for education in general and higher education and research in particular. Governments in countries such as Latvia (€ 7.5 billion), Hungary (€ 20 billion), Poland (€ 15.5 billion), and Romania (€ 20 billion) each have negotiated IMF loans. Estonia has negotiated a five-year loan with the European Investment Bank (EIB), worth € 550 million, for investment projects co-financed with EU funds and to finance infrastructure projects.

In late 2009 and early 2010, most countries from Central and Eastern Europe reduced spending on education at almost all levels, including higher education (Estonia, Latvia, Lithuania, Romania) or expected to do so during next year (Hungary) [22].

If we were to quantify the effects of the crisis on low pressure on European higher education systems (as the main existing statistics until now are presented) we can say that the trend is upward:

- In demand, due to the phenomenon of increased growth of unemployment while re-qualification need to improve employability or enter the labor market through the acquisition of additional qualifications;
- On the supply by reducing public deficits and spending, financing of higher education is not exempt from this.

In setting a limit on the public debt to 3%, the EU has obliged Member States a financial policy that does not allow motivated by massive spending deficits in investments. Despite this constraint, some countries, especially in England, Ireland, and great part of southern Europe (Greece, Italy, Spain and Portugal) and Eastern Europe (Latvia, Hungary, Lithuania, Romania and Poland) have exceeded the 3% during the global financial crisis, which led to considerable turmoil among markets financial (debt crisis) in and outside the euro area, and heated discussions about financial rescue plans of the European Union budget for the period 2014-2020 etc. Public financing of European higher
education is 75% in The share of funding at European level, so there is a high dependency, which means that any change in this funding source has a major impact on the system.

The financial crisis has not just wiped out many years of progress in Europe, both social and economic. It has also questioned the sustainability of European economic integration itself. In particular, the euro-crisis has brought to the forefront the fragility of the Growth and Stability Pact as a credible tool to coordinate fiscal policies within the euro-zone. With the mounting pressures for fiscal austerity and structural reforms across the board and affecting EU countries to different extents, the recovery growth forecast for the coming years remains precarious.[33]

The analysis based on the data presented in reports (based on specifically literature, statistical data of Eurostat, OECD, outputs of European research projects like that of Center For Higher Education Policy Studies, European University Association and Embracing the Modernisation Agenda, and databases such as Eurypedia, Eurydice), shows that trends in terms of public funding for higher education Europe can be identified, revealing how national governments have responded the economic crisis.

This overview analyses how public expenditure for education in the Emerging Europe’s States developed in the first years after the out-break of the financial and economic crisis. It examines changes in government education expenditure in the European Union between 2008 and 2011, for some indicators and until 2013 for the others, focusing on two questions:

1) How has total government education expenditure changed during the economic crisis?
2) How has the economic crisis affected the share of education expenditure as a proportion of total public expenditure and as a proportion of Gross Domestic Product (GDP)?

However, it notes that in general it is difficult to compare these data between countries as different measurement methodologies are expensive and assessment of the effects. Despite this, we present the main trends point, which occurred in the Emerging Europe, according to Table no.1 from Appendix.

The key findings are:

• In 2009, immediately after the crisis hit, all emergent countries from Europe saw a decrease in total education expenditure. This decrease was most significant in Estonia, Lithuania and Romania and slightly less severe in Bulgaria, Latvia, Hungary and Poland. All these countries had budget deficits of 3 % or more in 2008 and/or 2009.

• In 2010, Bulgaria, Latvia, Lithuania and Romania saw a second consecutive fall in government education expenditure, after which spending stabilized or even increased.

• In 2011, the share of education spending as a proportion of total public expenditure remained within half a percentage point above or below the 2008 level; decreases larger than that took place in Latvia and Romania. Economic turbulences may lead to changes in education's share from the total public spending. Comparing changes in the share of education expenditure as a proportion of total public spending and changes in the total education expenditure, informs us about difficult choices governments have to make in times of crisis. For example, if both the total education expenditure and its share from total public spending decrease, it could be deduced that other sectors have required urgent governmental action. Over the 2008-2011 period, this was particularly the case in Bulgaria and Latvia. When education expenditure is reduced but its share from total public spending remains stable, education has kept its relative importance because cuts in public expenditure have taken place across other sectors as well. This was the case in Estonia and Lithuania.

