



European
Commission



Funding of Education in Europe

The Impact of the Economic Crisis

Eurydice Report

Education
and Training



Funding of Education in Europe 2000-2012

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and Training*

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Education, Audiovisual and Culture Executive Agency
Eurydice and Policy Support
Avenue du Bourget 1 (BOU2)
B-1140 Brussels
Tel. +32 2 299 50 58
Fax +32 2 292 19 71
E-mail: eacea-eurydice@ec.europa.eu
Website: <http://eacea.ec.europa.eu/education/eurydice>

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INTRODUCTION

High quality education and training are essential if Europe is to make a speedy recovery from the most severe economic and financial crisis for 50 years. Qualified people with the right skills can boost the European Union's economy by leading innovation and improving competitiveness. However, as a result of the financial and economic crisis, public finances in all Member States are under great pressure. Governments are seeking ways to reduce budget deficits and manage public debt without dismantling the foundations of sustainable growth. While no direct link can be established between the level of funding of the education systems and student's learning outcomes, there is a general understanding that investing in high quality education and training should continue to be a priority. Nevertheless, the sector is not immune to austerity measures, particularly in countries where the need for short-term fiscal consolidation is greatest.

This report looks at the trends in education spending over the period 2000-2012 and examines the recent impact that the financial and economic crisis has had on education budgets across Europe in 2011 and 2012. The analysis covers the developments in education funding from pre-primary to tertiary level, while also providing an overview of the main trends in the adult learning sector. As Eurostat data on expenditure in education for 2011 and 2012 will not be available before mid-2013, for these years the report uses information from national education budgets. Education budgets adopted by national authorities can be seen as a reliable proxy of education spending in the respective years and provide a key to understanding the political priorities for the sector.

The comparative analysis is arranged in five chapters, two chapters deal with the overall changes in education funding and three thematic chapters assess the impact of the downturn on three of the pillars of the education system, namely, human resources, education infrastructure and financial support for students. In each chapter, the appraisal of the more recent changes in funding and policy priorities is based on information collected from the Eurydice Network. This analysis is accompanied by a view of the longer term trends based on statistical data available from Eurostat. The main findings of the report are explained in an executive summary following this introduction.

The **first chapter presents the economic context** in which European countries have been managing their public finances. It looks at Gross Domestic Product (GDP) and growth rates over the last decade as well as at levels of public debt in Europe since 2007. This general overview provides the financial framework in which recent education policies have been developed.

The **second chapter provides an in depth analysis of the changes in actual public expenditure on education and the developments in national education budgets**. The first section shows the trends in public expenditure over the last decade both as a share of total public expenditure and in comparison with national GDP; the cost per student is also examined. In the second section of this chapter, the most recent changes in education budgets for 2011 and 2012 are discussed; examining the proposed spending at different levels of education and the budgets allocated to various categories of expenditure. The spending priorities defined by countries for 2013 are also considered in the last section of the chapter.

Chapter three analyses the trends in the funding of human resources – the largest category of expenditure in all European countries. Firstly, the changes in the numbers of teachers are compared with the changes in student populations to provide an indication of whether such changes were affected only by the demographic evolution or the economic downturn has also affected human resource costs. Secondly, the changes to teachers' statutory salaries and allowances in 2011 and 2012 are presented, explaining the different national policies in this area. In the last section of this

chapter, the funding for continuing professional development (CPD) is analysed, as this provision is important for the development of the professional skills of the work force.

Chapter four examines the recent mergers and school closures and assesses the degree to which they are related to the crisis. In addition, the budgets for educational infrastructure and for specific programmes of educational support are analysed. Although these categories of spending represent only a small share of the total public resources invested, they can have an impact on the quality of education provided. As local authorities and/or institutions have a degree of autonomy in managing these resources, any information provided on the extent of the reforms to infrastructure spending between 2010 and 2012 does not necessarily reflect a complete picture.

Finally, in chapter five, the latest trends in funding and changes to national policies for the financial support of students are examined. The budget allocated to such support is one of the key elements in ensuring high levels of participation in education, especially for disadvantaged groups of students. These support systems, however, are likely to come under pressure as a result of the possible reductions in the available public funding and the increased demand for contributions from private sources, especially in tertiary education.

COVERAGE, METHODOLOGY AND DATA SOURCES

The analysis covers the developments in education funding from pre-primary to tertiary level and provides an overview of the main trends in the adult learning sector in 31 European countries. Given the devolved nature of education administration in some countries, the data are broken down wherever possible, particularly in the case of Belgium and the United Kingdom.

Three major sources of information have been used in the report:

- **Evidence derived from legislation, national regulations or other official documents related to education supplied by the Eurydice Network.** This information is gathered by the National Units in the Eurydice Network (generally situated within education ministries), on the basis of common definitions. A comparative analysis is then prepared by the European Eurydice Unit at the Education, Audiovisual and Culture Executive Agency of the European Commission and subsequently verified by the National Units. The data on national education budgets adopted by the authorities is presented as a proxy for actual expenditure. Where an area of expenditure is the responsibility of local authorities or individual institutions, and therefore is not governed by central-level regulation, this is clearly stated in the analysis and the graphical display.
- **Data from the joint UOE (UNESCO/OECD/EUROSTAT) data collection on education.** The UOE data collection provides internationally comparable data on key aspects of education systems on an annual basis using administrative sources. The latest available data from this source is 2009 for expenditure data and 2010 for pupil/student participation and teachers.
- **The European System of National and Regional Accounts and Classification of the Functions of Government (COFOG).** This is an internationally comparable accounting framework for the systematic and detailed description of an 'economy' (i.e. a region, a country or a group of countries), its components and its relationships with other 'economies'. The latest available data on expenditure from this source is 2010.

These data collections – including statistical processing and procedures for their checking, approval and publication – are based on different methodologies and timetables, and so their data is not directly comparable. This should be borne in mind when reading and analysing the report.

The funding of education is a complex issue influenced by many factors such as demography, the development of the national economy, the responsibilities of regional or local authorities, and different political priorities. For this reason, the analysis in this report does not seek to explain all the possible relationships and causal effects. In addition, as it is difficult to make direct correlations between the level of education funding and learning outcomes and the efficiency of the system, the report does not attempt to explore such connections with respect to recent developments.

MAIN FINDINGS

The report seeks to answer four main questions about the impact of the crisis. These questions relate to **education expenditure and budgets; human resources and their costs; the funding for education infrastructure and specific education support programmes** and the **latest developments in the support systems for students and their families**. The fifth question addresses the **main national priorities for the funding of education in 2013**.

How has the crisis impacted budgets for education?

In many countries, the crisis has affected education budgets, particularly in those with large public deficits.

The financial crisis has led to an increase in budget deficits in many countries and this has resulted in the need for fiscal consolidation. The effect of the financial crisis on education budgets is mainly seen in the countries (Ireland, Greece, Spain, France, Cyprus, Lithuania, Poland, Portugal, Romania, Slovenia, Slovakia, the United Kingdom and Iceland) that had substantial general budget deficits in 2010 and 2011 (see Figure 1.2). In 2011, the exceptions were Cyprus, with an increase of almost 2 % in its education budget; France and Slovenia, where the budget remained stable. In 2012, the exception was Romania, with a 3.5 % increase in its education budget. However, Romania had already made significant reductions in its education budget in 2011.

In total, in 2011 and/or 2012, cuts in education budget were made in twenty countries/regions for which data are available. Cuts of more than 5 % were observed in Greece, Italy, Cyprus, Latvia, Lithuania, Hungary, Portugal, Romania, the United Kingdom (Wales) and Croatia, whereas decreases between 1 and 5 % were seen in French Community of Belgium, Bulgaria, the Czech Republic, Estonia, Ireland, Spain, France, Poland, Slovenia, Slovakia, the United Kingdom – Scotland (see Figure 2.5).

Nevertheless, nine countries/regions increased their education budgets in 2011 and/or 2012 between 1 % and 5 % in real terms (at constant prices (French Community of Belgium, Ireland, Latvia, Austria, Romania, Slovakia, Finland, Sweden and Iceland) even if cuts were made in many of those countries one of the periods. Finally, four countries/regions (German community of Belgium, Luxembourg, Malta, and Turkey) had a rise in real terms of more than 5 %.

Education budgets will continue to suffer reductions in some countries in the coming years

Cyprus anticipates cutting current education expenditure by at least 3 % as well as reducing human resource costs; Portugal intends to reduce spending by 3.5 %; and in the United Kingdom (Wales), capital expenditure is expected to be halved in real terms between 2010 and 2015. Furthermore, the Czech Republic and Slovakia stated the need for balancing their overall public finances, which may also affect education budgets.

What has been the impact of the crisis on human resources in education?

After 2010, teacher numbers have been progressively affected by the restrictions in education funding

In most countries between 2007 and 2010, the number of school teachers has generally followed the fluctuations in the pupil/student population, but there are some exceptions. In Cyprus, Austria, Croatia, and to a lesser extent in Belgium, the number of teachers continued to grow while, at the same time, student numbers declined by between 3 % and 5 %. In contrast, in Italy and the United Kingdom, teacher numbers declined by 8.5 % and 4 % respectively, while student numbers continued to increase.

During 2011 and 2012, the number of teachers decreased in one third of countries for a variety of reasons (see Figure 3.5). The main cause reported was a fall in pupil/student numbers, but the reductions in public funding for education also contributed. In other countries or regions, the number of teachers has increased in recent years as a result of reforms leading to the inclusion of students with special needs in mainstream education (Belgium – Flemish Community, Greece, Slovenia and Croatia), and an increase in the number of teaching support staff (Malta and the United Kingdom – England).

Salary cuts and freezes have been used as one of the main mechanisms to reduce education expenditure

In the last two years, teachers' salaries have been directly affected by the economic downturn. Teaching staff salaries and allowances were reduced or frozen in around half of the countries examined. Starting from the 2009/10 school year and especially after mid-2010, the effect of the economic downturn and the pressure on public finances was much more pronounced; more countries were consequently obliged to apply salary cuts in the public sector. This was the case mainly in Ireland, Spain and Romania in 2010/11; in Slovenia, mainly in 2011/12 and in Greece, Ireland and Portugal in both years. Statutory salaries were frozen in eight countries in 2011 and 2012 (3 Baltic countries, Bulgaria, Italy, Hungary, Slovakia and Croatia). Although, no real cuts were applied, salaries were not index-linked to inflation levels; in practice, therefore, teachers' overall purchasing power declined in those countries.

In four countries (the Czech Republic, Poland, Slovakia and Iceland), teachers' salaries did increase in 2012, following a reform of the salary structure. Teachers' salaries in Romania also increased in 2012 and they are now almost back to pre-crisis levels.

Funding for continuing professional development is increasing

In eighteen European countries, funding for continuing professional development increased in line with the general policy objective of improving teachers' skills. Four countries (Cyprus, Austria, the United Kingdom (Scotland) and Norway) reported that the changes occurred in the context of curriculum or other educational reforms.

Has the economic crisis affected the resources for education infrastructure and the funding of specific education programmes?

Closing or merging education institutions due to economic constraints, though limited, took place.

The reductions in the number of pre-primary institutions and schools in two-thirds of European countries between 2010 and 2012 were primarily related to demographic changes. However, seven countries (Denmark, Italy, Latvia, Poland, Portugal, Slovakia and Iceland) report that the financial and economic crisis is also among the main reasons for the merger and closure of educational institutions. Furthermore, two of these countries (Latvia and Poland) have reformed funding mechanisms at local authority level in ways that have strengthened the number of closures and mergers. In addition, two countries (Latvia and Portugal) have recently reformed their regulations on class or school size, with the aim of limiting the number of educational institutions or teachers. Seven countries have not taken any measures at central level to restructure the network of educational institutions over the last three years.

In the majority of European countries, the number of higher education institutions has remained stable. In four countries, mergers and closures of institutions have occurred as part of broader strategies to reach an optimum number of institutions in terms of competitiveness, and avoid the overlapping of provision. However, in four other countries (Bulgaria, Italy, Latvia and Lithuania), efforts to control public spending have also led to reductions in the number of institutions.

A quarter of countries have cut back or postponed renovations or reduced maintenance on education buildings as a consequence of the crisis.

Between 2010 and 2012, eight European countries or education systems, namely Ireland, Poland, Romania, Slovenia, Slovakia, the United Kingdom (England and Northern Ireland), and Iceland reduced central or local level expenditure on construction, maintenance and the renovation of educational buildings as a consequence of the financial and economic crisis. Although these represent a small share of the total education budget, the deterioration of the infrastructure can impact on the quality of education. In the remaining countries, capital expenditure for pre-primary institutions and schools generally remained stable, but in two countries (Belgium and Sweden), it increased to pay for the modernisation of school buildings or to respond to an increase in student numbers.

Seven countries/regions, namely Bulgaria, the Czech Republic, Ireland, Cyprus, Slovakia, the United Kingdom (England) and Iceland reduced public funds for the construction, maintenance and renovation of higher education institutions. In contrast, three countries (Greece, Poland and Slovenia) had increases in capital expenditure for higher education in 2011 and/or 2012.

