

Cross-country comparison  
of cost-sharing approaches in  
the Czech Republic, England, Germany,  
the Netherlands, Norway and Spain

International conference "The consequences of  
different cost-sharing scenarios in higher education"

Berlin, 28/29 February 2008

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# **1. Brief reminder of research approach**

2. Macro level

3. Micro level

## ***Brief reminder of research approach***

1. Comparison of cost-sharing approaches between countries: Macro level
2. Comparison of different socio-economic groups of students: Micro level

## ***Brief reminder of research approach***

### Support to households: basic definitions

- direct / indirect
  - direct: geared at students
  - indirect: geared at students' parents
- cash / non-cash
  - cash: increasing disposable income (e.g. grants, tax exemptions)
  - non-cash: decreasing expenditure (e.g. free public transport)

## *Agenda*

1. Brief reminder of research approach

**2. Macro level**

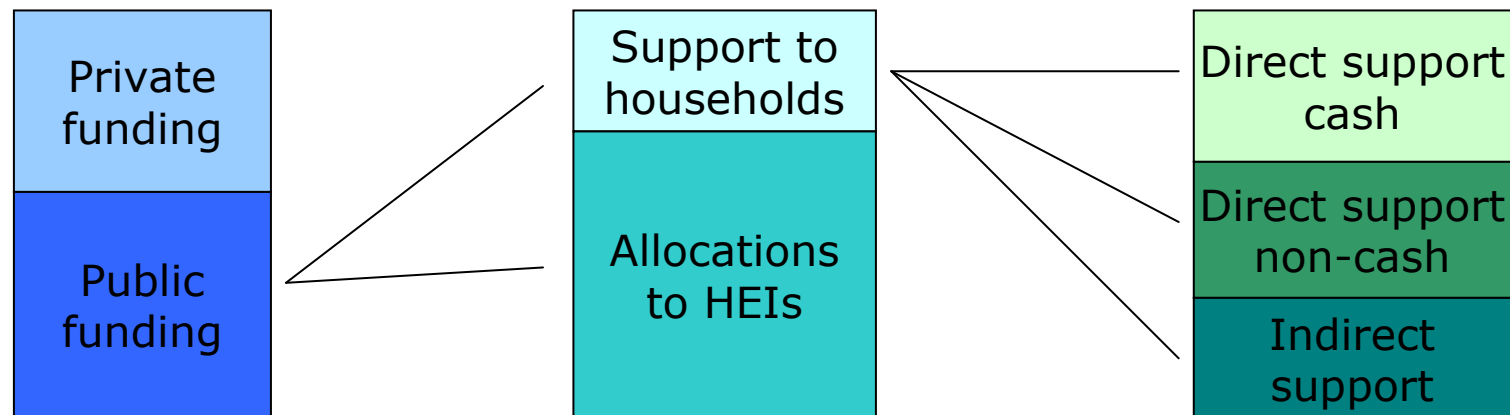
3. Micro level

## Macro level

Public funding	Private funding
<p><b>Teaching allocations to HEIs</b> (including teaching-related research)</p> <p><b>Support to households:</b></p> <p><b>Direct support (cash)</b></p> <ul style="list-style-type: none"><li>• Grants</li><li>• Student-specific tax exemptions</li><li>• Subsidies on loans</li></ul> <p><b>Direct support (non-cash)</b></p> <ul style="list-style-type: none"><li>• Subsidies for health insurance</li><li>• Subsidies for facilities</li><li>• Subsidies for transportation</li></ul> <p><b>Indirect support (cash)</b></p> <ul style="list-style-type: none"><li>• Child-related payments (child allowances and other benefits)</li><li>• Tax exemptions</li></ul>	<p><b>Student income*</b> (= grants, loans, parents' contributions in cash and in kind, paid work, any other income)</p> <p><b>minus direct support (cash)</b></p> <p><b>minus indirect support (cash)</b></p> <p>* Income used as proxy for expenditure</p>

### To be compared

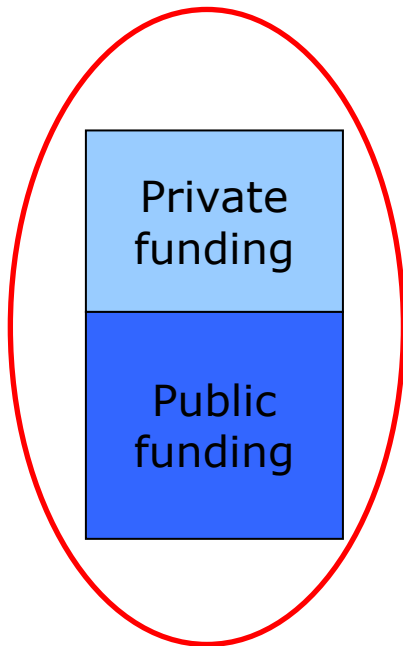
- overall shares of public and private funding (of total)
- proportions of allocations to institutions and to households as part of the public funding
- respective shares of different types of support to households



