

# Student Support System in Selected European Countries

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## Abstract

*In this paper the main focus is on identifying characteristics of direct student financial support systems in seven selected European countries. There are three common types of support systems for students in place: need-based, merit-based and universal grants. We used a literature review approach and prepared a schematic comparison of student support systems in selected European Countries. Need-based grants are the most frequent mechanism in most countries, followed by merit based grants and universal grants. The largest share of grant beneficiaries are in the Nordic countries (Denmark and Sweden), where about 88-89% of full-time students receive universal grants. The amount of the grant is particularly high in Denmark. In higher education systems that offer need-based grants, the majority of recipients are below 50%. Merit-based grants are targeted at smaller groups of students, reaching mostly under 10% of students.*

**Keywords:** Student support, financial support, need-based, merit-based, universal, grants

## INTRODUCTION

Higher education plays a vital role in society and its quality and accessibility is highly dependent on financing (European Commission/EACEA/Eurydice, 2018, p. 5). Participation in higher education, from a student perspective, can be perceived as a substantial financial burden (Eurostudent V, 2015.). Thus, European higher education systems' are characterised by student financial support in the aim of widening access to higher education for students with different background. Student support varies among countries and is also dependent on the enrolment trends and demography of the student population (Skrbinjek, Lesjak, Šušteršič, 2015). According to Eurostat 20 % of all funds are distributed on average to student support in various ways. Main public financial support mechanisms are direct financial support to students in the form of grants and loans, and indirect student support through allowances or tax incentives to students' parents and other forms of student support (cheaper transportation, meals, accommodation) (European Commission/EACEA/ Eurydice, 2018, p. 18).

European countries provide at least one form of direct financial support in - grants and/or loans for full time first cycle students. The grants are non-repayable funds received, while student loans have to be repaid after the study period. A special form of support are grants associated with academic achievement for selected students. Thus, in Greece, Spain and Portugal, they are awarded on the basis of individual achievement and are not linked to student income (Zštíp, 2007).

On average, 34% of all students benefit from public support (Eurostudent V, 2015, p 134). Across countries, the students' families or partners provide about half of students' total monthly income, one third of their budget consist from their own employment, while public support accounts roughly for one tenth of students' means. These results hold for both groups, students who are living with parents and those who are not (Eurostudent V, 2015, p 117).

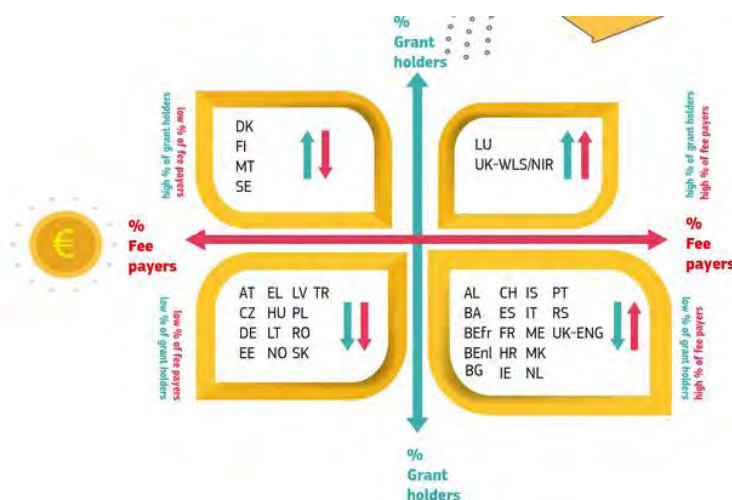
### Student support systems

Most European public higher education institution charge small amounts of tuition fees (ranging from zero tuition in Scandinavian and many East-European countries to an average of USD 2,400 in the Netherlands). In Europe students from UK have to pay a tuition up to USD 12,000 per year. Outside of Europe, US has similar policy with average tuition of USD 8,000. Most countries provide student support that can be as universal as in Sweden, Denmark, Norway, Finland or limited means-tested grants such as in Italy and Spain. Most countries consider to cover not only tuition fees but other costs of study (living costs) (Schroter Joensen and Mattana, 2019, p. 9).