The funding of ICT resources and of specific programmes for educational support were also affected by cuts in education expenditure

Funding for central level strategies and other designated budgets to develop students' digital competences at school have so far largely escaped the impact of the economic and financial crisis. However, four countries (Spain, Cyprus, Poland and Iceland) report that centralised public spending on ICT equipment in schools has fallen over recent years as a result of the economic downturn. Targeted funding for support programmes at school level, such as tackling low achievement or reducing early school leaving, also remains a priority. Only the Czech Republic and Ireland report recent reductions in these budgets as a result of the need to reduce public spending.

In addition, two countries (Belgium – French Community and Malta) have strengthened their investment in computer equipment for schools, whilst three countries (Belgium – French and Flemish Communities, Spain and Norway) have recently increased their budget for specific programmes of educational support.

Have financial support programmes for students been affected by the economic constraints?

Spending on financial support for students has increased steadily between 2000 and 2009 but from 2010, support schemes for pupils and students are subject to increasing restrictions in education budgets.

The percentage of funds for the public financial support of students in the European Union increased between 2000 and 2009. This trend is mainly due to the relative rise in the percentage of financial assistance allocated to tertiary education students, which grew from 13 % to 17.4 % of the overall expenditure on education between 2001 and 2009. Financial support for students is one of the key ways to ensure high levels of participation in education, especially for disadvantaged groups of students.

From 2010, although the majority of countries have kept their general arrangements in place for pupil/student support, they still have applied restrictions to other financial assistance schemes. Eight countries reported a partial reduction in the proportion of funding for one or more of the support arrangements available to pupils and students. In some cases, the reduction was due to a fall in the number of potential beneficiaries (in the case of child allowances), or to a restructuring of the criteria for grant allocation.

Some restrictions were applied to the allocation of family allowances either by creating closer links between these allowances and participation in education (Bulgaria and Hungary), or by linking the level of child benefit to family income (the Czech Republic only in 2010, the United Kingdom and Iceland).

The provision of subsidised meals have been or will be subject to new restrictions in various countries including the Czech Republic (2010 - 2012), Poland, Slovenia and the United Kingdom (England) from 2013. However, budgets for subsidising pupil/student transport remain stable in most of the countries where this service is provided. Some countries do report recent increases in education transport budgets – Hungary, Malta, Romania and Slovenia.

Increased targeting of provision and financial support in further/adult education has occurred

The consequences of the financial and economic crisis for adult education provision are diverse, but in most cases the result has been the increased targeting of support to specific populations. The long-term unemployed are a specific group designated by some countries as a new priority for participation in further education programmes. Adults without upper secondary education qualifications are a second important target group. Finally, some countries (e.g. Ireland and Germany) are providing new opportunities for adults in formal education (especially in higher education) for re-skilling and updating their competences and knowledge.

In ten countries, the support for adult learners increased either by the creation of new funding mechanisms or through additional support from the European Social Fund (ESF). While six countries, namely Denmark, Ireland, Portugal, Slovenia, the United Kingdom (England) and Croatia are, in some way, limiting support. However, significant differences exist between them regarding the objectives, reasons and target groups concerned.

Some countries have introduced additional fees or monetary contributions as a result of the financial or budgetary restrictions

During the last decade, pre-primary education has become increasingly widely available, and in many cases is also being provided free of charge. Nevertheless, due to the financial restrictions, some countries such as Slovenia and Iceland have introduced additional requirements for parental contributions to cover costs in these settings.

In all countries, public sector school education is provided free of charge, but parents in many cases are requested to contribute more towards the costs of extra-curricular or other activities. Additional private financial contributions have become more common in 2011 and 2012 to compensate, in part, for the reductions in public funding for transportation or school meals.

Only a few countries report that reforms connected to the financial or budgetary restrictions have led to an increase in tuition fees in higher education. Spain and the United Kingdom are the countries where, in the last two years, tuition fees in tertiary education have been, or are in the process of being increased with the objective of aligning them with the real cost of studies.

What priorities have European countries set for 2013?

Efficiency, employability of graduates and improving the attractiveness of the teaching profession are among the priorities for 2013

While there were many individual priority areas in education, the issue of efficient use of resources, was often cited. The issue of efficiency was presented, for example, as the aim of carrying out an on-going review of tasks to increase the efficiency of educational administration (Austria), and the rationalisation of the school network to ensure the efficient use of funds and to eliminate administrative barriers (Slovenia).

Other common policy priorities for 2013 were the development and funding of specific programmes to improve the employability of people, particularly those who left education without qualifications. For example, strengthening the links between funding and the quality of education provided (the Czech Republic); developing initial professional qualification programmes so that all students have the opportunity to leave education with good job prospects (Spain); and prioritising early school-leavers and unqualified people in admissions to upper secondary education (Finland).

Increasing the attractiveness of the teaching profession is undoubtedly a challenge for the future. Securing an improvement in teachers' salaries is an objective for several countries including the Czech Republic and Estonia. In more specific terms, Latvia aims to increase teachers' salaries through improving the remuneration system by linking it to teachers' performance. A priority in Poland is to increase the basic minimum salary of public higher education staff by more than 9 % a year over the years 2013-2015. Other priorities related to teaching were, for example, improving teaching quality in higher education in Germany and the United Kingdom (Northern Ireland), and the creation of 60 000 teachers' positions within the next five years (2012 onwards) in France.

Other priorities mentioned by countries concerned higher education and research. For example, creating more student places (Denmark); allocating more funds to higher education (Bulgaria, Germany and Malta) and investing in research and innovation (Spain and Slovakia).

CHAPTER 1: ECONOMIC CONTEXT

Before starting to analyse the recent trends in the funding of education, it is important to understand the context in which European economies and public finances have been operating over the last decade. This general overview provides the budgetary framework in which education policies are developed.

The financial crisis of 2007-2008 and the consequent economic downturn have had a huge impact on public finances in all European Union countries over the last five years. Increasing public deficits and the level of public debt raised fears about the sustainability of public finance in the European Union. This situation led the European Commission and Member States to take strong actions to stabilise and then consolidate their fiscal situation, including a decision to strengthen governance through closer economic and budgetary coordination. The reinforced Stability and Growth Pact ⁽¹⁾ requires Member States to '*make significant progress towards medium-term budgetary objectives for their budgetary balances*'. Member states need to limit public debt to 3 % of GDP (gross domestic product) threshold of the Treaty, thus ensuring the long-term sustainability of public finances, and allows stronger corrective actions to be taken if necessary (i.e. launching the Excessive Deficit Procedure).

Further efforts (through annual stability programmes for Euro Area members and convergence programmes for other Member States) towards more budgetary discipline depend on the level of debt and deficit before and during the economic crisis. The forecasts of slow economic recovery, and the commitment of Member States to foster budgetary discipline, require strong action on public spending to lower government budget deficits and public indebtedness. In this context, all areas of government (including education) could potentially be affected by budget cuts.

This section explains the economic context in terms of the real growth rate of GDP (i.e. rate adjusted for inflation), budget balance and gross debt ratio within which future expenditure on education are decided.

1.1. Real GDP growth rate during the last decade

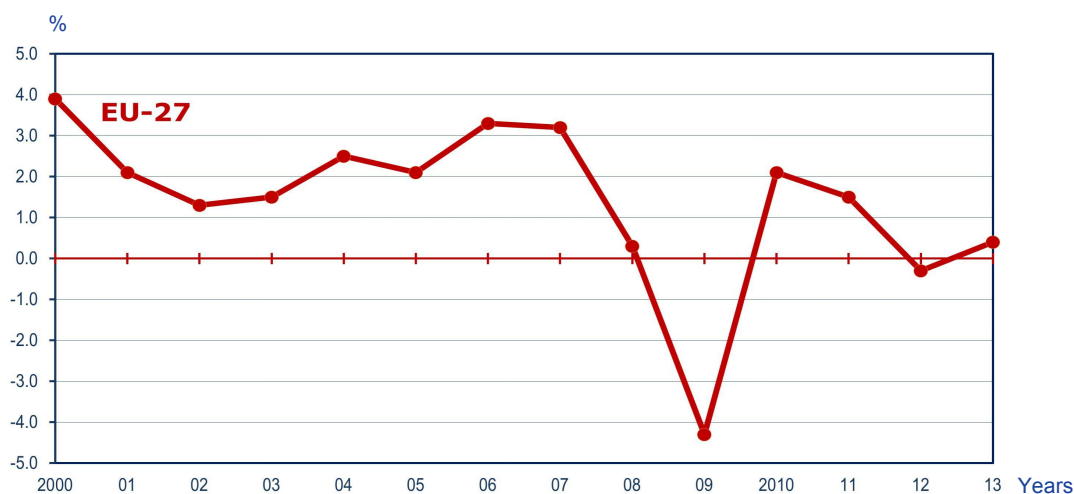
The financial crisis that started in 2007 has led to what is now considered as the worst economic crisis to affect European economies since World War II. In 2008, the real GDP growth rate of the European Union (EU-27) economy was just above zero (0.3 %); by 2009, the economies of both the EU-27 and the Euro Area (EA-17) were in recession with real GDP shrinking by 4.3 %. This recession was followed by a slow recovery for the EU-27 in 2010 with a 2 % real GDP growth rate and a 1.5 % real GDP growth rate in 2011. The EA-17 recorded a similar pattern with a 2009 recession of 4.4 % decline in the GDP and a similar pace of recovery. The European Commission forecasts show that the EU-27 might still experience a real decrease in its GDP of 0.3 % in 2012 and a weak recovery in 2013 with real GDP growth rates of 0.4 %. The EA-17 might also experience a real decrease of 0.4 % in its GDP in 2012.

The crisis revealed strong structural disparities between EU-27 countries (see Annex 1 for more details), which recorded diverging growth development during the crisis. Ireland and Latvia recorded three consecutive years of GDP decline (from 2008 to 2010). The real GDP of Latvia even decreased by nearly 18 % in 2009. The real GDP declined during two consecutive years in several Member

(1) The Stability and Growth Pact (SGP) is a rule-based framework for the coordination of national fiscal policies in the economic and monetary union (EMU). It was established to safeguard sound public finances, an important requirement for EMU to function properly. The Pact consists of a preventive and a dissuasive arm. (http://ec.europa.eu/economy_finance/economic_governance/sgp/index_en.htm)

States (Denmark, Estonia, Spain, France, Italy, Luxembourg, Romania, Sweden and the United Kingdom) as well as in Iceland and Croatia over the 2008-2011 period.

◆◆◆ **Figure 1.1: Real GDP growth rate (percentage change over previous year), EU-27, 2000-2013**



Source: Eurostat, National accounts statistics (data extracted December 2012).

Explanatory note

Gross domestic product (GDP) is a measure of economic activity, defined as the value of all goods and services produced, minus the value of any goods or services used in their creation. The calculation of the annual growth rate of GDP volume is intended to allow comparisons of the dynamics of economic development both over time and between economies of different sizes. For measuring the growth rate of GDP in terms of volumes, the GDP at current prices are valued in the prices of the previous year and the thus computed volume changes are imposed on the level of a reference year; this is called a chain-linked series. Accordingly, price movements will not inflate the growth rate.

Country specific note

EU-27: 2012 and 2013: Forecast.



1.2. Public deficits during the last 5 years

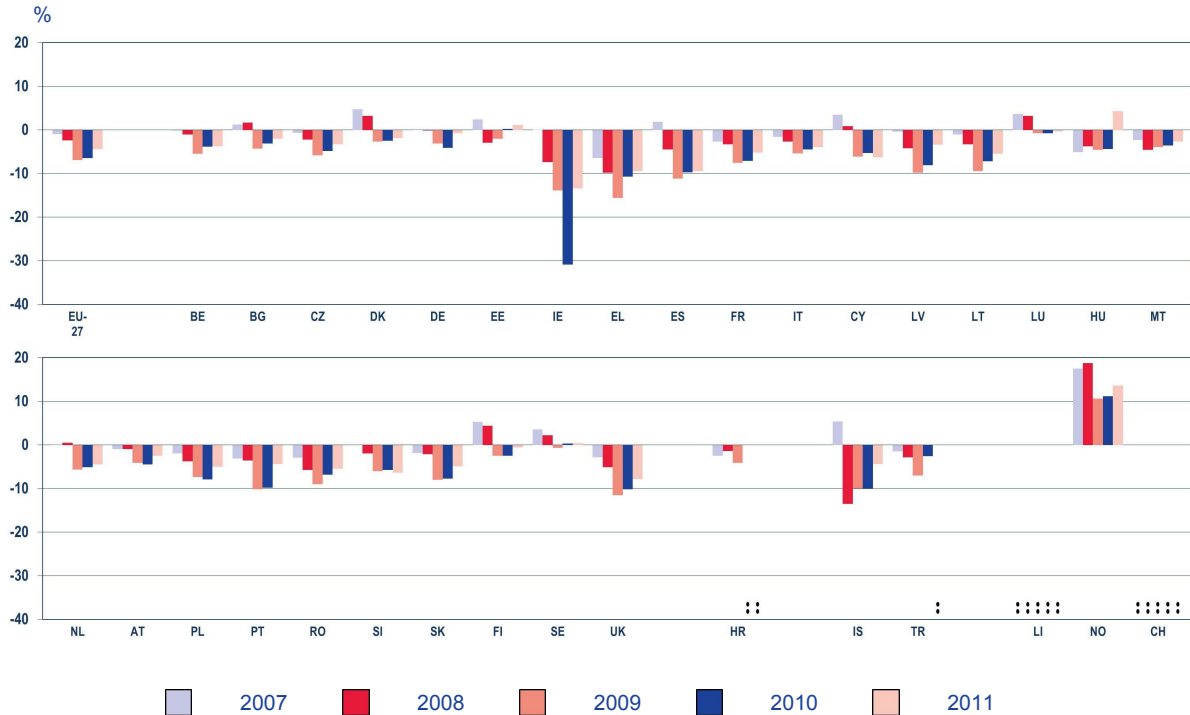
Slow economic growth and the public resources allocated to rescue the financial sector as well as public interventions in other areas had a huge impact on public finances in all EU countries. The combined deficit of the EU-27 countries rose from 0.9 % of the GDP in 2007 to 6.9 % of the GDP in 2009 and 6.5 % of the GDP in 2010. The deficit of the EA-17 as a share of GDP was a little lower, reaching 6.3 % and 6.2 % in 2009 and 2010 respectively. In 2011, the budgetary position of the EU-27 and the EA-17 improved significantly in comparison to 2009 and 2010 but remained tight. The budget deficit reached 4.4 % of the GDP of the EU-27 and 4.1 % of the GDP of the Euro area.