- funding per capita – compared to average of the six countries

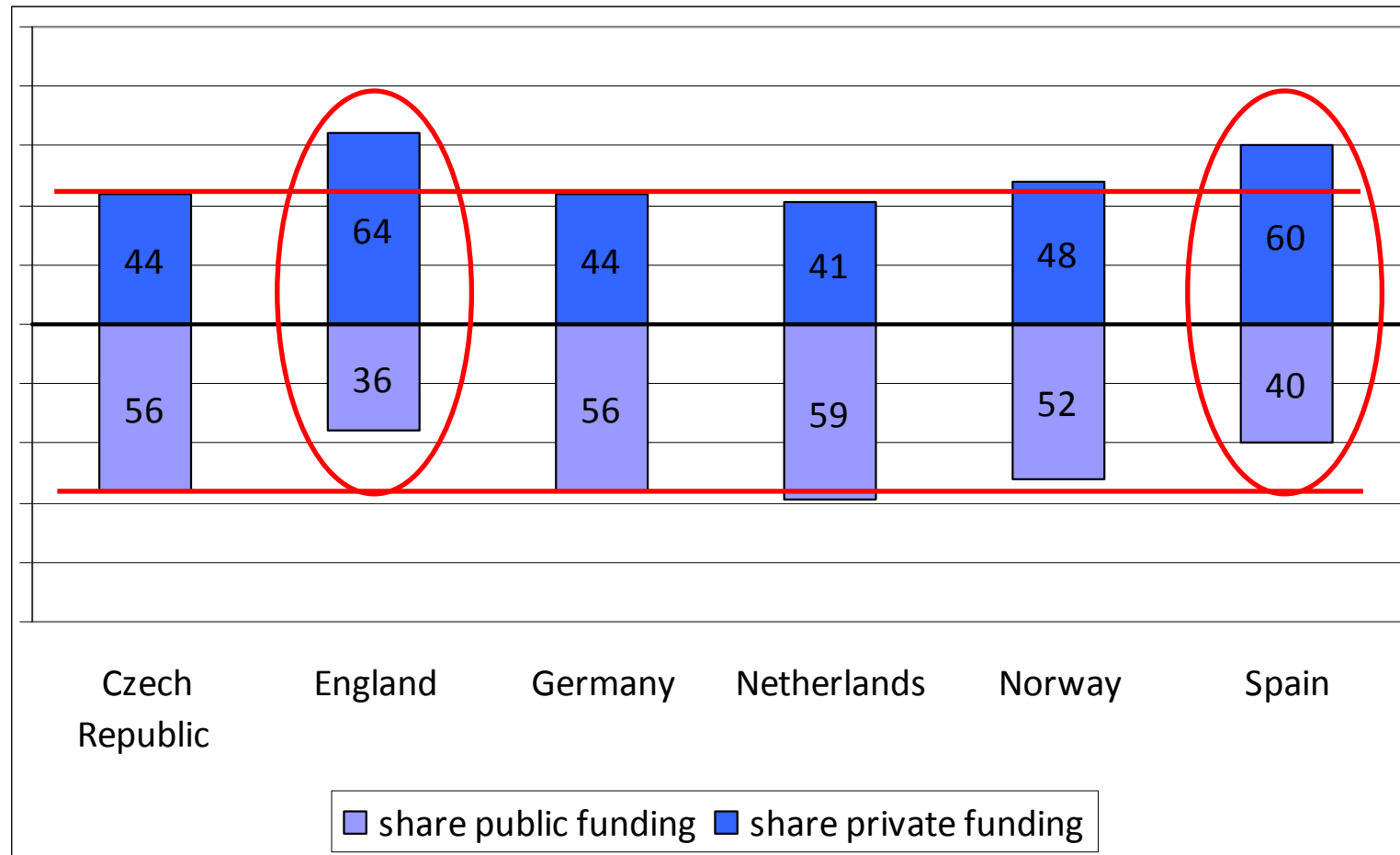
To be compared

- overall shares of public and private funding (of total)