We can distinguish four groups of countries according to the percentage of grand holders and fee payers (European Commission/EACEA/Eurydice, 2018) (see figure 1):

- Countries with high % of grant holders and low % of fee payers: **Denmark**, Finland, Malta and **Sweden**.
- Countries with high % of grant holders and high % of fee payers: Luxemburg, **UK** (Wales and Northern Ireland).
- Countries with low % of grant holders and low % of fee payers: Austria, Czech Republic, **Germany**, Estonia, Greece, Hungary, Lithuania, Latvia, Norway, Poland, Romania, Slovakia, Turkey.
- Countries with low % of grant holders and high % of fee payers: Albania, Bosnia and Herzegovina, Belgium, Bulgaria, Switzerland, Spain, **France**, Croatia, Ireland, Iceland, **Italy**, Montenegro; Macedonia, **Netherlands**, Portugal, Serbia, **UK** (England).

**Figure 1: Percentage of fee payers (above EUR 100) and grant holders, 1st cycle full-time students, 2017/2018**

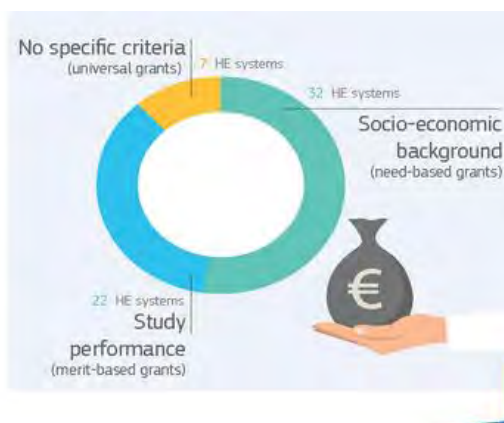


Source: European Commission, EACEA, Eurydice, 2018.

Criteria for awarding a grant can be further distinguished to three groups (European Commission/EACEA/Eurydice, 2018):

1. **Need-based grants:** allocated to economically disadvantaged students on various criteria. Most frequent criteria is parental income. Other criteria used to attribute need-based grants include where students live (with their parents or not), parents' employment status and/or education, special educational needs or orphan status. 32 higher education systems offer needs based grants from which in 20 systems this grants can be combined with other types of grants. Need based grants are often combined with student's performance criteria. This means that students with awarded need based grant need to have a satisfactory academic progress.
2. **Merit-based grants:** rewarding best-performing students is present in 22 higher education systems and take into account on educational outcomes during higher education studies, secondary school results, or performance in admission tests.
3. **Universal grants:** grants are open to a wide student population, with no focus on academic performance or need-based criteria.

**Figure 2: Criteria for allocation of study grants, 1st cycle full-time students, 2018/2019**



Source: European Commission, EACEA, Eurydice, 2018.

## Methodology

Comparison of student support systems was done with a literature review in the aim to provide data and evidence on different types of student support systems. We selected the most prominent student support systems and compared their direct financial support (grants/loans) and how accessible are. 7 European student support systems were selected for comparison: Germany, Denmark, Sweden, Netherlands, France, Italy and UK. A schematic presentation in a table provides details of information extracted from European Commission/EACEA/Eurydice (2018) report on National Student Fee and Support Systems in European Higher Education – 2018/19.

## Results

Table 1 provides an overview of student support systems in selected countries.