• In Bulgaria, Romania and Latvia increase in share for student aid is inversely proportional to expenditures per student, meaning that student aid has mainly remained at same levels.

3. Tuition fees for students and financial support - their evolution in the market of Higher Education in 2014/2015

Higher Education market is increasingly becoming globalised and therefore not resistant to global economic shocks. We observed changes in Higher Education funding during crisis (2009-2011) through some indicators in comparative perspective to pre-crisis period. Yet again (see Skrbinjek & Lesjak, 2013), we found that we cannot provide any clear patterns, since there are different responses to financial crisis within each group of countries from Europe, especially for emergent countries from Europe. Nevertheless, we found significant differences in expenditures on tertiary education as % of GDP between seven countries. Countries that invested high levels of funding on tertiary education before the crisis did also increase their investment during the crisis (Poland and Estonia). This assumption supports the theory on human capital and positive benefits that Higher Education has on society and economy. On the other hand, countries with low investments to tertiary education, dare to cut direct expenditure on tertiary education more than indirect support to students, supporting the social aspects of the students.

When we look at other two indicators (the annual expenditures on tertiary education (public and private institutions) per student and financial aid to students), there are no statistically significant differences between groups of countries that allocated the highest investment on tertiary education compared to countries that invested the lowest. Indicator on tertiary education expenditure per student can be influenced by increase in student numbers, exceeding stable or slight increases in funding, especially in countries where labour market is most affected by the crisis.
Financial aid to students is also an indicator that must be interpreted with caution. Share of financial aid to students could be higher if amount of funding to student aid remains stable and cuts are made only for direct funding. Therefore, we must look at the “whole picture” to see the actual differences and, we present below, synthesized, the main aspects of tuition fees and financial support to students from seven countries of Emerging Europe in Tables 2.1 - 2.7 (from Appendix), as they result from the European Commission/EACEA/Eurydice Report - National Student Fee and Support Systems in European Higher Education 2014/2015 and the other official reports consulted: [18]-[19]-[20]-[28].

The key findings are:

- The maximum amounts of fees are higher for second cycle students in Bulgaria and Latvia, while first cycle students can potentially be charged more in Hungary and Lithuania. As the tables also depicts, some students can pay more than 100 % of the GDP per capita in Lithuanian in both cycles. For example, in Lithuania, while the maximum amount of fees that can be charged to students is 72 000 LTL in the first cycle and 43 000 LTL in the second cycle, the GDP per capita of the country was 40 414 LTL in 2013 in current prices.

- Regarding the second cycle, though data are less available, the proportion of students receiving grants is generally smaller than for the first cycle. The second cycle students also tend to pay higher fees than do first cycle students. This pattern points towards an important difference between the cycles: EHEA countries tend to regard first cycle studies more as a public responsibility and provide less public resources for the second cycle. Nevertheless, some countries might as well apply the opposite logic, rewarding second cycle students more. For example, in Hungary and Lithuania, more student support is devoted to second cycle students who also tend to pay lower fees. As the tables shows, in all 7 education systems, only grants are available for students. Loans exist in most often in combination with grants and students’ parents or families receive tax benefits in some education systems. All three forms of student support are available in Estonia, Latvia, Lithuania, and Poland.

- Fees and financial support systems have been relatively stable within the Emergent Europe, with no major changes in the general direction of approaches, the share of household contributions or public expenditure on student support. Fees (tuition and administrative fees combined) are widespread, with only seven education systems not levying any student contributions. Yet, there is a large variation between higher education systems regarding the proportion of students paying fees (from nearly no one to everyone) as well as the amount of fees they need to pay (from nearly zero to more than 100 % of the GDP per capita). Countries also rely on different combinations of forms of student support, and the proportion of students receiving such support also varies widely. In general, first cycle students tend to receive more public support than students studying in the second cycle.

4. Conclusions

The most frequent national reform today is about funding but there is a great variety in the way this is introduced. The financial and economic crises have had a profound effect on many higher education systems, including those least affected economically. With budgets being tight, governments are finding new ways of distributing their limited funding such as targeted and performance funding or excellence initiatives and there is pressure on institutions to do more with less, and diversify their funding sources. In the crucial area of funding instruments, there appear to be few shared policies, and thus no European dimension (i.e. agreed principles).

This has the potential of further increasing regional disparity within Europe, particularly in the context of imbalanced intra-European academic mobility.