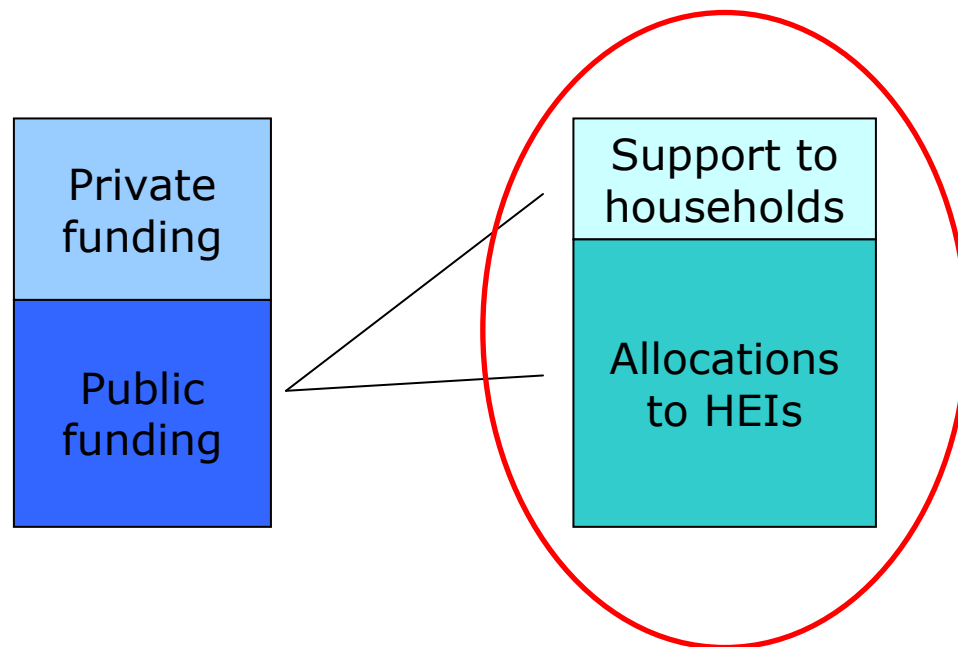


# Overall shares of public and private funding

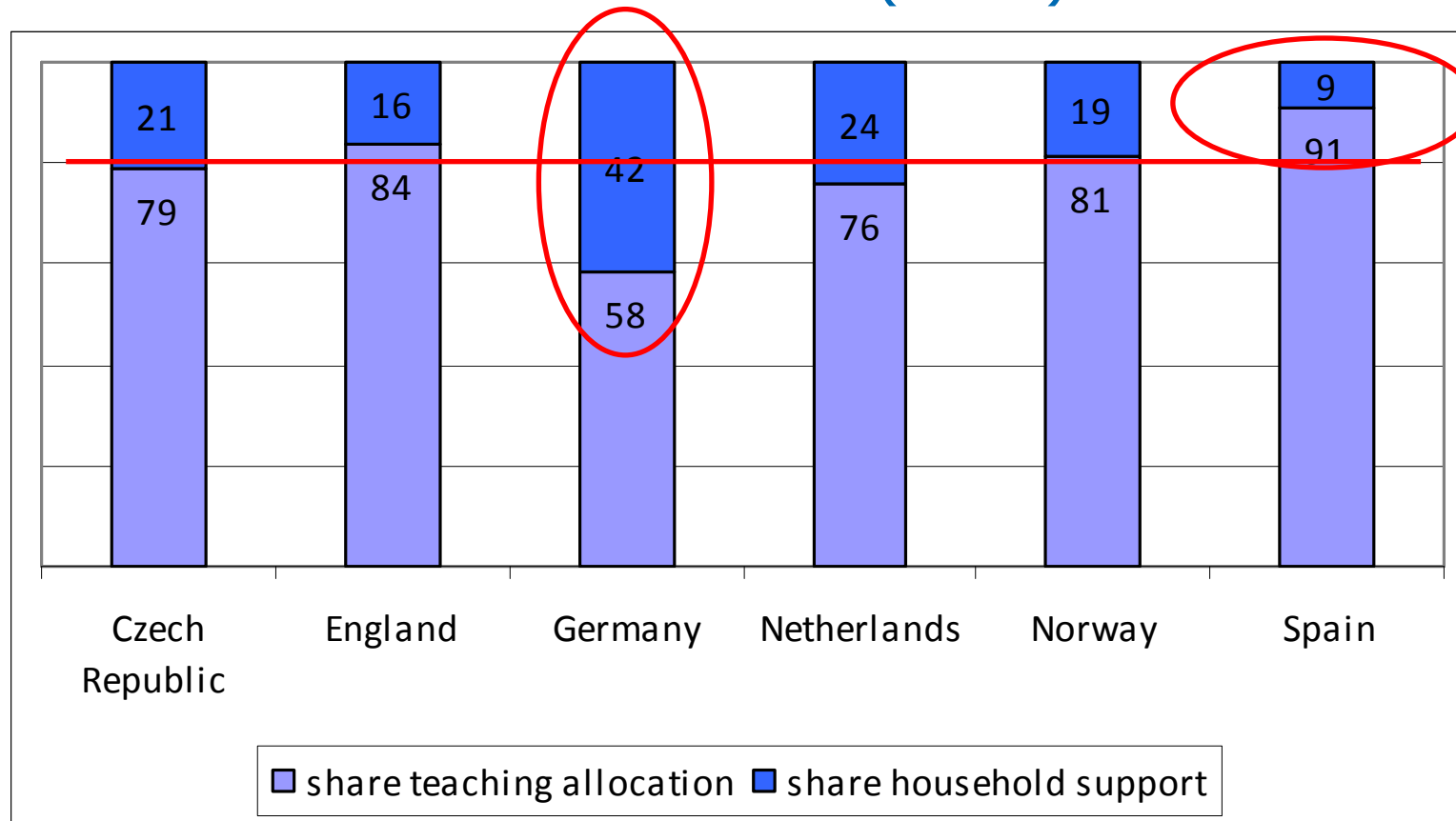


### To be compared

- overall shares of public and private funding (of total)
- proportions of allocations to institutions and to households as part of the public funding