A deterioration of the fiscal situation occurred in all European countries but some recorded larger increases in fiscal deficits. Not surprisingly, countries that had the most solid fiscal position at the beginning of the crisis were better likely to manage keeping the deficits around the 3 % of GDP limit. The fiscal deficit stood at a two-digit level during two consecutive years (2009 and 2010) in Greece and the United Kingdom. Ireland recorded a two-digit government deficit during three consecutive years with a peak in 2010 representing 31 % of the GDP. Iceland also recorded a two-digit government deficit during three consecutive years (2008 to 2010).

In nearly all other European countries (except Germany, Estonia, Cyprus, Luxembourg, Hungary, Malta, Austria, Poland and Slovenia), the deficit reached its highest level in 2009. At its peak, the deficit usually accounted for more than 5 % of GDP except in Bulgaria, Denmark, Germany, Estonia, Luxembourg, Malta, Austria, Finland, Sweden and Croatia. Over the 2007-2011 period, only Denmark, Estonia, Finland and Sweden did not exceed the 3 % GDP deficit level. Over the same period,

Luxembourg recorded a surplus in 2007 and 2008 and almost balanced budget afterwards and Norway always recorded a positive budget balance.

◆ ◆ ◆ **Figure 1.2: Budget deficits/surplus under the Excessive Deficit Procedure as percentage of GDP, 2007-2011**



	EU-27	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	IT	CY	LV	LT	LU	HU
2007	-0.9	-0.1	1.2	-0.7	4.8	0.2	2.4	0.1	-6.5	1.9	-2.7	-1.6	3.5	-0.4	-1.0	3.7	-5.1
2008	-2.4	-1.0	1.7	-2.2	3.2	-0.1	-2.9	-7.4	-9.8	-4.5	-3.3	-2.7	0.9	-4.2	-3.3	3.2	-3.7
2009	-6.9	-5.5	-4.3	-5.8	-2.7	-3.1	-2.0	-13.9	-15.6	-11.2	-7.5	-5.4	-6.1	-9.8	-9.4	-0.8	-4.6
2010	-6.5	-3.8	-3.1	-4.8	-2.5	-4.1	0.2	-30.9	-10.7	-9.7	-7.1	-4.5	-5.3	-8.1	-7.2	-0.8	-4.4
2011	-4.4	-3.7	-2.0	-3.3	-1.8	-0.8	1.1	-13.4	-9.4	-9.4	-5.2	-3.9	-6.3	-3.4	-5.5	-0.3	4.3
	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK	HR	IS	TR	LI	NO	CH
2007	-2.3	0.2	-0.9	-1.9	-3.1	-2.9	0.0	-1.8	5.3	3.6	-2.8	-2.5	5.4	-1.5	:	17.5	:
2008	-4.6	0.5	-0.9	-3.7	-3.6	-5.7	-1.9	-2.1	4.4	2.2	-5.1	-1.4	-13.5	-2.8	:	18.8	:
2009	-3.9	-5.6	-4.1	-7.4	-10.2	-9.0	-6.0	-8.0	-2.5	-0.7	-11.5	-4.1	-10.0	-7.0	:	10.6	:
2010	-3.6	-5.1	-4.5	-7.9	-9.8	-6.8	-5.7	-7.7	-2.5	0.3	-10.2	:	-10.1	-2.6	:	11.2	:
2011	-2.7	-4.5	-2.5	-5.0	-4.4	-5.5	-6.4	-4.9	-0.6	0.4	-7.8	:	-4.4	:	:	13.6	:

Source: Eurostat, National accounts statistics (data extracted December 2012).

Explanatory note

The general government deficit/surplus is defined in the Maastricht Treaty as general government net borrowing/lending according to the European System of Accounts (ESA95). It is the difference between the revenue and the expenditure of the general government sector. The government deficit data related to the EDP (EDP B.9) differs from the deficit according to ESA95 (B.9) for the treatment of interest relating to swaps and forward rate agreements. The general government sector comprises the sub-sectors of central government, state government, local government and social security funds. The series are presented as a percentage of GDP and in millions of euro. GDP used as a denominator is the gross domestic product at current market prices.



1.3. Gross public debt

The financial and economic crisis has not only severely affected the fiscal situation of governments but they have also put a strain on the already high debt levels in the European Union (EU-27) and the Euro Area (EA-17). Before 2007, the gross debt ratio accounted for around 60 % of GDP in the EU-27 and 70 % of GDP in the EA-17.

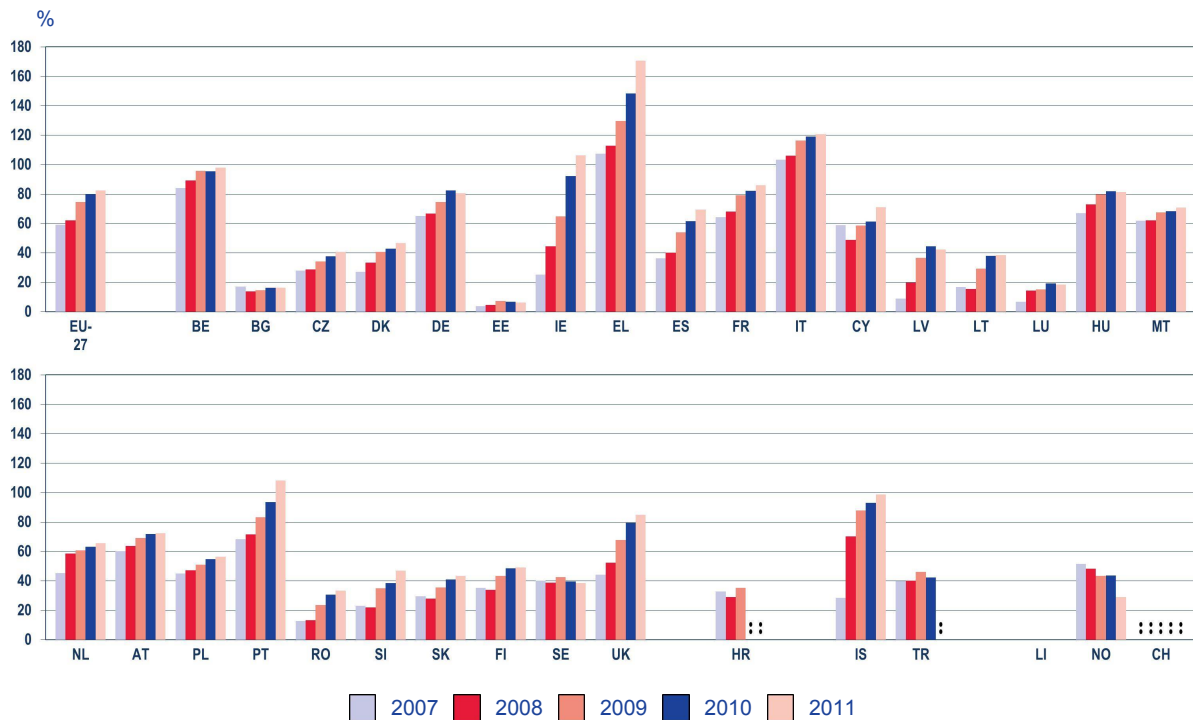
In 2007, the general government gross debt as a share of GDP was the lowest since 2000 in the EU-27 and the EA-17. Since then, it has increased every year and especially between 2008 and 2009 with an increase of 12.4 percentage points. In 2011, a gross debt ratio of 82.5 % was reached in the EU-27 and 87.3 % in the EA-17, which is more than 20 percentage points higher than the Maastricht criteria (set up at 60 %).

In nearly all European countries, the financial and economic crises have worsened public indebtedness: they have either compounded already high-level public indebtedness or highly affected countries whose starting point was more favourable. Only three countries (Bulgaria, Sweden and Norway) show a decrease in the gross debt ratio (as a percentage of GDP) when comparing 2007 with 2011.

Despite the recorded increases in their gross debt ratio more than one third ⁽²⁾ of the countries remained below the 60 % Maastricht threshold in 2011 with gross debt ratio of below 20 % in Bulgaria, Estonia and Luxembourg. At the other end of the scale, the gross debt ratio stands above 100 % of GDP in Ireland (106 %), Greece (170.6 %), Italy (120.7 %) and Portugal (108.1 %). In these countries, public indebtedness increased between 81.3 and 17.4 percentage points in 2011 compared to 2007. In addition, Belgium, France, the United Kingdom and Iceland had gross debt ratios higher than the EU-27 average in 2011. The gross debt ratio of Belgium and Iceland accounted for nearly 100 % of their GDP (98 % and nearly 99 % respectively) and stood at nearly 86 % in France and the United Kingdom.

⁽²⁾ Bulgaria, the Czech Republic, Denmark, the Baltic States, Luxembourg, Poland, Romania, Slovenia, Slovakia, Finland and Sweden

◆◆◆ Figure 1.3: Gross debt ratio as percentage of GDP, 2007-2011



	EU-27	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	IT	CY	LV	LT	LU	HU
2007	59.0	84.0	17.2	27.9	27.1	65.2	3.7	25.1	107.4	36.3	64.2	103.3	58.8	9.0	16.8	6.7	67.0
2008	62.2	89.2	13.7	28.7	33.4	66.8	4.5	44.5	112.9	40.2	68.2	106.1	48.9	19.8	15.5	14.4	73.0
2009	74.6	95.7	14.6	34.2	40.6	74.5	7.2	64.9	129.7	53.9	79.2	116.4	58.5	36.7	29.3	15.3	79.8
2010	80.0	95.5	16.2	37.8	42.9	82.5	6.7	92.2	148.3	61.5	82.3	119.2	61.3	44.5	37.9	19.2	81.8
2011	82.5	97.8	16.3	40.8	46.6	80.5	6.1	106.4	170.6	69.3	86.0	120.7	71.1	42.2	38.5	18.3	81.4
	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK	HR	IS	TR	LI	NO	CH
2007	61.9	45.3	60.2	45.0	68.4	12.8	23.1	29.6	35.2	40.2	44.2	32.9	28.5	39.9	51.5	:	
2008	62.0	58.5	63.8	47.1	71.7	13.4	22.0	27.9	33.9	38.8	52.3	28.9	70.3	40.0	48.2	:	
2009	67.6	60.8	69.2	50.9	83.2	23.6	35.0	35.6	43.5	42.6	67.8	35.3	87.9	46.1	43.5	:	
2010	68.3	63.1	72.0	54.8	93.5	30.5	38.6	41.0	48.6	39.5	79.4	:	93.1	42.4	43.7	:	
2011	70.9	65.5	72.4	56.4	108.1	33.4	46.9	43.3	49.0	38.4	85.0	:	98.8	:	29.0	:	

Source: Eurostat, National accounts statistics (data extracted December 2012).

Explanatory note

General government gross debt is defined in the Maastricht Treaty as consolidated general government gross debt at nominal value, outstanding at the end of the year in the following categories of government liabilities (as defined in ESA95): currency and deposits (AF.2), securities other than shares excluding financial derivatives (AF.3, excluding AF.34), and loans (AF.4). The general government sector comprises the sub-sectors of central government, state government, local government and social security funds. The series are presented as a percentage of GDP and in millions of euros. GDP, used as a denominator, is the gross domestic product at current market prices. Data expressed in national currency are converted into euro using end-year exchange rates provided by the European Central Bank.



CHAPTER 2: EXPENDITURE AND BUDGETS FOR EDUCATION

The economic crisis has increased the pressure on education systems. On the demand side, rising unemployment and a poor economic outlook have boosted the demand for education, with young people and adults trying to improve their employability or delaying their entry to the labour market by undertaking additional qualifications. On the supply side, the funding of education systems is under pressure by the commitment of Member States to lower their public spending to reduce public deficits.

The first section of this chapter analyses four indicators: total public spending on education, public spending on education as share of total public expenditure, expenditure per student and the spending on education compared to national GDP. The data sources used in this analysis are Education expenditure statistics from UOE and COFOG data collections of Eurostat.