The new programmes Erasmus+ and Horizon 2020 were conceived to contribute to the EU2020 goals, particularly in the context of the two flagship initiatives, the Innovation Union and New skills for New Jobs. It remains to be seen how higher education and research, and more specifically universities, will find a place in the context of, and be able to contribute to, the 10 priorities chosen by the European Commission under President Juncker. Specifically, how will the new priorities translate into concrete steps such as support for digital innovation and internationalisation of higher education and for the further development of the EHEA? While the European Comission does not have the competence to take decisions on the future of European higher education, the policy positions it advocates and the specific actions it launches send important signals to member states and higher education institutions. Such initiatives are of crucial importance at a time when national higher education reform processes do not always relate easily to shared European policy agendas, either because these are yet to be developed (digitalisation), or cannot be achieved within the present policy frameworks (funding).

We consider that the following issues should be addressed if progress is to be continued and consolidated in future:

- Lifelong access to learning for a diverse student body,
- Student-centred learning and preparation of graduates for the labor market and society (Ensuring student success and engagement),
- Changing conceptions of teaching (learning outcomes, the links between teaching and research, promoting employability and linking up with employers),
• Staff development is pivotal to ensure that they are committed to the changes (recruiting staff, evaluating academic staff, developing teaching skills),
• Development and implementation of effective internationalization strategies,
• The growth of marketization in higher education.

Crisis are also periods of structural change: of creative destruction both at the level of sectors and of firms, but also of reforming, transforming failing institutional set-ups. Europe is and will continue to be a laboratory for institutional experimentation. In the area of knowledge investments, we are still in the early phases of experimentation and understanding the welfare dynamics of “knowledge” integration. We have been and are still experimenting with new European institutions operating complementary to, but increasingly overshadowing national ones. They have been set up with the idea to address research fragmentation, a lack of research excellence in many Member states, growing but still low research mobility, and a perceived unsatisfactory innovation performance.

Higher Education in Emergent Europe has, as discussed here remained first and foremost a nationally organized and funded activity: it has become the weak link in Europe’s knowledge and innovation system. There is today an urgent need for mission differentiation within higher education, along with differentiation of strategies, improved governance and financial arrangements.

Much of today’s diversity is stuck, however, in European regional or national contexts. Increased differentiation is needed in order to integrate the full spectrum of students who aspire to an adequate participation on an international labour market in the emerging innovation society. This includes a substantial part of presently untapped talent, like underrepresented groups and life-long learners. But European universities must also become more attractive to the best and brightest worldwide in order to maintain Europe’s competitive position in a globalizing world. They need to become much more international. This means attracting more students and researchers from Europe itself, but also from other parts of the world. Education should be based on effective learning and geared towards problem solving, preparing them for a global labour market embedded in responsibility for a sustainable future. The development of broad, general education in the introductory part of renovated curricula has the potential to enhance cultural awareness and democratic citizenship among students. Universities themselves need to develop a stronger culture of placement, a sense of responsibility for the destiny of their students in society and in the labour market. In short, European universities from Emergent Europe should train for globalized leadership.

5. References


[23]. European University Association, *EUA’s Public Funding Observatory (June 2012)*, 2012.


### APPENDIX

Table no. 1 – Overview of some of the main effects of the economic crisis in higher education in emerging European countries in relation to indicators on public spending for higher education and some indicators on expenditure per student costs, completion of the studies, academic mobility etc.

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Bulgaria</th>
<th>Estonia</th>
<th>Hungary</th>
<th>Latvia</th>
<th>Lithuania</th>
<th>Poland</th>
<th>Romania</th>
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<tbody>
<tr>
<td>Reduced funding from public funds</td>
<td>5-15%</td>
<td>48%</td>
<td>5-15%</td>
<td>minor cuts</td>
<td>5-15%</td>
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<td>Cancellation of commitments to increase funding</td>
<td>15% by 2009</td>
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<td>Discounts on teaching</td>
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<td>Reduce spending per student</td>
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<td>Reducing educational infrastructure funds</td>
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<td>Reducing the number of academic institutions</td>
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<td>Creation of consortia</td>
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<td>Staff cuts</td>
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<td>Hiring freeze</td>
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<td>Redundancies</td>
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<td>Decreasing the number of teachers</td>
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<td>Increasing the number of academic staff</td>
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<td>Reducing salaries</td>
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<td>Wage freeze</td>
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<td>Wage growth</td>
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<td>Direct support to students (by increasing funds)</td>
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<td>Direct support to students (by loans guaranteed)</td>
<td>overall significant increase: between 25%-50% (2000-2010)</td>
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<tr>
<td>Change in expenditure on education</td>
<td>decrease &gt;10%</td>
<td>decrease &gt;10%</td>
<td>decrease &lt;10%</td>
<td>decrease &lt;10%</td>
<td>slight increase</td>
<td>decrease &gt;10%</td>
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Education expenditure as a percentage of national GDP