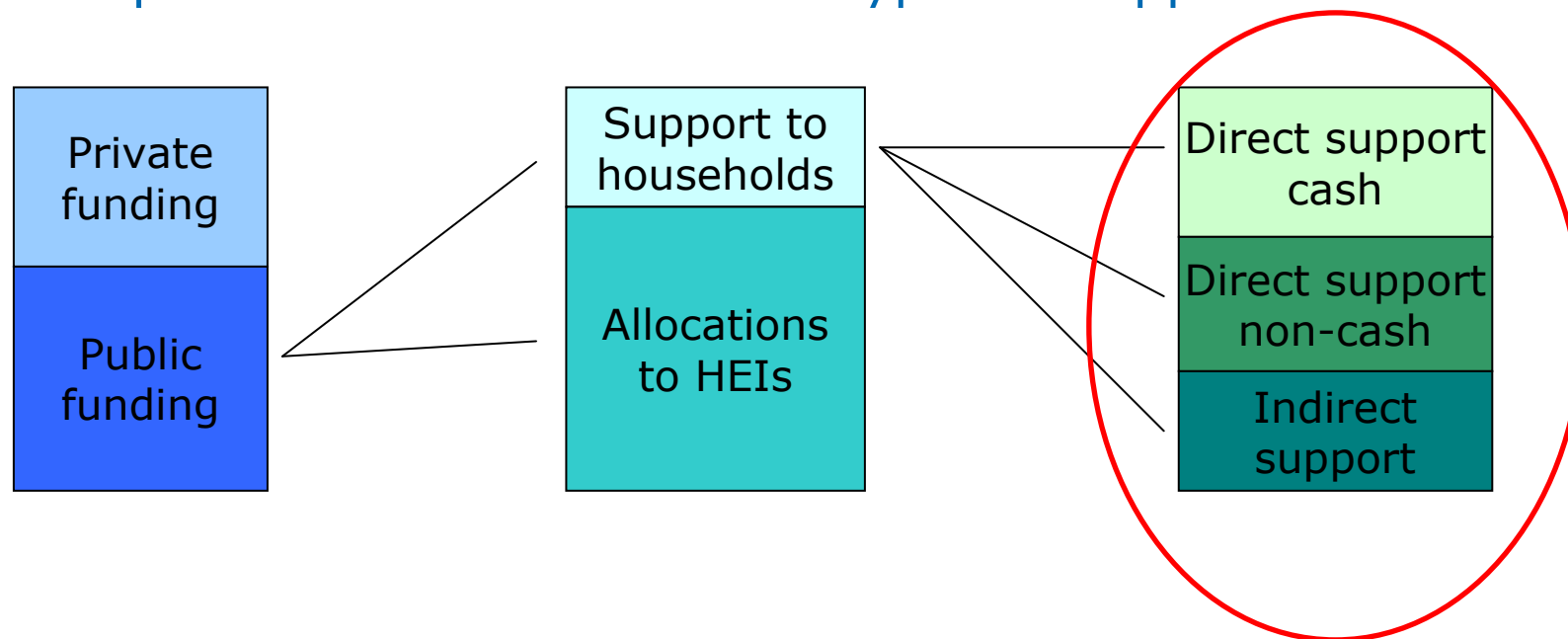


## Public funding: Proportions of allocations to institutions and households (in %)



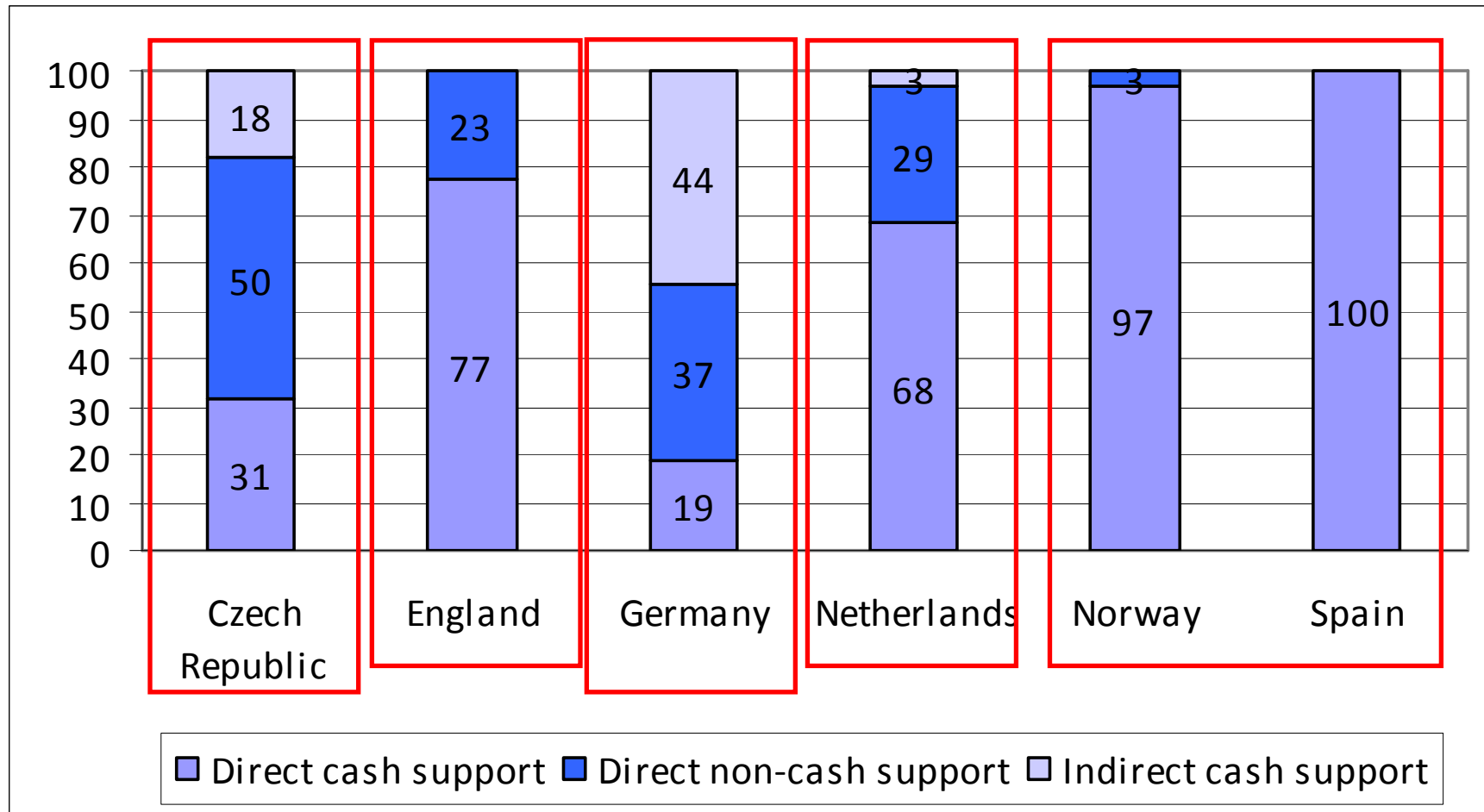
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- overall shares of public and private funding (of total)
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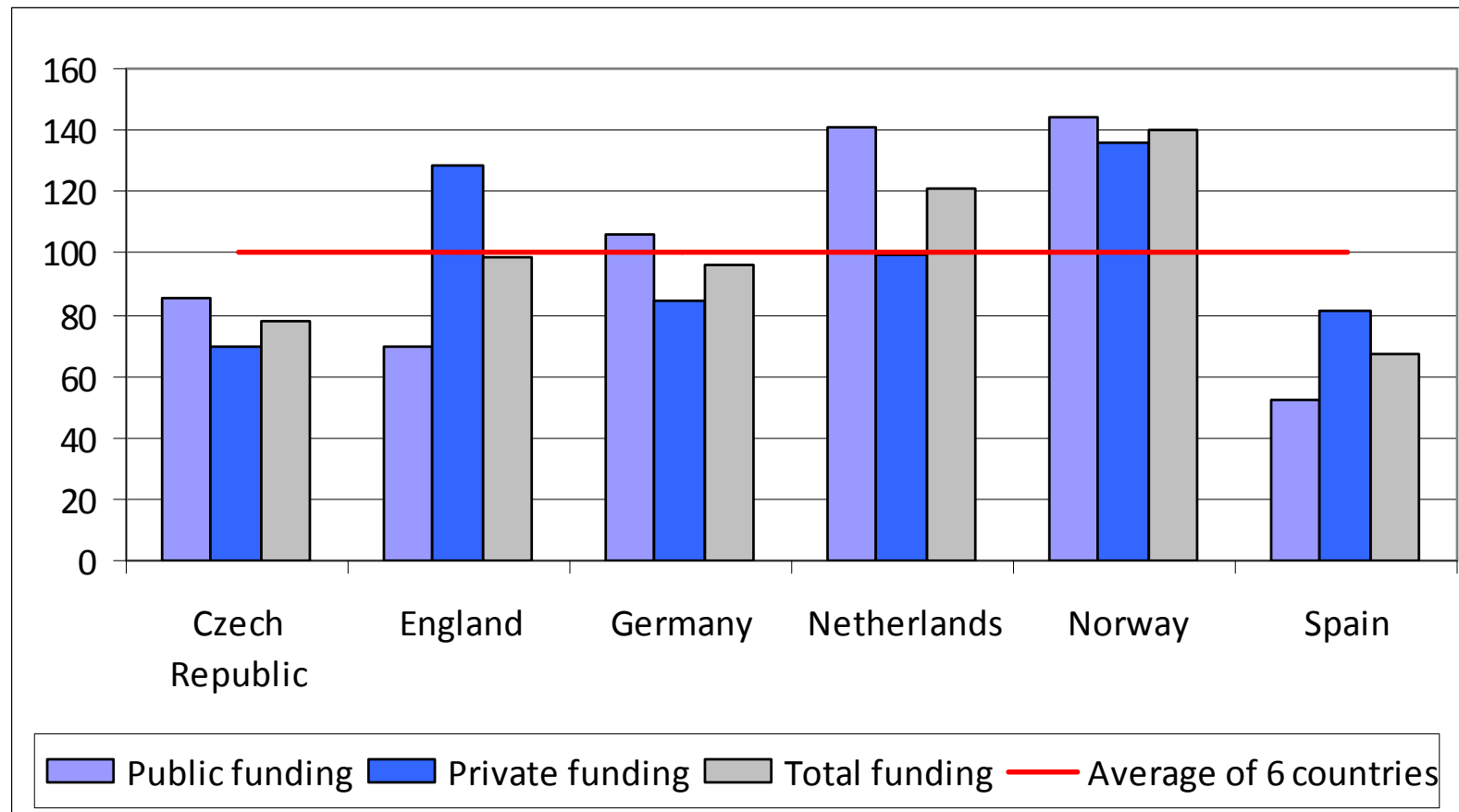
## Macro level