The second section provides an overview of the most recent trends in funding between 2010 and 2012, examining the structure and size of national education budgets and the changes in funding by level of education and type of expenditure. However, as some countries' data is limited to budgets set by central authorities, it has not been possible to analyse the full impact of the budgetary changes on the education sector in all countries. This analysis is carried out on the basis of Eurydice data drawn from education budgets adopted by national authorities.

The last section of this chapter examines the budget priorities for education as specified by Member States for 2013. The most frequently cited being the efficient use of resources; increasing the employability of students; improving teachers' salaries and the quality of teaching; and promoting research and innovation.

2.1. Public spending on education between 2000 and 2010

The overall increase in the total amount of public spending on education between 2000 and 2010 was not abandoned in any European country (see heading 2.1.1). Although public spending on education did fall temporarily below the 2000 level in Bulgaria (2001 and 2002), Greece and Slovakia (2001) and Portugal (2009). In addition to provide a comprehensive picture of the developments in education spending also three relative indicators are analysed. These include: the proportion of education expenditure compared with total public expenditure; expenditure per student that takes account of demographic changes and enrolment rates; and education expenditure as proportion of national GDP.

The share of public expenditure devoted to education remained stable in most countries in 2010 compared with 2007 (see heading 2.1.2). However, in Denmark, Cyprus, Malta and Switzerland, the share of public spending dedicated to education, as a proportion of total public expenditure, increased by nearly one percentage point in 2010 compared to 2007.

In nearly all countries, the annual expenditure on public and private educational institutions per full-time equivalent student was higher in 2009 compared to 2000 (see heading 2.1.3). However, in the period 2007-2009, ten countries experienced decreases in expenditure in real terms per primary pupil.

Finally, since 2007, all European countries have at least maintained the existing share of GDP devoted to education (see heading 2.1.4). This might be due to the less pronounced changes in education expenditure, rather than to developments in GDP. Moreover, public expenditure on education as a share of GDP increased in those countries that suffered several consecutive years of recession from 2007 onwards. This shows that either public authorities protected spending on education from major cuts or, at the very least, that education expenditure decreased at a slower pace than national GDP.

2.1.1. Total public spending on education

The European Union (EU-27) increased the total amount of public spending on education between 2000 and 2010 (see Figure 2.1). In all countries, public spending on education did not fall below the 2000 level during the entire decade apart from in Bulgaria (2001 and 2002), Greece and Slovakia (2001) and Portugal (2009). Four main patterns can be seen when the expenditure trend is analysed.

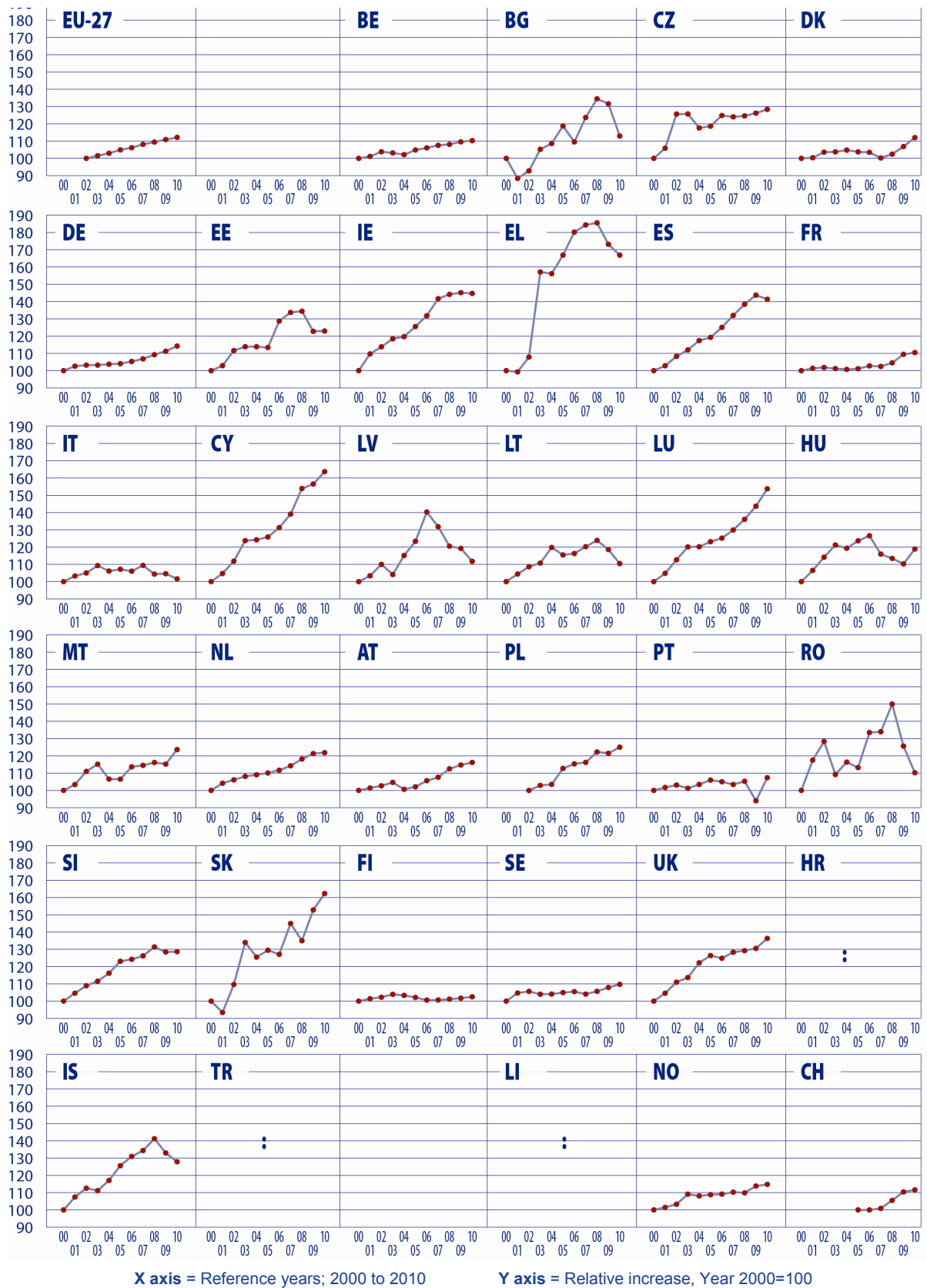
Six countries (Denmark, France, Italy, Portugal, Finland and Sweden) kept expenditure levels stable in real terms between 2000 and 2007. However, it is important to note that Denmark, Finland and Sweden already had some of the highest per capita rates of expenditure in the year 2000. During the period 2007-2010, Denmark, France and Sweden significantly increased their total education expenditure, in part as response to the crisis. Finland maintained a stable level while Portugal experienced a significant reduction in 2009, followed by a recovery in 2010. Finally the noticeable decrease in total public expenditure in Italy after 2008 is mainly due to the decision (Law 133/2008) to make national public spending more efficient, and to retrospective payments made in 2008, which did not corresponded to that fiscal year.

A group of eight countries (Belgium, Germany, Malta, the Netherlands, Austria, Poland, Slovenia and Norway) shows a constant slight growth in expenditure during the period with a minor decline in one or two years in the case of Austria and Malta. Between 2007 and 2010, the total expenditure continued to increase in all these countries, except in Slovenia where a slight decline of 0.2 percentage points exists.

A third pattern shows that eleven countries (Bulgaria, the Czech Republic, Estonia, Ireland, Spain, Latvia, Lithuania, Hungary, Romania, the United Kingdom and Iceland) experienced a significant increase in total public expenditure (between 25 % and 50 %) between 2000 and 2010, but had different trends during the period 2007-2010. On the one hand, the Czech Republic, Ireland and the United Kingdom continued to increase the funds available for the education sector after 2007, although at a slower pace. On the other hand, in the rest of the countries in this group, education expenditure was impacted in 2007 and/or 2008 and started to decline. This deterioration was greatest in Romania and Bulgaria where between 2008 and 2010 public expenditure in real terms was reduced by 40 and 21.6 percentage points respectively. Hungary had three years of decline after 2006 followed by a five percentage points increase between 2009 and 2010. Finally, after 2006 Latvia experienced four years of deterioration in expenditure with an accumulated decline of 28.5 percentage points.

Lastly, between 2000 and 2010, the level of public spending on education registered an increase of more than 50 % in Greece, Cyprus, Luxembourg and Slovakia. In this group of countries, as in the previous case, two different trends can be observed after 2007. In Cyprus, Luxembourg and Slovakia the steady increase continued in 2008 and 2009 while Greece reduced its total public spending on education after 2008 with 18.7 percentage points.

◆ ◆ ◆ Figure 2.1: Trends in total public spending on education at constant prices from 2000-2010 (2000 = 100)



Source: Eurostat, National accounts statistics and COFOG (data extracted November 2012).

Explanatory note

Total public spending on education expressed in millions of Euros has been deflated by the price index, 2000=100 (based on Euros) of the individual consumption expenditure of general government.

Country specific notes

EU-27: Total public spending on education represented as a weighted average. 2002 – estimates and provisional data; 2003 – provisional data.

Bulgaria and Hungary: Total public spending on education 2000-2010 – provisional data.

Greece: Total public spending on education: 2000-2010 – provisional data. Price index: 2000-2004 and 2006-2010: provisional data and 2005: break in series.

Spain: Total public spending on education 2007 – provisional data. Total public spending on education deflated by the price index, 2000=100 (based on Euros), of the final consumption expenditure of general government.

Latvia: Price index – 2000-2010 break in series.

Netherlands: Total public spending on education: 2000-2008 – provisional data.

Portugal: Price index 2010 – provisional data.

Slovakia: Total public spending on education 2000-2002 – estimates; 2003-2007 – provisional data.

Iceland: Total public spending on education deflated by the price index, 2000=100 (based on euros), of the final consumption expenditure of general government.

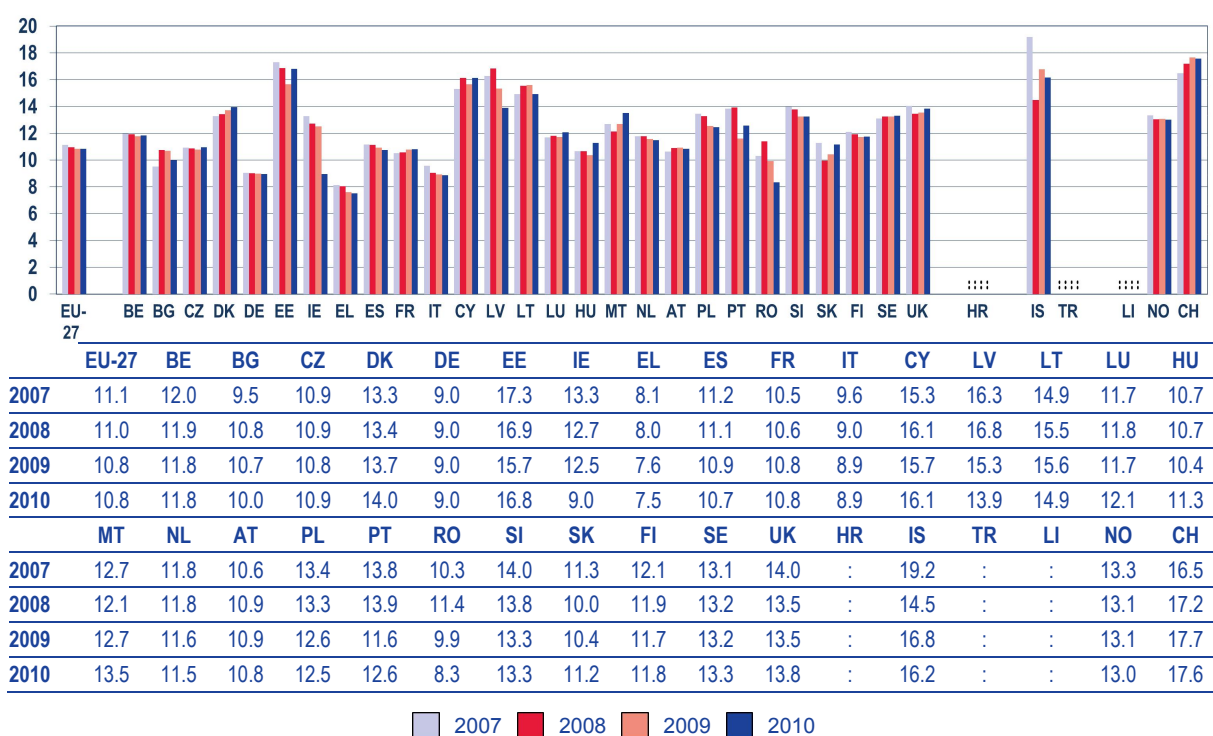


2.1.2. Public spending on education as a proportion of total public expenditure

EU Member States have committed themselves to reducing public deficits to sustainable levels in the medium term. This can happen through increased tax revenues, reduced public spending or a combination of both.