<table>
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<th>1-1,29% GDP</th>
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<th>&gt;1% GDP</th>
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<th>&gt;1% GDP</th>
<th>1-1,29% GDP</th>
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<tr>
<td>GDP</td>
<td>-0,5%</td>
<td>+6%</td>
<td>-5%</td>
<td>-0,5%</td>
<td>+6%</td>
<td>-0,5%</td>
<td>+1%</td>
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<td>Stability</td>
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| Erasmus students as a percentage of the total students in the host country
|                    | + 0,6%      | +1,6%       | +1,0%      | +0,9%   | +1,1%       | +0,4%   | + 0,2%     |
|                    | in 2010     | in 2013     | in 2013     | in 2013 | in 2013     | in 2013 |             |
| Share of total expenditure for tertiary education institutions from household funding (2011)
|                    | 48,3%       | 13,4%       | 19,2%      | 19,8%   | 34,6%       | 22,6%   | 9,3%        |
| Support to students enrolled at tertiary education level as a percentage of public expenditure on tertiary education (2011)
|                    | 18,3%       | 9,8%        | 12,4%      | 10,1%   | 14,0%       | 12,7%   | 9,3%        |
| Percentage of students enrolled in tertiary education, total and by gender, 30 or more years old (2011)
| T:13,0            | T:21,0      | T:18,8      | T:17,7     | T:12,1  | T:9,3       | T:14,1  |
| M: 12,5           | M: 17,7     | M: 14,8     | M: 9,6     | M: 8,6  | M: 14,7     |         |
| F: 13,4           | F: 23,3     | F: 20,9     | F: 19,6    | F: 13,9 | F: 9,8      |         |
| in 2013           |             |             |             |         |             |         |
|                    | 24-34       | 28,5%       | 43,5%       | 30,9%   | 50,5%       | 40,7%   | 41,8%       |
| in 35-44          | 25,8%       | 38,4%       | 23,2%       | 36,6%   | 30,8%       | 29,1%   | 16,0%       |
| in 45-64          | 21,9%       | 35,7%       | 17,7%       | 27,6%   | 26,2%       | 15,1%   | 10,4%       |
| Unemployment ratio of people aged 20-34 which finished high education system (2013)
|                    | 9,2%        | 6,2%        | 5,0%       | 7,1%    | 6,6%        | 7,7%    | 8,5%        |
| Foreign students with diplomas completed as a percentage of total students from the host country
|                    | +3,5%       | +1,8%       | +4,0%      | +2,9%   | +1,5%       | +0,9%   | +1,3%       |
|                    | in 2010     | in 2010     | in 2010     | in 2010 | in 2010     | in 2010 |             |
|                    | +3,9%       | +2,3%       | +4,6%      | +1,8%   | +0,2%       | +2,4%   |             |
|                    | in 2013     | in 2013     | in 2013     | in 2013 |             |         |             |

Source: Data collected, collated and adapted by correlation from official reports and databases mentioned in references (Eurostat, Eurostudent, OECD, Euirdyce, European Comission, EACEA, EUA: [3]-[4]-[5]-[6]-[7]-[8]-[9]-[10]-[11]-[13]-[14]-[15]-[16]-[17]-[18]-[19]-[20]-[21]-[22]-[23]-[24]-[25]-[26]-[27]-[32]).