### Shares of different types of support to households



## Funding per capita

– compared to average of the six countries



### Summary

- share of public funding lower in England and Spain than in other four countries
- within public funding, proportions for support to households very high in Germany, very low in Spain
- composition of household support: great differences by country
- funding per capita:  
highest in Norway for both funding types  
greatest difference between public and private funding in England, smallest in Norway

## *Agenda*

1. Brief reminder of research approach
2. Macro level
- 3. Micro level**



## *Micro level*

Comparison of cost-sharing scenarios according to a student's socio-economic status (SES)

Comparison of student prototypes within each country:  
4 different socio-economic status scenarios;  
two sub-cases each: student living at home or not

→ For each of these 8 prototype sub-cases:  
establish students' income and expenditure  
and the share of public support in this

Here: only students living away from home (normal case)

Full matrix for micro level

Income	Expenditure
<ul style="list-style-type: none"> <li>• Grants</li> <li>• Public loans</li> <li>• Earnings</li> <li>• Family contribution</li> <li>• Other</li> <li>• Public subsidy: direct non-cash support (health care subsidies, subsidies for facilities and transportation)</li> </ul> <p>Source: Eurostudent; public subsidy calculations based on national data</p>	<ul style="list-style-type: none"> <li>• Cost of study: Tuition fees, Social/administrational fees, Instruction material (no PC)</li> <li>• Maintenance: Accommodation, Nutrition, Clothing, Personal care, Communication, Leisure, Travel / transport, Other)</li> <li>• Public subsidy: direct non-cash support</li> </ul> <p>Source: Eurostudent; public subsidy calculations based on national data</p>
<p><b>Public subsidies (of the above):</b></p> <ul style="list-style-type: none"> <li>• Direct cash support</li> <li>• Direct non-cash support</li> <li>• Indirect cash support</li> </ul> <p>Source: Eurostudent, national data, calculations based on EU-SILC / national data</p>	

### To be compared (differentiating between housing situation and SES)

- Level of income, expenditure and public support
- Composition of income, expenditure and public support
- Support models: flat-rate or targeted by SES
- Public support as a percentage of student income

Here: only students living away from home (normal case)

Students living away from home have higher overall income and expenditure than their peers who live at home (all SES), and profit from higher sums of public support

## *Micro level*

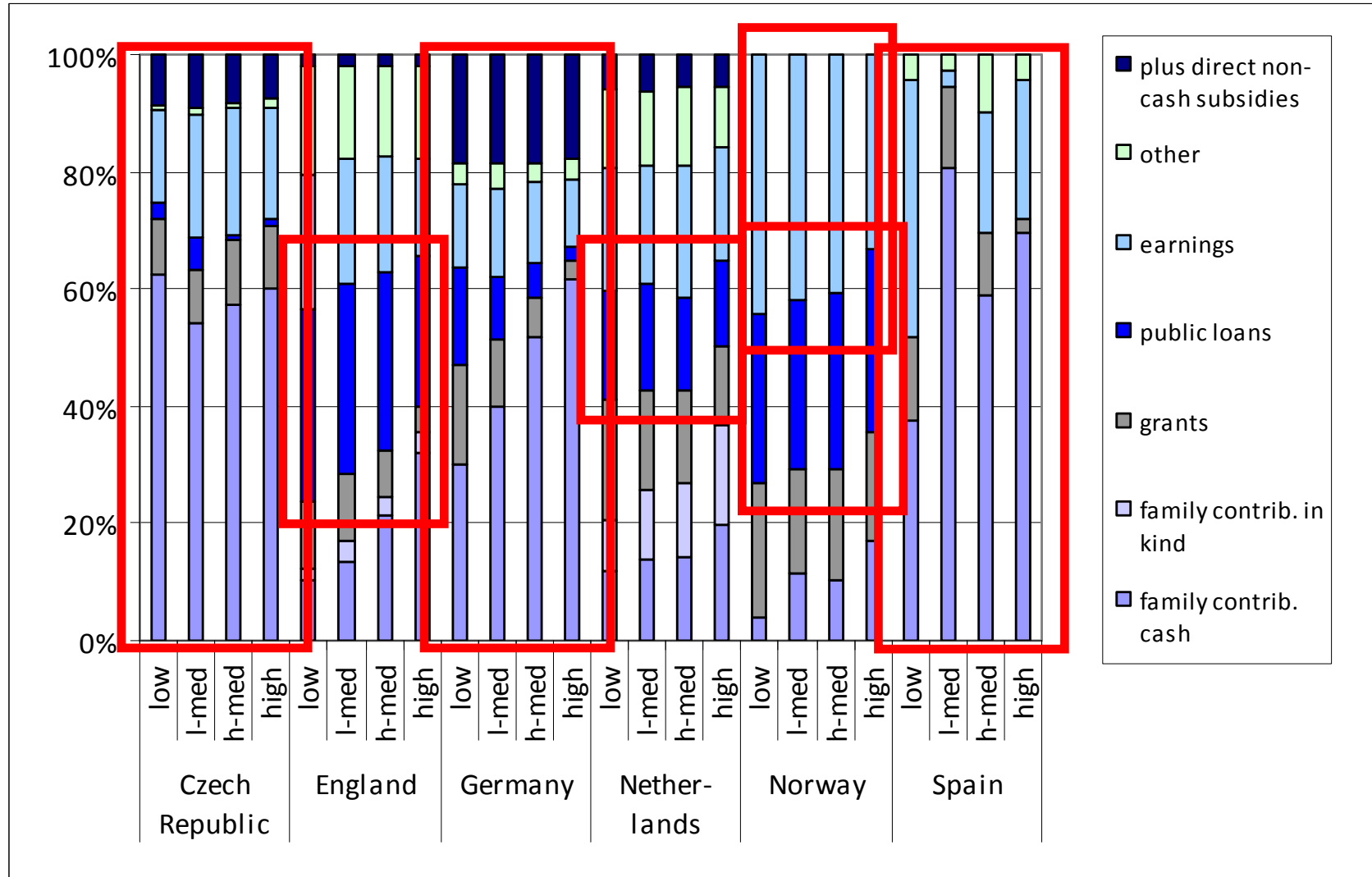
Total income of students living away from home