The analysis of public spending on education as a proportion of total public expenditure can indicate the relative importance attached to the education sector, but does not alone allow definite conclusions to be drawn with respect to the actual levels of education funding (see Section 2.1.1). An increase in the proportion of spending on education may reveal either that public spending on education grew more rapidly than total public expenditure (or other functions), or that it decreased at a slower pace than total public expenditure. On the other hand, a decrease in public spending on education as a share of total public expenditure may be explained by a slower rise in education expenditure compared to other government functions or, conversely, a greater decrease in education expenditure compared to the decrease in total public expenditure.

◆ ◆ ◆ **Figure 2.2: Education expenditure as a share of total public expenditure, 2007-2010**



Source: Eurostat, National accounts statistics and COFOG (data extracted November 2012).

Explanatory note

The Figure uses the Classification of the Functions of Government (COFOG), which classifies government expenditure data by the purpose for which the funds are used. The scheme has two levels. First-level COFOG splits expenditure data into ten 'functional' groups or sub-sectors of expenditure and the second-level splits these groups further into up to nine sub-groups. Education is one of the ten first-level groups and its sub-groups cover: formal education by ISCED level (from pre-primary education to tertiary education); 'Education not definable by level' (which could be understood as non-formal education in some countries); 'Subsidiary services to education'; 'R&D Education' and 'Education not elsewhere classified'.

Country specific notes

EU-27, Bulgaria, Greece and Hungary: 2007-2010 – provisional data.

Spain and Slovakia: 2007 – provisional data.

Netherlands: 2007 and 2008 – provisional data.



In most countries, the share of public spending on education as a proportion of total government expenditure remained stable (see Figure 2.3). From 2007 onwards, in some countries, public spending on education grew a little faster (or declined less) than total public expenditure. This is the case, for instance, in Denmark, Cyprus, Malta and Switzerland. In these countries, the share of public spending dedicated to education, as a proportion of total public expenditure, increased by nearly one percentage point in 2010 compared to 2007.

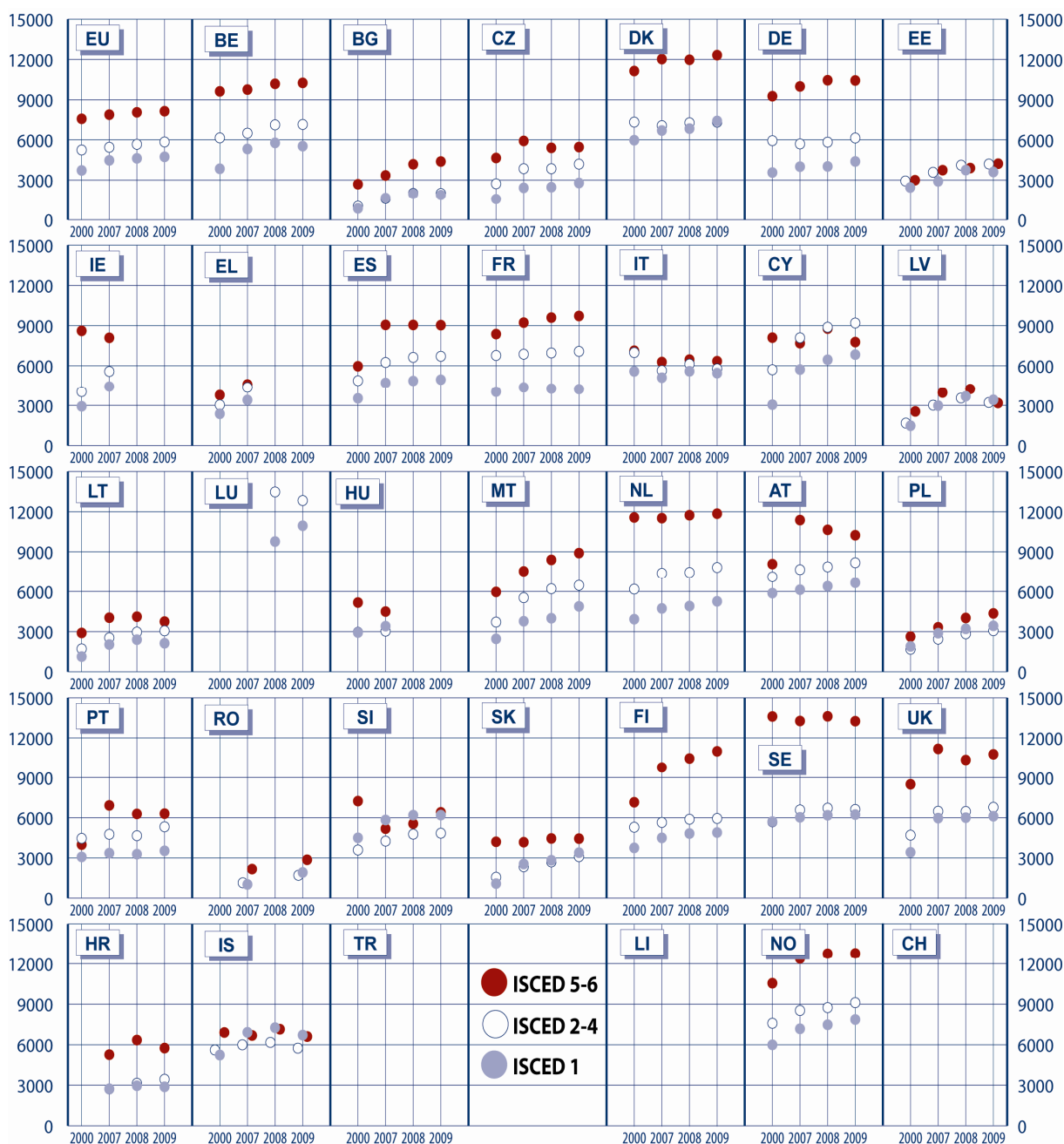
At the other end of the scale, the most significant decreases occurred in four countries (Ireland, Romania, Latvia and Iceland) mainly due to the strong increase in general public expenditure. In Ireland, total public expenditure increased sharply between 2009 and 2010 (to support the economy), whereas education expenditure remained more or less stable and thus its share declined by 3.5 percentage points. Total public expenditure increased slightly in Romania between 2009 and 2010 (in favour of social protection) and the share of the spending on education decreased (-1.6 percentage points). In Latvia, where the distribution of total public expenditure shifted in favour of economic support, total public expenditure decreased less rapidly (between 2009 and 2010) than education expenditure and the share was reduced from 16.3 % to 13.9 %. Finally, Iceland in 2008 registered a dramatic decrease in the value of public spending on education, whereas total public expenditure decreased at a slower pace. This explains the strong decrease of 4.7 percentage points in public spending on education as a share of total public expenditure between 2007 and 2008. In 2009, public spending on education decreased at a slower pace than total public expenditure and the share of education spending rose again to 16.8 %.

2.1.3. Expenditure per student at different levels of education

Demography and enrolment rates have an impact on the trends in the overall amount of funds dedicated to each level of education. Redirecting resources from one level of education to another is, however, a long-term process. Moreover, the distribution of expenditure between education levels depends largely on the distribution of pupils/students across the levels. The significant proportion of funding allocated to non-tertiary levels (see Annex 2) can, therefore, be understood in terms of the distribution of pupils/students by level of education; non-tertiary education pupils and students representing 70 % or more of the total student population in all European countries. The distribution of public spending on education between levels may also depend on the organisation and the mechanisms of budgetary decision-making.

In the majority of European countries, pupil/student costs usually increase with the level of education. However, this pattern does not apply consistently to all school years across all countries. This is noticeable in Estonia, Greece (for 2000 and 2007), Italy, Latvia, Poland, Romania and Iceland where the cost per student is similar at most levels of education.

◆◆◆ Figure 2.3: Annual expenditure per student in PPS, at primary (ISCED 1), secondary and non-tertiary levels (ISCED 2-4), and tertiary level of education (ISCED 5-6), based on full-time equivalents at constant prices, 2000, 2007, 2008 and 2009



Source: Eurostat, UOE (data extracted August 2012).

Explanatory note

Annual expenditure per student in public and private educational institutions measures how much central, regional and local administrations, households and other private bodies (businesses and non-profit organisations) spend per pupil/student. Annual expenditure includes staff costs, current expenditure and capital expenditure. The indicator has been calculated by dividing the total amount of annual expenditure by the number of full-time equivalent students in the level of education concerned.

The annual expenditure figures have been converted into purchasing power standard (PPS) to eliminate price differences between countries and deflated by the GDP price index (base year 2000). The PPS is based on the Euro. The price index of GDP by main components was used to calculate expenditure in constant prices.

For more details on data coverage and country specific notes see Annex 3.



In nearly all countries, the annual expenditure on public and private educational institutions per full-time equivalent primary pupil was higher in 2009 compared to 2000, except in Italy (compared to 2001). However, in the period 2007-2009, several countries experienced decreases in expenditure, in real terms, per primary pupil (see Figure 2.3). This was true in 2008 and 2009 in France, in 2008 in Portugal, and in Belgium, Bulgaria, the Baltic States, Italy, Iceland and Croatia in 2009.

Focusing on the trend after the beginning of the financial crisis shows that some countries recorded one year of 'stability' in annual expenditure per secondary student at constant prices. This is for instance what happened in the Czech Republic, France, the Netherlands and the United Kingdom in 2007 and 2008. Such 'stability' also occurred between 2008 and 2009 in Belgium, Bulgaria, Denmark, Estonia, Spain, Lithuania and Finland.

At constant prices, the annual expenditure per tertiary student was higher in 2009 compared with 2000 in almost all European countries. This is marked in Bulgaria, Spain, Malta, Poland, Portugal and Finland where the investment per student increased by 50 % or more in real terms in nine years.

2.1.4. Public spending on education as a share of GDP

Public spending on education as a percentage of GDP is a commonly used indicator to show what proportion of national wealth is invested in education. However, even during crisis periods, when countries are in recession and GDP is declining (see Annex 1 for more details on national changes in GDP), countries are either maintaining a stable relationship between GDP and education expenditure or the rate of decline in education spending is slower than GDP, thus producing a positive change in the indicator. For this reason, such data must be considered with caution and careful analysis is needed of each component, namely education expenditure and GDP.

Overall, post-2007, all European countries have at least maintained the existing share of GDP devoted to education. Looking at the wider picture, during the 2000-2010 period, the maximum variation in the share of GDP devoted to education was usually less than 2 percentage points. This may indicate the willingness of policy-makers to maintain investment levels in education as a way to secure future economic growth. It might also be the result of 'inertia' in public spending on education, as it involves long-term commitments such as capital expenditure or staff salaries, which are difficult to adjust in the short term.

In 2009, nearly all European countries were in recession (i.e. their GDP decreased) but nearly all maintained or increased their public spending on education, except Portugal and Romania where the share of GDP allocated to education fell by 0.4 percentage points. Furthermore, in Ireland and Lithuania (see Figure 2.4), education expenditure as share of the GDP increased to more than 6 % in 2009, while at the same time GDP decreased by between 5 % and 15 % respectively. In Greece, public spending on education remained close to 4 % of GDP from 2008 onwards, while GDP decreased by between 3 % in 2009 and almost 5 % in 2010.

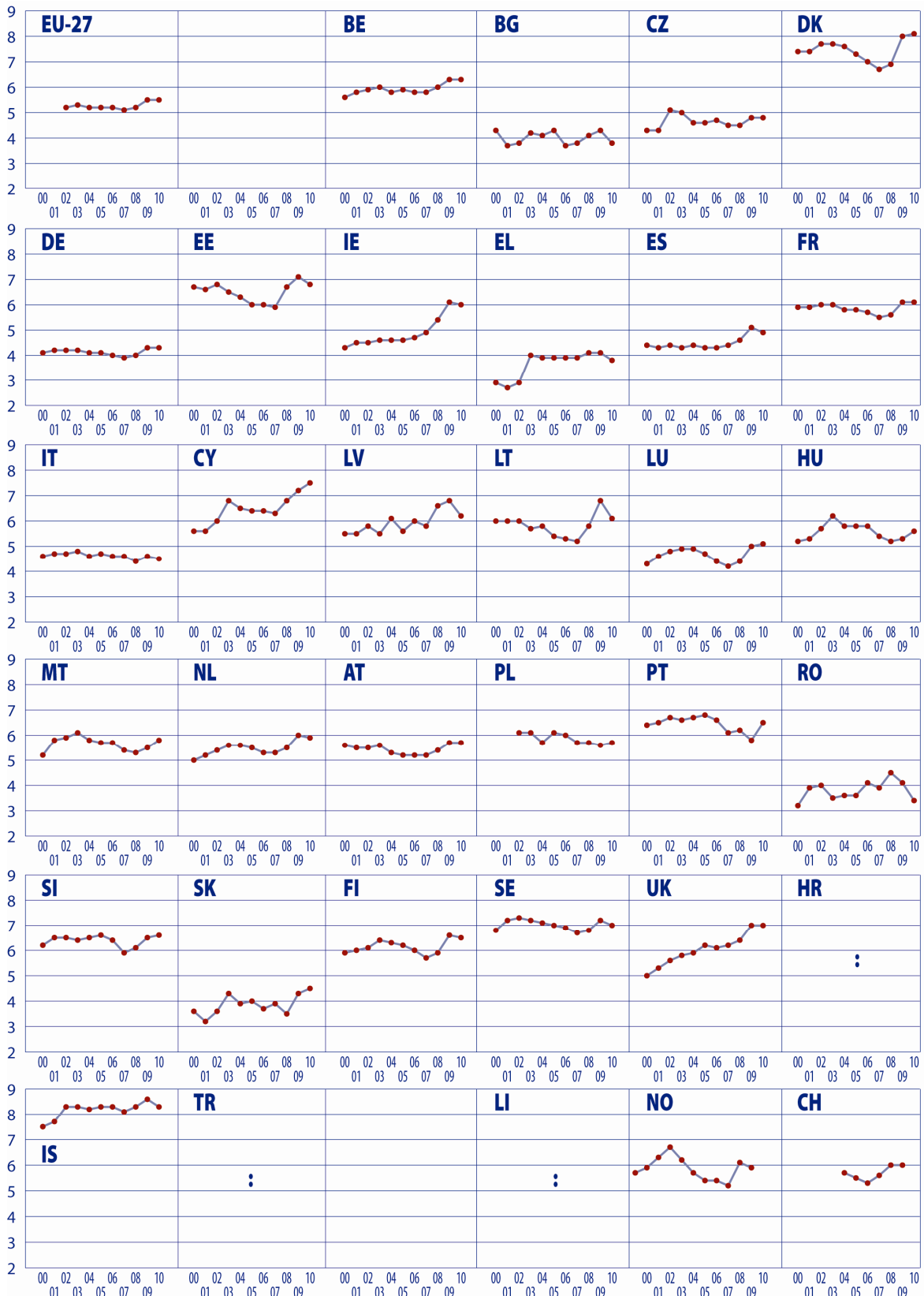
Explanatory note (Figure 2.4)

The Figure uses the Classification of the Functions of Government (COFOG) as this is the only source with available data for 2010.