Table 2.1 – The tuition fees and the financial support for students from Bulgaria in 2013-2015

Bulgaria

Tuition Fees

- Public higher education institutions define their own fees, but maximum amounts are set by the government.
- Student fees depend on the programme and field of study. The lowest fees are paid in the following fields of study: pedagogy, economics, administration and management.
- The first cycle fees in the state universities for full-time studies range from BGN 300 to BGN 1 450 per year and for part-time studies from BGN 115 to BGN 980. Annual second cycle fees for full-time studies range from BGN 300 to BGN 1 550 and for part-time studies from BGN 115 to BGN 1 000.
- Certain categories of students are exempted from paying fees. They include orphans, persons with disabilities, war invalids and senior cadets in military schools.
- Fees of international students are subject to different rules and are generally higher than those paid by Bulgarian students.
### Table 2.2 – The tuition fees and the financial support for students from Estonia in 2013-2015

**Estonia**

**Tuition Fees**
- Since 2013/14 higher education institutions (HEIs) have the right to charge study fees under certain conditions in both cycles. All students who achieve 30 ECTS per semester and 60 ECTS per year in the Estonian language curriculum can study without paying any fees. If a student receives fewer credits, HEIs have the right (not obligation) to charge for any ECTS missing from a 100% study load. Exceptions are made for certain groups of students including disabled students, students who are parents or guardians of a child under the age of 7, parents of a disabled child.
- The maximum cost of one ECTS is EUR 50. Exceptions are made in arts, medicine, veterinary, dentistry (EUR 100) and in aircraft piloting (EUR 120). Study fees are regulated by the Government (3). Fees are not regulated, however, for students studying in other languages for part-time studies, nor for international students.
- All students enrolled before 2013/14 can continue to study according to the previous state-commissioned study place system until 2015/16.

**Financial Support**
- From 2013/14, a new study grant system has been implemented. The new system includes need- and merit-based support. Need-based grants vary from EUR 75 to 220 per month depending on students and family income. At least 25% of students are thought to be eligible for this support, although 15% of students received the grant in 2013/14.
- Since 2014, talented students, on the basis of excellent study results, may apply for a merit-based grant of EUR 100 per month. This is available for 7% of the student population. A new scholarship programme to support the development of smart specialisation areas has also been established. A merit-based grant of EUR 160 per month is available to approximately 50% of new entrants in defined areas.
- From 2014/15, students with disabilities and students growing up in care institutions may apply for a scholarship for higher education. In the case of disabled students, the scholarship ranges from EUR 60-510 per month.
- Students can receive grants for 10 months per academic year.
- Full-time students can apply for state guaranteed loans. Estonian citizens or persons with a permanent residence permit, studying full-time for nine months or more have the right to obtain a study loan.
- Tax benefits for parents depend both on students' status and civil status (age, marital status, etc.). No family allowances.

### Table 2.3 – The tuition fees and the financial support for students from Hungary in 2013-2015

**Hungary**

**Tuition Fees**
- Higher education institutions (HEIs) specify the amount of fees in accordance with a government decree.
- Fees are charged to students without a state-funded place. State-funded places are awarded to students on the basis of their performance in the admission procedure. [2012: 57% of places were state-funded.]
- The fees range from HUF 230 000 to 1 600 000 in 1st cycle and from HUF 450 000 to 1 900 000 in 2nd cycle. The fees are between HUF 300 000 and 2 700 000 in undivided long programmes.
- Best-performing students with non-state-funded status can obtain state-funded status during their studies. On the other hand, state-
funded students who exceed the prescribed period of study or do not obtain at least 50% of the prescribed number of credits and the marks determined by the HEI lose their state-funded status.

- International students pay the same amount of fees as non-state-funded students.

### Financial Support

- The regular need-based grant is paid for a period of 10 months/year.
- The minimum of the grant specified by the law for the disadvantaged, for students with one living parent and those under legal guardianship until the age of 18 is HUF 119 000/academic year. The minimum of the grant specified by the law for the disabled, multiple disadvantaged, orphans, students supporting dependents or those from a large family is HUF 238 000/academic year.
- In addition to the regular (monthly) need-based grant (shown in the diagram above), there is a scholarship scheme jointly financed by municipalities and higher education institutions (Bursa Hungarica scholarship). One-off initial and emergency grants are also available.
- Only state-funded students can receive a merit-based grant. In order to receive a merit-based grant, students have to obtain a certain number of credits or a minimum mark stipulated by the HEI. The grants are paid for a period of 10 months/year.
- A government-subsidised loan (Student Loan 1) is available for both state-funded and fee-paying students (max. HUF 50 000/month for a period of 10 months/year). Orphans and those with unemployed parents can receive HUF 10 000/month more. The maximum duration is 5 years (7 for longer diploma courses such as medicine).
- Students below 35 years of age are eligible. It is a general-purpose loan.
- No tax benefits for parents or family allowances.