Income of students from low SES set at 100

	low	lower medium	higher medium	high
Czech Republic	100	97	105	115
England	100	104	101	104
Germany	100	100	101	105
Netherlands	100	98	105	107
Norway	100	115	113	116
Spain	100	72	94	101

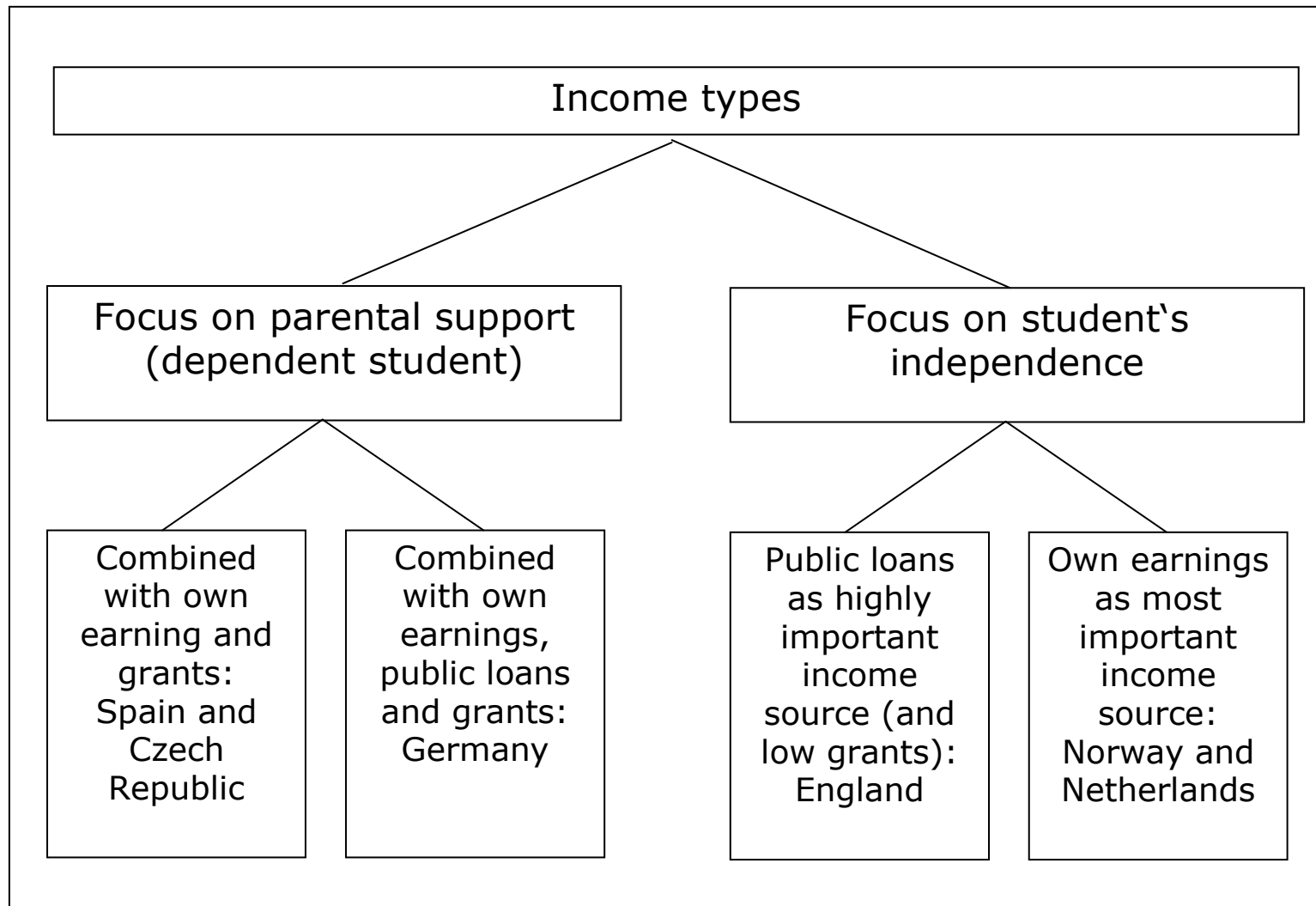
# Income composition (away students)

## Micro level



# Income composition

*Micro level*



## *Micro level*

### Expenditure of students living away from home

Expenditure of students from low SES set at 100

	low	lower medium	higher medium	high
Czech Republic	100	97	97	114
England	100	97	101	99
Germany	100	101	103	106
Netherlands	100	104	98	107
Norway	100	125	124	129
Spain	100	95	103	93

## Micro level

### Public support to students living away from home

Support to students from low SES set at 100

	low	lower medium	higher medium	high
Czech Republic	100	89	98	96
England	100	102	79	57
Germany	100	99	90	90
Netherlands	100	88	85	78
Norway	100	91	96	97
Spain	100	69	70	18



# Composition of public support

*Micro level*

Support to students from low SES set at 100

Country	Support type	Low	Lower med.	Higher med.	High
Czech Republic	Direct cash	100	92	122	123
	Direct non-cash	100	100	101	100
	Indirect cash	100	79	81	74
	Total public support	100	89	98	96
England <i>No indirect support</i>	Direct cash	100	102	77	52
	Direct non-cash	100	100	100	100
	Total public support	100	102	79	57
Germany	Direct cash	100	67	40	19
	Direct non-cash	100	100	100	100
	Indirect cash	100	130	130	152
	Total public support	100	99	90	90
Nether-lands	Direct cash	100	82	80	70
	Direct non-cash	100	105	101	101
	Indirect cash	100	131	131	163
	Total public support	100	88	85	78

Steering effect

?