**Table 1: Student support systems in selected countries**

| <b>Country</b>                         | <b>Type of grant</b>                      | <b>Percentage of students receiving a grant</b>   | <b>Amount (year)</b>   |
|--|---|---|--|
| <b>Germany</b>                         | Need based grants and merit based grants. | 22 % 1st and 2nd cycle students receive need based grants/loans (BAföG),<br><br>5 % students receives merit based grants (from public and private sources). | <i>Need based:</i> Between EUR 10 and 735 per month for a year; most frequently EUR 464 per month (EUR 5.568 per year).<br><br><i>Merit based:</i> Between EUR 300 and 1.035 per month for a year (2016) |
| <b>Denmark</b>                         | Universal grants                          | 89 % 1 <sup>st</sup> cycle students<br><br>76 % 2 <sup>nd</sup> cycle student   | Min EUR 127 EUR per month or EUR 1,524 per year (students living with parents) and EUR 817 per month or EUR 9,810 per year (not with parents)(2016)  |
| <b>Sweden</b>                          | Universal grants                          | 88 % full-time 1 <sup>st</sup> and 2 <sup>nd</sup> cycle students;<br><br>25 % part time students.  | Between EUR 3,086 and 4,433 per year (2016)  |
| <b>Netherland</b>                      | Need based grants.                        | 32 % full-time 1 <sup>st</sup> and 2 <sup>nd</sup> cycle students   | Max EUR 391 per month (students up to 30 years of age or below) or approx. EUR 3,200 EUR per year (2016/2017)  |
| <b>France</b>                          | Need based grants and merit based grants. | 32.5 % of all students receive need based grants.   | Max 1,300 EUR (between EUR 1,009 and 5,551 per year need based + EUR 900 EUR per year merit based (2016/2017)  |
| <b>Italy</b>                           | Need based grants.                        | 11.6 % full-time 1 <sup>st</sup> and 2 <sup>nd</sup> cycle students.  | Min EUR 1,950.44 and max EUR 5,174.66 per year (2018/2019); average EUR 3,723.43 EUR per year (2016/2017)  |
| <b>UK</b><br><b>ENG, WLS, NIR, SCT</b> | ENG – no grants.                          | WLS: 63.5 % 1 <sup>st</sup> cycle students (living expenses)  | WLS: EUR 1,123 EUR per year up to EUR 9,094 per year (2016/2017)   |

|  |                                |  |   |
|--|--------------------------------|--|---|
|  | Elsewhere – need based grants. | NIR: 56.9 % 1 <sup>st</sup> cycle students (living expenses)<br><br>SCT: 72 % students (including loans and Bursary) | NIR: EUR 3,901 per year (2016/2017)<br><br>SCT: ERU2,105 per year (2015/2016) |
|--|--------------------------------|--|---|

Legend: WLS-Wales, SCT –Scotland, NIR- Northern Ireland, ENG- England.

Source: European Commission/EACEA/Eurydice, 2018, str. 43, 44, 49, 51, 58, 63, 66-70.

In **Germany** grants are awarded as general public support to students (BAföG) and consists of an interest-free loan (50 %) and a grant (50 %). Support is available for full-time undergraduate and graduate students and for students studying comparable studies (e.g., state exam studies in law or medicine). Eligibility and the amount of funds received are determined by criteria such as income, family circumstances, housing situation and disability. A maximum of EUR 10,000 must be repaid. Students must be under 30 years old (35 years old for a master's degree) to be eligible for public support. For merit-based grants, the amount is often determined by an assessment of student needs. Deutschlandstipendium (300 EUR per month) and a flat-rate study fee for Begabtenförderungswerke (300 EUR per month) are given regardless of the student's economic situation. There is also an Educational Loan (Bildungskredit) which covers the living expenses not covered by BAföG. The absolute maximum amount that can be obtained is EUR 7,200. The repayment of EUR 120 per month must start four years after the loan has started. The federal government guarantees the repayment of the loan and interest.

In **Denmark**, the total income of a full-time student, which may not exceed EUR 1,640 per month (year reference 2018), is also considered for the award of universal grant (European Commission/EACEA/Eurydice, 2018, p. 43). Students living with their parents receive a lower grant than students living alone or with a parent outside the hometown. Students under the age of 20 who are enrolled in secondary education are automatically considered to be living with their parents, and if they are living alone, they must file for a status change (Uddannelses Forskningsministeriet, 2019). The system is flexible. Students in tertiary education have the opportunity to use the grant at a later date in order to extend their studies (eg. to re-prepare for a failed exam). In special cases, especially illness and pregnancy, students may apply for additional monthly grant. Young mothers are eligible for 12 and fathers up to 6 additional monthly grants (Lukić, 2014).