### Table 2.4 – The tuition fees and the financial support for students from Latvia in 2013-2015

#### Latvia

- Students studying on state subsidised places do not pay fees. 50% of 1st cycle students and 38% of 2nd cycle students pay fees.
- The majority of students, including those enrolled in evening courses, distance courses or courses offered jointly with other universities pay fees.
- Fee amounts vary by field and course load. Each higher education institution can set its own fees. The fees range from EUR 968 to 3 557 per year for full-time studies and from EUR 455 to 2 077 for part-time studies in the 1st cycle. In the 2nd cycle fees range from EUR 818 to 5 333 for full-time studies and from EUR 384 to 3 256 for part-time studies per year. For college programmes or short-cycle programmes (ISCED 5B) the fees range from EUR 783 to 2 134 for full-time studies per year and EUR 569 to 1 400 for part-time studies per year. However, some of the higher education institutions apply a diversified tuition fee amount throughout the study years, i.e. usually the fee in the first year of studies is the lowest.
- The amounts of fees for international students may differ in some study programmes (e.g. medicine, dentistry, engineering) and range from EUR 8 000 to 12 000 (2013/14) in the 1st cycle. In the 2nd cycle, fees range from EUR 4 050 to 15 000 (2013/14) per year. Students from EU and EEA are treated as home students.

#### Financial Support

- Public grants to cover tuition fees are allocated on the basis of academic merit. These grants are primarily available in priority areas; currently natural sciences, computer sciences and engineering.
- Other public grants are traditionally available based on academic merit. Recently, more need-based criteria are taken into account. Disabled or orphaned students with families, from large families or in economic need are treated favourably. State budget grants are EUR...
99.60/month (per 10 months) for the first and second cycle. Only about 15% of all students studying in state financed places at public HEIs receive this funding support. Higher grants are available through the European Social Fund activities supporting the implementation of Master’s study programmes (specifically for students in the following priority study fields: natural sciences, mathematics, IT, engineering, health care, environmental sciences and creative industries).

- Two types of loans exist. The first is to cover tuition costs and the second to cover living costs with a cap of EUR 170.74/month. Loans need to be paid back 12 months after the end of the degree programme. This helps about 20% of the fee-paying students with their tuition costs, as well as supporting 15% of subsidized students with their living expenses. (2013/14).

- Tax benefits are awarded to parents and students (payers of personal income tax) of EUR 213.43 per year to recover part of the annual funds invested in health care and education. Also, a parent has relief of personal income tax for a child while she or he studies in higher education, but only until the student reaches 24 years of age.

- No family allowances.

### Table 2.5 – The tuition fees and the financial support for students from Lithuania in 2013-2015

#### Tuition Fees
- Students studying in state subsidised places do not pay fees. There are exceptions for students who change their study programme (if fees are higher than for the previous study programme).
- All fees are determined by Government and vary depending on the study programme (influenced by study field) or the form of study (full-time/part-time).
- In the first cycle, fees range from LTL 3 238 to 18 162 per year in full-time studies and between LTL 2 159 and 12 108 per year in part-time studies. In the second cycle, fees range between LTL 7 308 and 21 578 per year in full-time and from LTL 4 872 to 14 386 per year in part-time studies.
- Higher education institutions (HEIs) can determine different higher tuition fees for national students as well as for citizens of non-EU and non-EEA countries.