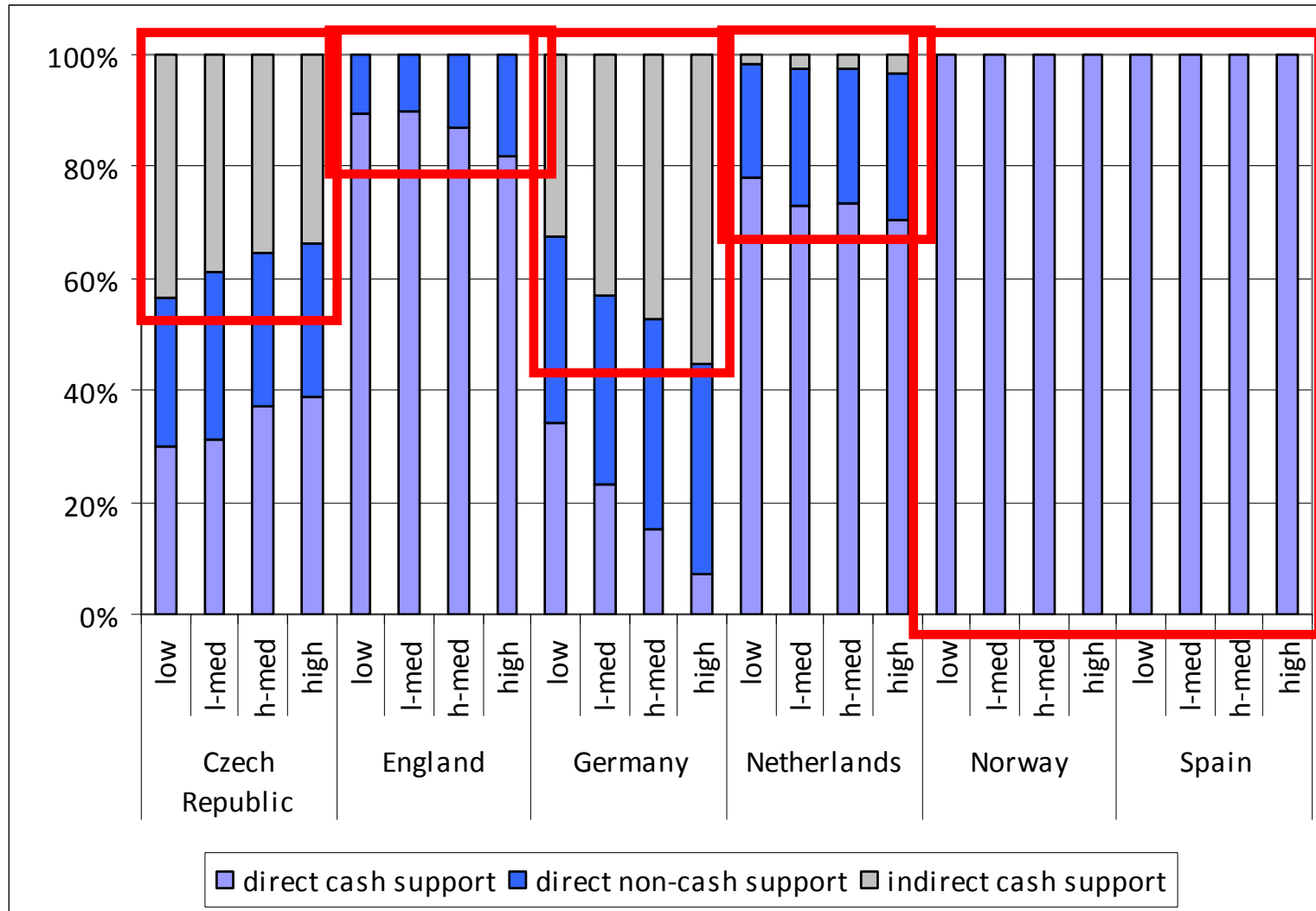


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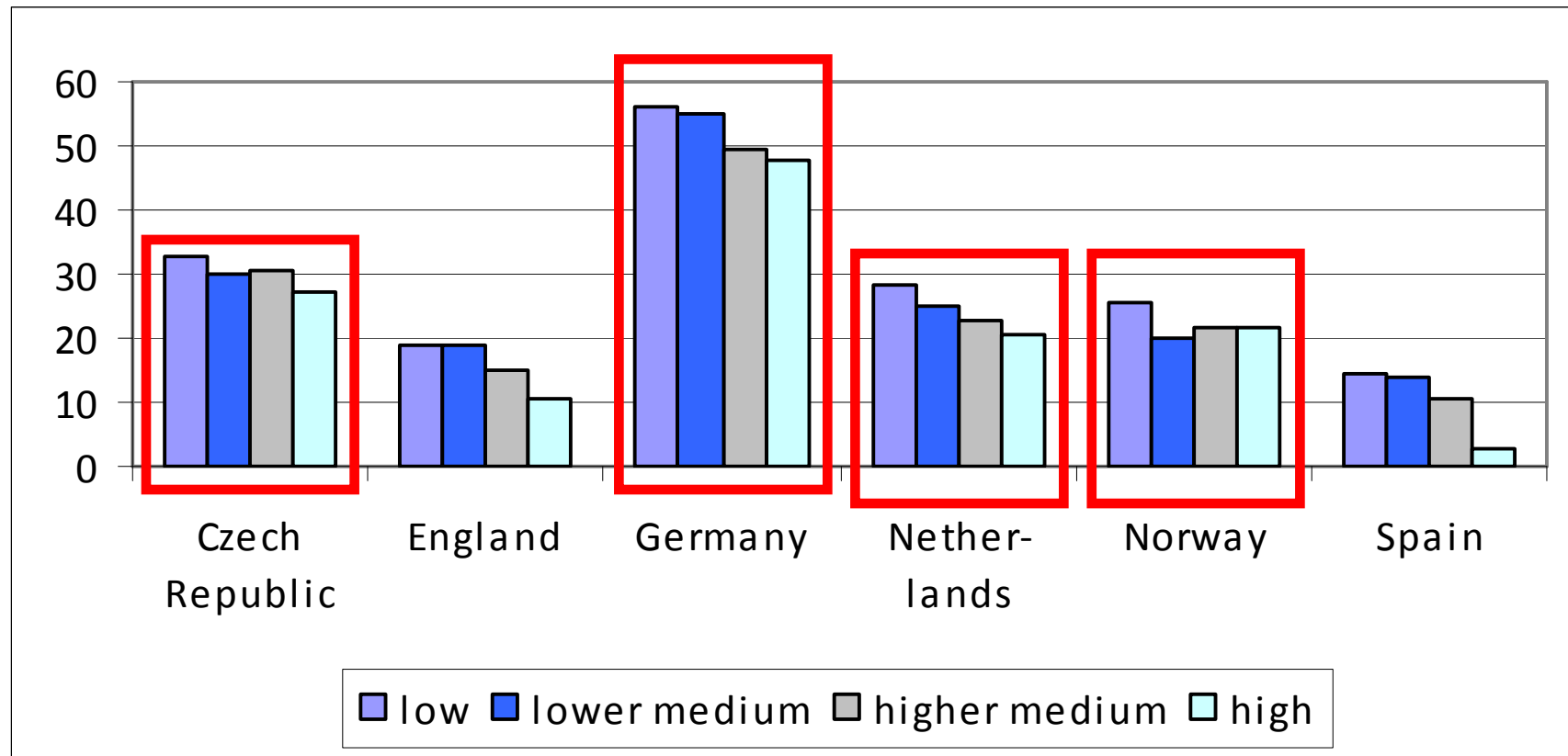
# Composition of public support