All students in **Sweden** can receive grants of EUR 77 per week for 40 weeks a year. Upon enrollment in higher education, they can receive the grant for 12 semesters (Schroter Joensen and Mattana, 2019). These are universally accessible grants for full-time students, regardless of the parents' income for a maximum period of six years or to the age limit of 56 years. However, eligibility after enrollment depends on student income and, from the second year, on merit: students must complete 75% of the required course credits to maintain eligibility for the following year (Schroter Joensen and Mattana, 2019, p. 8). The amount varies if the student has children and according to their number. Students who study at least 50% of the time may also receive a proportional grant. Grants are provided by the Swedish Student Finance Committee (CSN), which is a governing body within the Ministry of Education and Research. In addition, full-time students may apply for a loan of EUR 177.5 per week for 40 weeks per year up to 56 years of age for a period of 6 years.

In the *Netherlands*, a need-based grant is set based on parents' income, up to EUR 391 per month for students enrolled in tertiary education before 30 years of age. They do not need to return the grant if they graduate within 10 years. If a student fails to complete his / her studies within the deadline for medical reasons, he / she will be credited with an additional year of funding. In addition, students can apply for a living expenses loan of up to a maximum of EUR 870.46 per month and a tuition fee of EUR 171.67 per month (reference for the September 2018). These loans can be obtained by national full-time students and European Area students who start full-time studies before the age of 30.

In **France**, grants are awarded to students (1<sup>st</sup> and 2<sup>nd</sup> cycle and shorter-cycle) up to 28 years of age based on financial needs. The annual amount takes into account the socio-economic background of the students, with students being categorized into eight categories based on family (parent) income. For the most disadvantaged students (based on family income) of the lower middle class, additional resources are available in the amount of EUR 1,009 per year. The Ministry of Finance is the provider of the funds and the funds are available from the Center Régional des Oeuvres Universitaires et Scolaires (CROUS). Needs-based grant holders are exempted from paying tuition fees. Students receiving a need-based scholarship can also receive an merit-based scholarship (based on school performance from baccalauréat results) of EUR 900 per year. EU students can also receive loans of up to EUR 15,000 (up to 28 years of age), which they repay after two years from the completion of their studies.

In **Italy**, public funding for student support is allocated on the basis of student needs and academic performance. The amount depends on whether the student lives with his or her parents and is defined by the regional authorities. The Ministry determines the minimum and maximum grant amount for the academic year. Students are offered special honour loans for their university studies. Universities have agreements with banks to provide loans, however less than 1% of students take out a loan.

In **United Kingdom**, both loan and grants are in use, except in England, as of 2016/2017 grants are no longer available to students, only loans. In Wales, a universal grant for living expenses of EUR 1,123 per year can be obtained from 2018 onwards. In addition, they may receive grants for living expenses dependent on household income, with a maximum grant of EUR 9,094 per year for students with household income of EUR 20,624 or less who do not live at home and EUR 7,730 for students who live at home. In Northern Ireland, needs-based living expenses scholarships (of EUR 3,901 per year) are available for students of 1st and short-cycle with a household income of EUR 21,559 or less. Lower scholarships are awarded to students whose household income is up to EUR 46,637 per year. In Scotland, scholarships are available for students under age of 25 if their income does not exceed EUR 21,332. Students are offered a Bursary of EUR 982 per year if they are under 25 years of age, have a child or are married and have a total income of less than EUR 21,332.

## **Conclusion**

The largest share of grant beneficiaries are in the Nordic countries (Denmark and Sweden), where about 88-89% of full-time students receive universal grants. The amount of the grant is particularly high in Denmark, where a non-resident student is entitled to EUR 9,810 per year. In Sweden, the grant is 77 EUR per week for 40 weeks per year which amount to approx. between EUR 3,086 and EUR 4,433 per year. Among non-universal grant systems, Wales and Northern Ireland have the highest proportion of students receiving need-based grants (64% and 57% respectively). In higher education systems that offer need-based grants, the majority of recipients are below 50%. A relatively high proportion of beneficiaries is recorded in Ireland (43%), followed by France (33%) and the Netherlands (32%). Merit-

based grants are targeted at smaller groups of students, reaching mostly under 10% of students. On average, for 14 higher education systems, the amount of grants ranges between EUR 1000 and EUR 3000 per year. The highest annual grants are awarded in Denmark, Sweden, Germany, France, Italy and the Netherlands.

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