#### Lithuania

#### Financial Support
- There are three main types of scholarships/grants: for academic achievement, social scholarships and study scholarship.
- The amount of the scholarships for academic achievement is regulated by each higher education institution. It ranges from LTL 20 to 1 100 per month. The total period of receiving the scholarship depends on HEIs and varies from 10 to 12 months.
- The study scholarship amount is the same as the fee amount (varying according to the study programme, and/or form of study).
- Social scholarships are available for students from a low socio-economical background, disabled students and orphans. Their amount is LTL 390 per month. Students can apply for this scholarship twice a year. If a student meets requirements each time, he gets the scholarship for 12 months.
- First cycle or integrated study students not funded by the State who have finished the first two academic years with the best results (in the case of part-time studies – half of a study programme) and afterwards the remaining academic years, may also be reimbursed for the tuition fee paid. The number of students receiving this support represents no more than 10% of the total number of state-funded students who have finished the appropriate period with the best results.
- In 2013, less than 5% of students took out a student loan with the majority taking a loan designed to cover the cost of tuition fees (LTL 100-29 418).
- Tax benefits for parents. Students’ parents who pay tuition fees are
<table>
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<th>Poland</th>
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<tbody>
<tr>
<td><strong>Tuition Fees</strong></td>
<td>• Full-time studies in public higher education institutions (HEIs) are free of charge. Full-time students in public HEIs pay fees only if they repeat a study course due to unsatisfactory academic results.</td>
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<td></td>
<td>• Tuition fees are paid only by part-time students (with exemptions and reductions possible on the basis of low economic status or excellent results). Detailed rules regulating the amounts of tuition fees and the conditions for exemptions are regulated by the institutions themselves.</td>
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<td>• All students pay administrative fees which include the issue of student ID cards, student record books and diplomas. Students also pay a fee related to enrolment procedures. The maximum possible amount of this fee is defined annually by the Minister, while the actual amounts are decided HEIs. The total amount of the fees is approximately PLN 170 and is paid once per cycle, rather than every year.</td>
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<td>• Students from the EU and EFTA countries and some other defined categories of students (e.g. students with refugee status) study according to the same rules as Polish citizens. Fees for international students other than these are decided by the HEIs.</td>
</tr>
<tr>
<td><strong>Financial Support</strong></td>
<td>• Need-based grants are available for students with a low personal/family income, and for students with disabilities, the income threshold to be eligible for need-based grants for students with low family income is PLN 592.8-850.2 per person per year (the exact level of the threshold from this range depends on the decision of a higher education institution). The average amount is PLN 4 112 (2012) per month.</td>
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<td>• Merit-based grants are allocated to the best students. The average amount of the merit-based grant is PLN 3 898 (2012) per year.</td>
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<td>• The total monthly amount of the needs-based grant and the merit-based grant may not be more than 90 % of the lowest basic pay of an assistant (the lowest academic position at higher education institutions) as regulated by the legislation on the remuneration of academic staff (PLN 2 020.5 in 2013).</td>
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<td>• Loans of PLN 6 000/year may be taken out in any cycle for those students whose personal income is below net PLN 2 300/month (in 2013). The state guarantees part of the loans for low income students: students with family income of PLN 600/month per person have been granted a 100 % guarantee of their loan and students with a family income of PLN 1 000/month a 70 % guarantee.</td>
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<td>• Tax benefits exist for parents/guardians of students up to 25 years of age in the form of tax relief of PLN 1 112.04 per child per year provided income did not exceed a specified level, and if the student did not earn a taxable income (including capital gains) exceeding PLN 3 089/year.</td>
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<td>• Family allowances are based on low income of parents or disability of a student.</td>
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<th>Romania</th>
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<tr>
<td><strong>Tuition Fees</strong></td>
<td>• Each university senate decides on the level of fees for all programmes. The senate also decides on exemptions based on need or merit. All students pay administrative fees to register.</td>
</tr>
<tr>
<td></td>
<td>• Fees are calculated based on the number of students and the amount of state budget. In the academic year 2014/15, the fees range as follows:</td>
</tr>
</tbody>
</table>
| Financial Support | • For the first cycle: RON 2,400 for social science fields; RON 4,000 for technical fields and maximum of RON 19,000 for arts.  
• For the second cycle: RON 2,600 for social science fields; RON 5,000 for technical fields and maximum of RON 30,000 for arts.  
• International students pay fees. The value of the minimum fee is set by the law 1/06.01.2010 for each field.  

• Need-based grants, most commonly amounting to RON 300/month, are based on the financial situation of the student.  
• Merit-based grants take different forms: study bursaries (most commonly RON 250/month) and merit-based scholarships (most commonly RON 350/month). High achievement scholarships (of which one exists per faculty) can reach up to RON 600/month. Grants for excellent performance in research at Bachelor level have a ceiling of 500 RON/month. All grants are awarded for 9 months.  
• The grant amounts are determined by each higher education institution. They aim to cover the costs of living in student accommodation and of meals. The university establishes the number of grants out of the total fund for higher education expenses. The funds are annually provided by the ministry.  
• There are also subsidies granted by the Ministry of Education for accommodation and meals.  
• No student loans, family allowances or tax benefits for parents. |