1. Introduction

The second strategic objective of the re-launched Lisbon strategy is about facilitating the access of all to education and training systems; one of the focal points within this is to increase participation in tertiary education. However, as is observed in the 2006 Lisbon Progress Report, social and financial barriers to participation in higher education exist. Such barriers are being explored in this study by taking a look at the different approaches to sharing the (teaching-related) costs for higher education between the state on the one hand and households on the other. The project which explores case studies from all the corners of Europe (each representing a different approach to cost-sharing) also discusses the potential impact of these cost-sharing approaches on participation in higher education. The results are published in book form and are also made available for free download at www.his.de/cost-sharing (the project website). They will be publicly discussed on 28/29 February 2008 at an international conference in Berlin.

The following partner institutions were involved in this project:

- **Czech Republic**: SoÚ Sociologický ústav Akademie věd České republiky
- **England**: Lancaster University Management School (LUMS)
- **Germany**: HIS Hochschul-Informations-System GmbH (coordinating institution)
- **Netherlands**: CHEPS Center for Higher Education Policy Studies
- **Norway**: NIFU STEP
- **Spain**: Universidad Politécnica de Valencia, Centro de Estudios en Gestión de la Educación Superior – CEGES

2. Objectives

The aim of this project was to provide reliable data and information on the real and effective distribution of (teaching-related) costs of higher education. The shares of public and private costs were calculated for students of different socio-economic origin, reflecting social disparity and social exclusion.

Thus, a twofold task was achieved: On the one hand, a comparison between countries on macroeconomic level has taken place to explore the sharing of the costs of higher education provision between the state and the households. On the other hand, a comparison of cost-sharing at microeconomic level has been carried out, which focuses on possibly different balances of cost-sharing according to a student’s socio-economic background even within one country.

This link between establishing the real and full monetary value of all direct and indirect public and private contributions in cash and in kind and relating this cost-sharing ratio to a student’s socio-economic background (thus allowing for considerations on participation) is new and unique about this project.

3. Method

Essentially, the project started out from a matrix established by Prof. D. Bruce Johnstone to differentiate between public and private costs. This required a detailed analysis of all private and public resources devoted to students’ costs of living and institutional operations being at work in the specific national setting, including even “hidden”, indirect forms of support that are often neglected in international comparative studies (such as tax relief made available to students and their parents). The tabulation of the overall share of private and public costs has produced indicators apt for cross-national comparison.

The second step was the differentiation of these indicators by controlling the flows of public funding for different social groups of students. “Prototype cases” or “typical situations” representing different socio-
economic groups were introduced for calculating the private cost-benefit distribution, in particular the real value of the public support (like grants, loans, family support, and benefits in kind), taking into account all relevant national regulations for the award.

4. Outcome

In a nutshell, the macroeconomic level analysis has shown that the (teaching-related) share of public funding is markedly lower in England and Spain (36% and 40%) than in the other countries (52-59%).

The public funding can be split up into allocations to higher education institutions on the one hand and support to households on the other. The share allocated to HEIs is much lower in Germany than in the other countries (58% as opposed to around 80%), and quite high in Spain (91%). In turn, the share of public funding made available as support to households is very high in Germany (42%) and quite low (9%) in Spain (as always, this refers to shares, not total amounts).

The types of support offered to households can be split into three: support to students in cash form (e.g. grants), support to students in non-cash form (e.g. in the form of subsidies to students’ transportation), and support geared at the students’ parents (in the form of benefit payments or tax relief). In Spain and Norway, only cash support to the students plays a role, non-cash support also accounts for a certain share in the Netherlands and England, and the Czech Republic and Germany rely on all three types of support. In Germany, the share of support to the parents is higher than the other two support types.

On microeconomic level, a distinction was made between students living at home and those living away from home (the normal case in all countries but Spain). Within each housing type group per country, the total income hardly varies by socio-economic status (SES), but the composition of the income from different sources shows much variation. In countries where students are seen as dependent on their parents, family contributions play the most important role. In all countries, family contributions are highest for students with a high SES. In England, the Netherlands and Norway, where students are deemed to be independent individuals, dependence on public loans is much higher. Both grants and loans tend to counteract the differences by SES, and students’ earnings finally make up for remaining differences.

The support granted to students’ parents was taken into consideration on microeconomic level also, and in terms of its share in the overall public support, this plays indeed a very important role in Germany and the Czech Republic. The different types of support do not always follow the same pattern in all countries concerning differences by SES, which is because the countries use distinct approaches in dealing with such differences between SES: Some use items of flat-rate support regardless of SES, some use targeted support models (both kinds are found: those counteracting differences by SES, and those increasing such differences), and in some countries, mixed models are in use - these may nullify the SES-related effects of one kind of support with another.

On a whole, it could be seen that the differences both between countries and between SES groups within countries are considerable. Especially in those countries where public support to students (and their parents) does little to compensate for differences by SES, one might ask if there shouldn’t be more / more direct ways of widening access and supporting talented but underprivileged students.

5. Use of the findings

This explorative study has lead to internationally comparable data on the real public and private shares in the teaching-related cost of higher education, and the template according to which the analysis was made could be applied to a wider group of countries.

All stakeholders dealing with higher education participation, access and equity will benefit from this type of objective data, whether they act on supranational, national or even institutional level. The project provides data to all these groups; and based on the results, a discussion on strategies of increasing participation of socio-economically disadvantaged groups in higher education in view of the different cost-sharing scenarios will take place during an international conference in Berlin on 28/29 February 2008.