COFOG classifies government expenditure data by the purpose for which the funds are used. The scheme has two levels. First-level COFOG splits expenditure data into ten 'functional' groups or sub-sectors of expenditure and the second-level splits these groups further into up to nine sub-groups. Education is one of the ten first-level groups and its sub-groups cover: formal education by ISCED level (from pre-primary education to tertiary education); 'Education not definable by level' (which could be understood in some countries as non-formal education); 'Subsidiary services to education'; 'R&D Education' and 'Education not elsewhere classified'.

The information presented in the figure using COFOG is not directly comparable with the data on Education expenditure available in the UOE data collection of Eurostat. Differences exist in the methodology for data collection, the scope of the general government sector, the treatment of private expenditure, the primary data sources and compilation methods, the definition of government expenditure, the treatment of R&D expenditure, etc. Please see the country specific notes for countries with underestimated data in COFOG in comparison with UOE.

◆◆◆ Figure 2.4: Public spending on education as a share of GDP, 2000-2010



X axis = Reference years; 2000 to 2010

Source: Eurostat, National accounts statistics and COFOG (data extracted November 2012).

Country specific notes

Belgium, Bulgaria, Ireland, Austria and Finland: Data indicated in the figure are underestimated by more than 0.2 percentage points compared with UOE data. UOE data for public expenditure on education as a share of GDP in 2009 for those countries was: Belgium (6.57 %), Bulgaria (4.58 %), Ireland (6.5 %), Austria (6.01 %) and Finland (6.81 %).

Denmark, Germany, Cyprus and Norway: Data indicated in the figure are underestimated by more than 0.5 percentage points compared with UOE data collection. UOE data for public spending on education as a share of GDP in 2009 for those countries was: Denmark (8.72 %), Germany (5.06 %), Cyprus (7.98 %) and Norway (7.32 %).

Bulgaria, Greece and Hungary: 2000-2010 – provisional data.

Germany: National authorities estimate that in 2010, following the UOE methodology, public spending on education as a share of GDP will be above 5 %.

Spain: 2007 provisional data.

Netherlands: 2000-2008 – provisional data.

Slovakia: 2000-2002 – estimates; 2003-2007 – provisional data..



In 2009 compared to 2008, the share of GDP devoted to public spending on education increased slightly, while GDP declined in Denmark, Estonia, France, Italy, Luxembourg, Sweden and the United Kingdom. However, in Estonia and Italy, this increase was mainly due to a smaller percentage reduction in education expenditure compared with the contraction in GDP. In 2010, all these countries registered growth in their GDP while the share of GDP devoted to education remained stable or showed a slight decline which indicates a slower growth in education expenditure.

In 2010, public spending on education as a share of GDP decreased by 0.5 percentage points or more in only a few countries: Bulgaria, Latvia, Lithuania and Romania. In contrast, in Portugal, the share of public spending on education represented 6.5 % of GDP in 2010 compared to 5.8 % in 2009.

2.2. Recent changes to education budgets from 2010 to 2012

The previous section of this chapter examined changes in education expenditure based on comparable statistical data from Eurostat. In order to gain an overall picture of the most recent changes in education funding, information on education budgets adopted by European countries was collected for the years 2010, 2011 and 2012. As more than 85 % of the expenditure on education at EU-27 level is from public sources, education budgets can be seen as a reliable proxy of actual education spending in the respective years.

This section compares only annual changes in education budgets in percentage terms. The changes are calculated from budget figures given by countries. The budgets for 2012 and 2011 are deflated to the 2010 price level ⁽³⁾, to take into account changes in different inflation rates between countries. The focus in the analysis is on the general education budget, with a brief glance at the differences between the school and tertiary/adult education sectors, and at the different expenditure categories (capital expenditure, current expenditure and expenditure for human resources).

A rather mixed picture emerges when comparing the national education budgets in constant 2010 prices. On the one hand, six countries (Greece, Lithuania, Hungary, Portugal, Romania and Iceland) reduced their national education budget by more than 5 % in 2011, and eight countries made similar reductions in 2012 (Greece, Italy, Cyprus, Lithuania, Latvia, Portugal, the United Kingdom – Wales, and Croatia). On the other hand, budgets were increased in real terms by more than 1 % in 2012 in Belgium – German-speaking Community, Denmark, Luxembourg, Malta, Austria, Romania, Slovakia, Iceland and Turkey.

When looking at the budgets allocated for the different levels of education it can be seen that no specific priority is given to one or other part of the system. Where cuts are applied, they generally apply to both schools and higher education.

⁽³⁾ Using the Harmonised Index of Consumer Prices (HIPC) for 2010 and 2011 defined by Eurostat.

From the twenty four countries with available data by category of expenditure, seventeen reduced the planned budget for capital expenditure in at least one of the years analysed, with further significant cuts in 2012; six countries decreased the budget for current expenditure in both 2011 and 2012. Human resource costs were cut mainly in those countries most affected by the crisis.

Funding mechanisms for grant-aided private schools have remained stable in most countries. Indeed, only in the Czech Republic have funding mechanisms been modified to create equal funding conditions. Malta anticipates an increase in capital expenditure for private schools. Finally, in Portugal, some of the recent reforms to the underlying principles of funding could lead to a decrease in per capita expenditure

2.2.1. Changes in the total budget for education from 2010 to 2012

Total public spending on education usually comprises spending by many different levels of authority (central, regional, local), as well as from other sources such as the European Social Fund (ESF). This analysis is based on central level budgets in twenty-two countries; eight countries included budget figures from both central and regional/local level; and finally, eleven countries included funds from other sources, such as the ESF (see Annex 4 for more detailed information).

Many countries have kept their education budgets stable despite the crisis and declare that a shift in priorities towards a more efficient use of resources has been carried out. However, around half of the countries reduced their education budget in either 2011 or 2012 (see Figure 2.5). While the economic crisis was an important factor in budget reductions in many countries, demographic reasons for budgetary cuts in education were also cited.

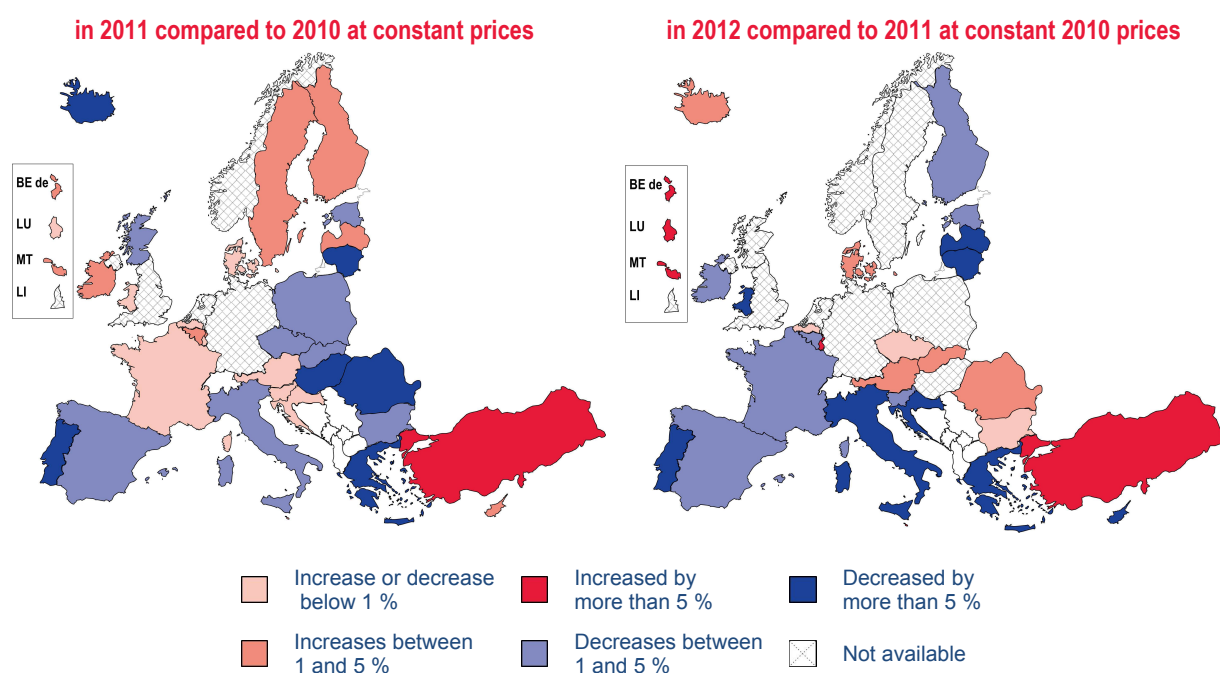
To evaluate correctly the available resources for education, national education budgets at constant 2010 prices need to be compared, taking into account the rise in prices that took place in 2011 and 2012. When the available education budgets for 2011 and 2012 are deflated to the 2010 price levels, it is apparent that, in real terms in 2011, there were decreases of over 19 % in Greece, over 13 % in Romania, nearly 7 % in Hungary and Lithuania, around 5 % in Portugal and Iceland, and a smaller decline in eight other countries. The reductions in spending were achieved in different ways. In Greece, Estonia, Lithuania and Romania reductions were made, for example, through reducing the salaries of teachers (see Chapter 3), and in Estonia and Romania also through school closures for demographic reasons (see Chapter 4). In Portugal and Ireland, the decrease was mostly due to cuts in salaries, but in Portugal also through the reorganisation of schools with mergers and closures.

In 2011, nine countries were able to increase the education budget by more than 1 % in real terms. Compared to 2010, the largest increases in education budgets increased were in Turkey (about 10 %), Belgium (French and German-speaking Communities), Cyprus, Malta Finland and Sweden (between 1.5 % and 3 %).

Explanatory note (Figure 2.5)

The percentage changes are calculated from budget figures provided by national authorities. The data provided for 2012 and 2011 were deflated to the 2010 price level using the harmonised index of consumer prices (HICP) available for 2010 and 2011 in order to take into account differences in inflation rates between the countries. For Greece, Portugal and Slovenia (for 2012) the figures for changes in the overall budget are based on estimates given by the countries. For more details on the coverage of budgetary data see Annex 4.

◆◆◆ Figure 2.5: Changes in budgets for all education levels in constant prices (ISCED 0-6)



Source: Eurydice.

Country specific notes

Belgium (BE fr): Only expenditure for educational institutions is included, no administrative expenditure. Data refer only to the education budget of the French Community. Federal budget, local budgets and funds from ESF and other EU instruments are not reported.

Belgium (BE de): Data refer only to the education budget of the German-speaking Community. Federal budget, local budgets and funds from ESF and other EU instruments are not reported.

Belgium (BE nl): Includes only expenditure directly linked to specific education levels, not, for example, scholarships or school transport. Data refer only to the education budget of the Flemish Community. The federal budget, local budgets and funds from ESF and other EU instruments are not reported.

Bulgaria: The data covers the expenditure transferred from the Ministry of Education, Youth and Science to municipalities from the central budget. They show only the expenditure for activities delegated by the State and not expenditure for local activities.

Czech Republic: The data includes the budget from the Ministry of Education, Youth and Sport. Funds from the regions and municipalities are not covered. R&D costs at tertiary level are not included.

Estonia: Includes only expenditure allocated to rural municipalities and cities from the Ministry of Education and Research budget (i.e. the state budget). Other ministries account for about 10 % of spending which is not included. About 30 % of overall education expenditure is provided by local governments (about 95 % of pre-primary education costs and 35-40 % of general education costs).

Greece: Data cover central, regional and local budgets, as well as funds from ESF and other EU instruments.