*Micro level*



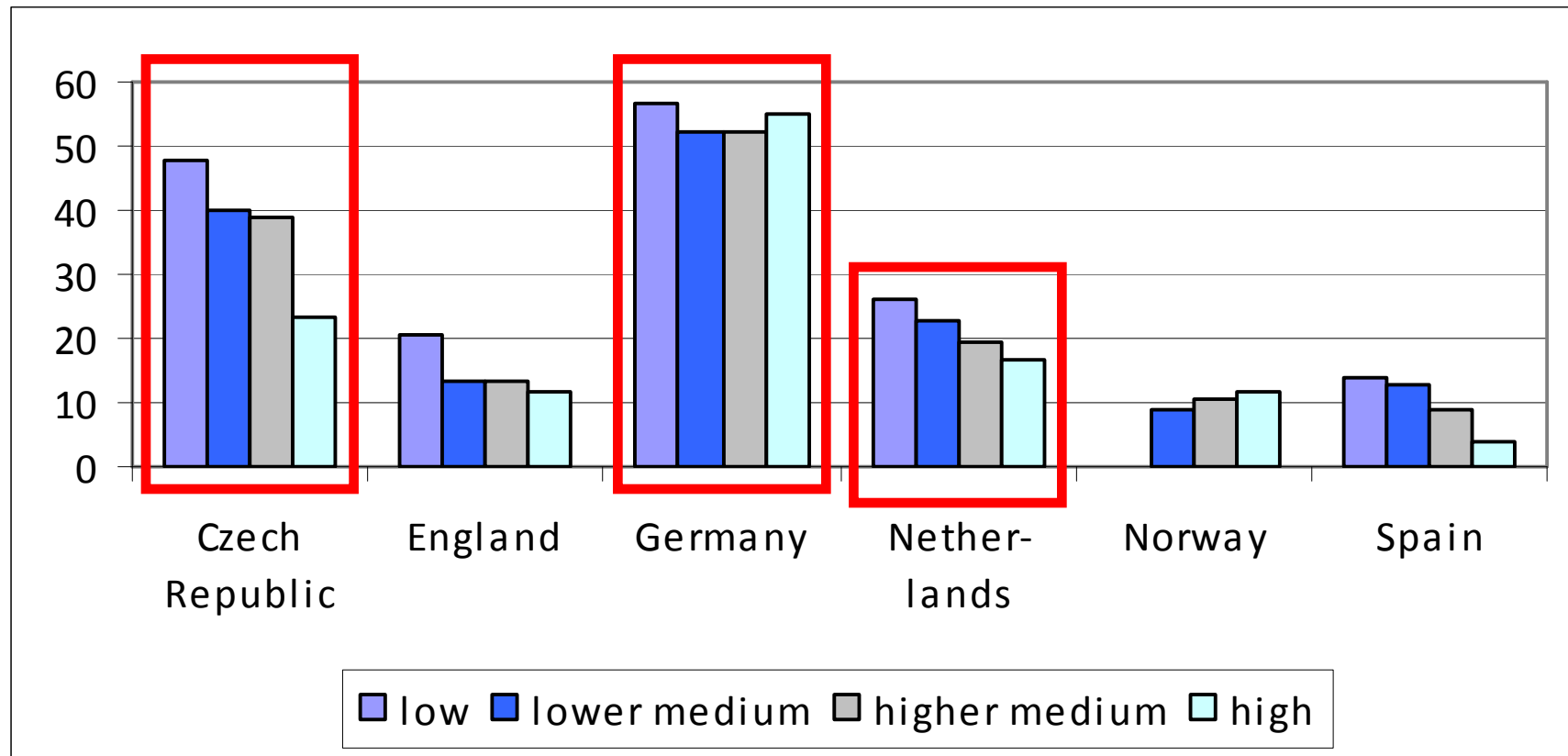
## Micro level

Public support as a percentage of student income by SES for students living away from home



## Micro level

### Public support as a percentage of student income by SES for students living at home



## Summary

- Income, expenditure and public support higher for students living away from home
- Income level of students living away from home about the same for all SES in one country
- Composition of income: great differences by SES
- Overall public support to students: differences by SES
- Sometimes contradictory tendencies by type of support owing to different support modes: flat-rate support and targeted support (increasing / decreasing differences by SES)
- Share of public support in the overall income: some differences by SES; great differences by country

### Questions

- Macro analysis
  - Shares of public and private funding adequate?
  - Shares of allocation to institutions vs. household support truly intended?
  - Very different use of support types, linked to general picture of students as being independent or not – still: *very* high share of support geared at students' parents appropriate?
- Micro analysis
  - Differences by housing type intended to the extent observed?
  - Composition of income and expenditure: differences by SES wanted to the degree found in practice?
  - Composition of public support and modes of support: differences by SES meant to be in the order observed?

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