Spain: Data for 2011 and 2012 are provisional.

France and Romania: Adult education not included.

Italy: The figure for current expenditure on tertiary education comprises all financial transfers from central government to state-owned universities. Fees paid by students or other revenues from bodies other than central government are not included.

Cyprus: For 2011 and 2012, all the expenses relating to ICT and infrastructure for all levels of education are included in the administration budget; expenses relating to publications and the purchase of educational books are included in the Programme Development Services budget.

Latvia: Data based on estimates. The reduction in the budget in 2012 is partly related to the extraordinary funding that was made available in 2011 related to the Climate Change Finance Instrument's (CCFI), which was included in the State Budget. Financing was provided to education institutions for the renovation of buildings and to increase their energy efficiency.

Hungary: Data includes both central and local level budgets. The data for adult education includes all education programmes outside the school.

Malta: Data for 2010 is actual expenditure. Data for 2011 and 2012 are estimates.

Austria: Expenditure for pre-primary education is not included. Due to the budgetary autonomy of the Austrian Public Universities and Universities of Applied Sciences both capital expenditure and personnel costs are included in current expenditure. Expenditure on adult education includes programmes under the responsibility of the Federal Ministry of Education and ESF fund.

Poland: Data not available for school education (ISCED 0-3). Expenditure in tertiary education based on actual figures increased by 5.6 % between 2010 and 2011. Data on actual expenditure in 2012 are estimated to be higher than the budgets set in the Budgetary Act for 2012.

Portugal and Slovenia: Data based on estimates.

Romania: Data for adult education is not available. Data for 2010 and 2011 are from actual spending. For 2012, the data represent the funds allocated based on the state budget law for the year 2012.

Slovakia: Data for adult education are not available. The figures include the budget of the Ministry of Education, Science, Research and Sport together with the funding of counties and municipalities, excluding budget for research and development of higher education. The data for 2012 are indicative values.

Sweden: No overall budget data for education is available. The Swedish education system is decentralised and the operating responsibility is delegated to municipalities and schools. The funding is shared between state and municipalities and only data on expenditure for different education levels are available for 2011.

United Kingdom (ENG/NIR): Human resource costs are not included.

Croatia: Includes only personnel costs of schools and tertiary education.



The following year, in 2012, the most significant budget decrease is evident in Cyprus, at almost 15 %, mostly due to cuts in tertiary education of almost 30 %. In Cyprus, there were also mergers and closures of schools due to falling pupil numbers. Greece, Latvia, Lithuania and the United Kingdom (Wales) had almost a 10 % decrease in 2012 compared to 2011. Italy, Portugal and Croatia displayed a decrease of around 5 %. In Latvia, the decrease in 2012 is partly related to the extraordinary funding that was available in 2011 (see Country specific note).

In 2012, budget increases of more than 1 % at constant prices were registered in nine countries, the largest being in Belgium (German-speaking Community) at around 11 % and in Malta, Luxembourg and Turkey at about 7 %. The reasons for the increases ranged, for example, from an increased number of students in Turkey, to more investment in human resources in Luxembourg and Malta, and an ambitious investment plan for building new education infrastructure in Belgium (German-speaking Community).

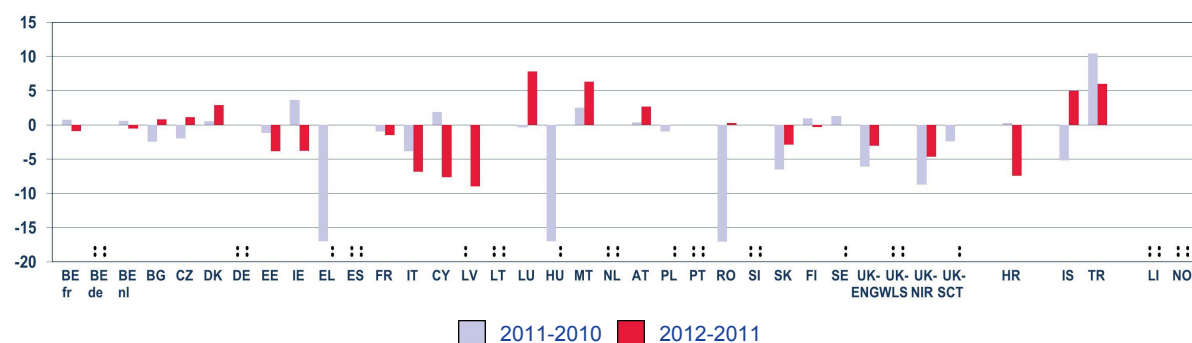
Budgetary reductions in education are likely to continue in some countries in the near future. For example, Cyprus anticipates reducing current education expenditure by at least 3 % and also to reducing human resource costs; in Portugal, the Ministry of Education forecasted a reduction of 3.5 % in the budget; and in the United Kingdom (Wales), capital expenditure is expected to decrease in real terms by half between 2010 and 2015. Furthermore, the Czech Republic and Slovakia anticipate an impact on their budgets in the coming years because of the need to balance their overall public finances.

2.2.2. Changes to budget allocations for specific education levels

When looking specifically at the budgets allocated for **schools (from pre-primary to upper secondary level)**, the changes reflect quite closely the developments in overall education budgets (see Figure 2.6a). This is not surprising as, in all countries, the majority of the education budget is allocated to schools; the EU average being about 75 % (see Annexes).

In 2011, the greatest decreases were registered in Greece, Hungary and Romania (around 17 %), and smaller reductions were also seen in Slovakia, the United Kingdom (England and Northern Ireland) and Iceland (around 5 %). In 2012, the greatest decreases were in Latvia (almost 9 %) and Cyprus, Italy and Croatia (about 7 %). In Latvia, the decrease of the education budget in 2012 (both at school level as well as tertiary level) is in part explained by the extraordinary allocation of funds in 2011 from the Climate Change Finance Instrument (CCFI) which was included in the State Budget. These resources were provided to educational institutions for the renovation of buildings and increasing their energy efficiency.

◆ ◆ ◆ **Figure 2.6a: Percentage change in budget allocations for pre-primary, primary and secondary education levels in 2012 and 2011 compared to the previous year at constant 2010 prices**



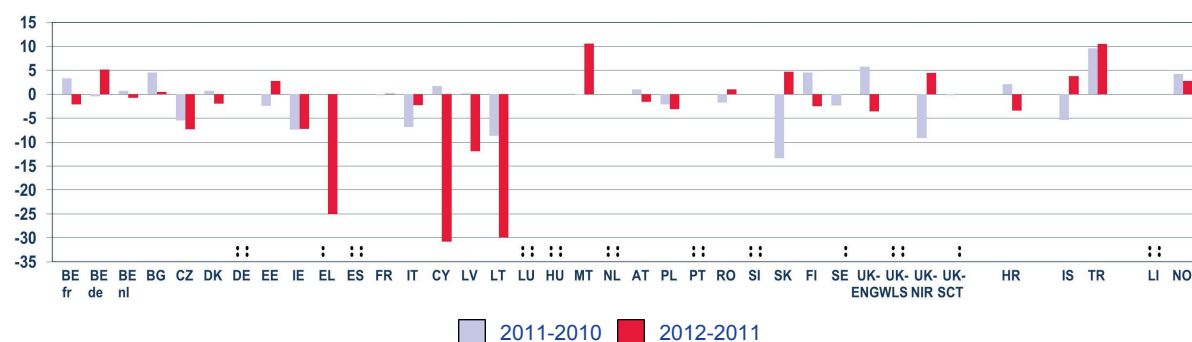
	BE fr	BE de	BE nl	BG	CZ	DK	DE	EE	IE	EL	ES	FR	IT	CY	LV	LT	LU	HU	MT
2011-2010	0.8	:	0.6	-2.4	-2.0	0.6	:	-1.2	3.7	-17.0	:	-0.9	-3.8	1.9	:	:	-0.4	-17.0	2.6
2012-2011	-0.9	:	-0.5	0.8	1.1	2.9	:	-3.8	-3.8	:	:	-1.5	-6.8	-7.6	-8.9	:	7.8	:	6.3
	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK-ENG	UK-WLS	UK-NIR	UK-SCT	HR	IS	TR	LI	NO	
2011-2010	:	0.4	-1.0	:	-17.0	:	-6.5	1.0	1.3	-6.1	:	-8.7	-2.4	0.3	-5.2	10.5	:	:	
2012-2011	:	2.7	:	:	0.3	:	-2.9	-0.3	:	-3.0	:	-4.6	:	-7.4	5.0	6.0	:	:	

Source: Eurydice.



Data on **tertiary and adult education** are analysed together, as it was not possible to split these two levels (see Figure 2.6b). However, the effect of the very large share of the tertiary education budget makes the changes in adult education funding less evident (for more details, see Section 5.3). The recent data on the changes in budgets for tertiary and adult education combined show that nearly half of the twenty eight countries, for which data was available, reduced their budgets at constant prices in 2011 compared to the 2010 figures. The greatest decreases occurred in Slovakia (nearly 15 %) while more than a 5 % reduction was registered in the Czech Republic (excluding R&D funds), Ireland, Italy, the United Kingdom (Northern Ireland) and Iceland. In 2012, the biggest cuts were made in Cyprus and Lithuania (over 30 %) and Greece (25 %).

◆ ◆ ◆ **Figure 2.6b: Percentage change in budgets for tertiary and adult education in 2012 and 2011 compared to the previous year at constant 2010 prices**



	BE fr	BE de	BE nl	BG	CZ	DK	DE	EE	IE	EL	ES	FR	IT	CY	LV	LT	LU	HU	MT
2011-2010	3.3	-0.4	0.7	4.5	-5.5	0.7	:	-2.5	-7.4	:	:	-0.2	-6.9	1.7	0.2	-8.7	:	:	-0.2
2012-2011	-2.1	5.1	-0.8	0.5	-7.3	-2.0	:	2.8	-7.3	-25.0	:	0.0	-2.3	-30.8	-11.9	-29.8	:	:	10.6
	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK-ENG	UK-WLS	UK-NIR	UK-SCT	HR	IS	TR	LI	NO	
2011-2010	:	1.0	-2.1	:	-1.7	:	-13.3	4.5	-2.4	5.7	:	-9.2	-0.2	2.1	-5.4	9.6	:	4.2	
2012-2011	:	-1.6	-3.1	:	1.0	:	4.7	-2.5	:	-3.6	:	4.5	:	-3.4	3.8	10.5	:	2.8	

Source: Eurydice.

Explanatory note

Data on tertiary and adult education are presented together as most of the countries were not able to provide separate budgetary data for each education level. For budgetary data coverage see Country specific notes and Annex 2.

Country specific notes

Belgium (BE fr): Only expenditure for institutions is included, not administrative expenditure.

Belgium (BE de): Data on tertiary adult education not available.

Belgium (BE nl): Totals include only expenditure directly linked to specific education levels, not, for example, scholarships or school transport. Total for schools and tertiary education excludes capital expenditure. Some data on tertiary education are included in the data on secondary education (for instance the whole of ISCED 4 and the 'associate degree' at ISCED 5B). The data on current expenditure for tertiary education includes human resource costs. Centres for adult education do not receive operating costs as these are covered by the fees paid by course participants.

Bulgaria: The data covers the expenditure transferred to the Ministry of Education, Youth and Science and municipalities from the central budget. They show only the expenditure for activities delegated by the State and do not include the budget for local activities.

Czech Republic: The data include the budget from the Ministry of Education, Youth and Sport. Funds from the regions and municipalities are not covered. Adult education data are not available. The budget for research and development is not included. The budget for tertiary professional schools (ISCED 5B) is included in the schools' budget. Other expenditure of the Ministry of Education, Youth and Sport, the Czech School Inspectorate and other services, which cannot be categorised by education level are not included.

Estonia: Includes only expenditure allocated to rural municipalities and cities from the Ministry of Education and Research budget (i.e. the state budget). About 10 % from other ministries' budgets is not included. About 30 % of overall education expenditure is made by local governments (about 95 % of pre-primary education costs and 35-40 % of general education costs).

Greece: Data based on estimates.

Italy: The figure for current expenditure on tertiary education comprises all financial transfers from central government to state-owned universities. Fees paid by students or other revenues from bodies other than central government are not included. Adult education human resource costs are included in schools' expenditure.

Cyprus: For 2011 and 2012, all the expenses relating to ICT and infrastructure for all levels of education are included in the administration budget while the expenses relating to publications and the purchase of educational books are included in the Programme Development Services budget.

Latvia: Data on real increases and decreases are not available for the years 2011 and 2012, as only earmarked subsidies from the state budget to local government budgets are included. Thus, they do not include local budgets. According to the national estimates, the school budget (ISCED 0-3) was almost stable but there was a more significant decrease in the vocational secondary education budget. The tertiary education budget was also impacted by reductions in 2012. The decrease in 2012 is partly related to the extraordinary funding related to the Climate Change Finance Instrument (CCFI), which was included in the State Budget.

Hungary: Data includes both central and local level budgets. The data for adult education includes all education programmes outside the school.

Malta: Data for 2010 is actual expenditure. Data for 2011 and 2012 are estimates.

Austria: Expenditure for pre-primary education is not included. Due to the budgetary autonomy of the Austrian Public Universities and Universities of Applied Sciences both capital expenditure and personnel costs are included in current expenditure. Expenditure on adult education includes programmes under the responsibility of the Federal Ministry of Education and ESF fund.

Poland: Data not available for school education (ISCED 0-3) for 2012. Expenditure for adult education for 2011 is included in primary and secondary education expenditure. Tertiary education expenditure, based on actual figures, increased by 5.6 % between 2010 and 2011. Data on actual expenditure in 2012 are predicted to be higher than the budgets set in the Budgetary Act for 2012.

Romania: Data for adult education is not available. The data for 2010 and 2011 are actual expenditure. For 2012, the data represents the funds allocated on the basis of the law on the state budget for the year 2012. Around 10 % of the total expenditure cannot be classified according to education levels and therefore is not included.

Slovakia: The budget for education that cannot be allocated to specific education level is not included. In 2011 and 2012 considerable resources were invested in the education sector for the provision of subsidiary services to education, administration, inspection, operation or support of transportation, food, lodging, medical care chiefly for students regardless of level and also for research and development in education. The data for 2012 are indicative values.

Sweden: No overall budget data for education is available. The Swedish education system is decentralised and the operating responsibility is delegated to municipalities and schools. The funding is shared between state and municipalities and only data on expenditure for different education levels are available for 2011. Calculations on changes are based on expenditure data for 2011 and 2010.

United Kingdom (ENG/NIR): Human resource costs are not included.

Croatia: Includes only human resource costs of schools and tertiary education.

Iceland: Data for pre-primary education and compulsory education are drawn from the budget plans of municipalities. Since the availability of budget data is limited, the figures are estimates based on collected data from the 10 largest municipalities. Regarding current expenditure for upper secondary level in 2012, the state provided additional 1240 million Krona, and launched an educational programme due to conditions in the labour market. Regarding tertiary education, the costs of the Icelandic Study Loan Fund are not included.



Comparing the changes in the schools' budget with those of tertiary/adult education, it is apparent that most countries applied similar reductions in percentage terms to both areas. In 2011 compared with the previous year, budget cuts were evident in both areas in ten countries, while in 2012, compared with 2011, this was the case in thirteen countries. However, the Czech Republic, Denmark and Austria slightly increased their budgets for the school level and reduced the planned expenditure in the tertiary/adult education sector. On the other hand, Estonia, Italy, Slovakia and the United Kingdom (Northern Ireland) took the opposite action to reduce the budget for the school sector and increased or maintained a stable budget for tertiary/adult education.

2.2.3. Changes to budgets for different types of education expenditure

Spending by the public sector on education institutions falls into two main categories – capital expenditure and current expenditure. For the purposes of this analysis, however, current expenditure is split into human resource costs and other current expenditure. The majority of countries were able to specify the amounts allocated for all three categories of expenditure – capital, current and human resource costs, although in some countries human resource costs could not be separated from current expenditure, and were therefore not comparable (see Country specific notes). The chapters on human resources (Chapter 3) and education institutions (Chapter 4) of this report will examine these expenditure categories in more detail. However, in the following section, some broad trends will be identified.

In general, there were substantial differences in **capital expenditure**, both between countries, and between the two years examined (2012 and 2011). In 2011, the most severe reductions of more than 25 % occurred in France, Poland and Slovakia. However, in France, this reduction was a blip caused by the very significant increase in capital funds provided to higher education in 2010 as part of the national anti-crisis investment plan (*plan de relance*), causing the 2011 figures to appear much reduced. The situation was normalised in 2012, when the capital expenditure figure increased again compared with 2011. In Poland and Slovakia, the overall decrease is mainly due to a reduced capital budget in the school sector.

In 2012, capital expenditure seems to have been more affected by budgetary cuts. From the twenty-one countries with available data, eleven suffered cuts in capital expenditure and, in eight of these ⁽⁴⁾, the overall reduction was around 25 % or more.

A considerable increase in capital expenditure is observed for both 2011 and 2012 in Belgium (German-speaking Community), and for 2012 in Belgium (Flemish Community), Malta and Turkey.

In Belgium (German-speaking Community), in December 2010, the Minister of Education signed a number of contracts for public-private partnerships and started the largest investment programme in the Community to run over the period 2011-2014. The total value of this project amounts to more than EUR 145 million.

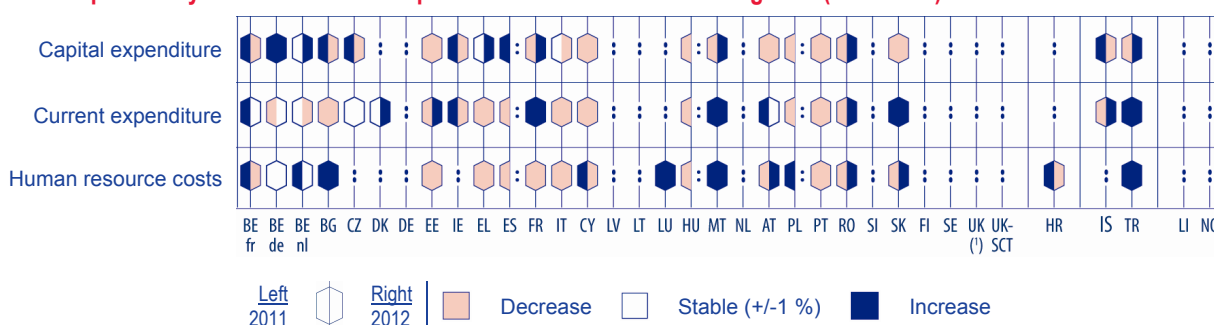
Looking at **current expenditure** (excluding human resource costs), the differences between the budgets for the two years in question were not as great as with capital expenditure. In 2011, the greatest reductions were applied in Greece (24 %), Bulgaria (17 %) and Romania (13 %). The following year, there were no decreases greater than 10 %, except in Greece (19 %). Current expenditure increased in 2011 in seven countries with the highest increase in Turkey (almost 14 %) due to an increase in the number of students, France (almost 9 %) and Slovakia (5 %), while there was a more stable situation in 2012 with increase of more than 5 % only in Malta, Iceland and Turkey.

⁽⁴⁾ Bulgaria, the Czech Republic, Estonia, Ireland, Italy, Cyprus, Slovakia and Iceland.

Human resources take up a much larger share of the education budget than other expenditure categories, ranging from 53 % in the Czech Republic to 84 % in Denmark in 2011 (see Chapter 3, Figure 3.1). However, in some countries, it was not possible to separate the data on human resource costs from the general current expenditure (see Explanatory notes), and the figures for 2012 were not yet available for all countries. The changes between the years were smaller in percentage terms for human resources than for current or capital expenditure, but the smaller percentage changes in human resource costs were more significant in absolute terms than for the other categories.

In 2011, the greatest decrease in human resource costs was in Romania (20 %), and Spain and Italy (almost 5 %). In 2012, the greatest decreases compared with the previous year were in Greece (24 %), Slovakia (15 %), followed by Croatia (8 %) and Italy (6 %). The largest increases in 2011 were in Bulgaria and Turkey (almost 8 %) and Poland (6 %). In 2012, a major increase of the budget for human resources was registered in Luxembourg and Romania (almost 4 %).

◆ ◆ ◆ **Figure 2.7: Changes in education budgets in 2011 and 2012 by type of expenditure compared with the previous year at constant 2010 prices for all education levels together (ISCED 1-6)**



Source: Eurydice.

UK (¹) = UK-ENG/WLS/NIR

Explanatory note

Capital expenditure refers to expenditure on assets that last longer than one year; it includes spending on construction, renovation and major repairs of buildings and expenditure on new or replacement equipment.

Current expenditure includes the costs of maintaining buildings, purchasing educational materials and daily operating costs.

Human resource costs include the full costs of employing full- and part-time teachers or other staff. Salaries, expenditure on pensions as well as on other non-salary compensation are included.

Country specific notes

Belgium (BE de): Adult education is not included.

Belgium (BE nl): The data on current expenditure for tertiary education includes human resource costs. Centres for adult education do not receive operating costs; these are covered by the fees paid by course participants.

Bulgaria: The data covers the expenditure transferred to the Ministry of Education, Youth and Science and municipalities from the central budget. They show only the expenditure for activities delegated by the State and not expenditure for local activities.

Czech Republic: The data includes the budget from the Ministry of Education, Youth and Sport. Funds from the regions and municipalities are not covered. Capital expenditure covers only funds provided by the Ministry of Education, Youth and Sport and special grants for higher education institutions. Capital expenditure for schools is drawn from the budgets of their administrative bodies, i.e. in the case of nursery schools and basic schools from the municipal budget, for secondary schools from the regional budget, and in the case of private and denominational schools from the budget of private or denominational administrative bodies. Human resource costs are included in the current expenditure. The budget for research and development is not included.

Denmark: Human resource costs are included in the current expenditure for all education levels. Municipalities are responsible for capital expenditure in primary education and therefore it is not included in the data. For secondary education, capital expenditure is included in current expenditure.

Estonia: Includes only expenditure allocated to rural municipalities and cities from the Ministry of Education and Research budget (i.e. the state budget). About 10 % from other ministries' budgets is not included. About 30 % of overall education expenditure is provided by local governments (about 95 % of pre-primary education costs and 35-40 % of general education costs). Current expenditure may also include human resource costs, especially in the case of vocational and higher education.

Ireland: Human resource costs are included in current expenditure.

Greece: Data cover central, regional and local budgets, as well as funds from ESF and other EU instruments

Cyprus: Data on tertiary education is excluded. For 2011 and 2012, all the expenses relating to ICT and infrastructure for all levels of education are included in the administration budget, and the expenses referring to publications and purchase of educational books are included in the Programme Development Services budget.

Hungary: Data includes both central and local level budgets. The data for adult education includes all education programmes outside the school.

Malta: Data for 2010 is actual expenditure. Data for 2011 and 2012 are estimates.

Austria: Expenditure for pre-primary education is not included. Due to the budgetary autonomy of the Austrian Public Universities and Universities of Applied Sciences both capital expenditure and personnel costs are included in current expenditure. Expenditure on adult education includes programmes under the responsibility of the Federal Ministry of Education and ESF fund.

Poland: Human resource costs for tertiary education are included in current expenditure.

Portugal: Data is based on estimates.

Romania: No data for adult education. The data for 2010 and 2011 are based on actual expenditure. For 2012, the data represent the funds allocated on the basis of the law on the state budget for the year 2012. Human resource costs are included in the current expenditure.

Slovakia: The data includes budget items and provisions for the current year, not spending allocations that may be carried forward into the following year. The data for 2012 are indicative values.

Croatia: Includes only human resource costs of schools and tertiary education.

Iceland: Human resource costs are included in current expenditure.

Turkey: Data exclude tertiary education



2.2.4. Funding of grant-aided private schools

Overall, very few countries report that the funding mechanism for the private grant-aided sector has changed since 2010 – only the Czech Republic, Malta and Portugal. Whilst in the Czech Republic and Malta, the funding mechanisms for private grant-aided schools have been modified, resulting in an increase in the amount for this sector. In Portugal, the budgetary restrictions have led to cuts in funding.

In the Czech Republic, in 2009/10, the existing formulas for per capita funding have been replaced by more diversified funding formulas in order to bring the amount of public funds allocated to grant-aided private education more in line with the funding of public sector schools. As result of this reform, funds for teaching staff in private grant aided schools increased in 2011/12 by 6 % following a corresponding increase in the public sector.

Malta plans to increase the public funding of capital expenditure for private grant-aided schools (i.e. Church schools) by 15.25 % between 2011 and 2017. The purpose of this measure is to enable Church schools to adapt their infrastructure to comply with a reform aimed at ensuring better continuity between primary and secondary levels of education.

Finally, in Portugal, since 2011/12, the public grant allocated to private grant-aided schools has been determined in accordance with the number of classes instead of pupils, which, combined with the recent rise in minimum and maximum class sizes, could lead to a decrease in per capita expenditure.

2.3. Budget priorities for education in 2013

This section will summarise some of the main national budget priorities for education for 2013 as reported by national education authorities. While there were many individual priority areas in education, the issue of the **efficient use of resources** and **improving administrative efficiency** were often cited.

For example, Austria is undertaking an on-going review of tasks to increase the efficiency of educational administration, including strengthening the responsibility of schools. Slovenia aims to rationalise the school network, to ensure the efficient use of funds and to eliminate administrative barriers. In the United Kingdom (Northern Ireland), the aim is to eliminate unnecessary bureaucracy and duplication, in order to maximise the resources directed to actual teaching in the classroom. Bulgaria, the Czech Republic and the United Kingdom (Scotland) also cited explicitly the aim of improving administrative organisation. In Latvia, the finance model for special needs education will be revised to improve efficiency in central government spending and to provide better services to children according their needs.

In Greece, according to the Medium-Term Framework of Fiscal Strategy for 2013-2015, and with the aim of improving efficiency, there will be a transfer of administrative personnel between organisations in the public sector. In addition, the appointment of a new teaching staff member is subject to the condition that ten staff take retirement. The operating expenditure of higher education institutions (HEI) is going to be reduced through mergers. The number of temporary teachers in secondary education, and temporary staff in HEIs, are also expected to decrease. Finally, Greece aims to continue with the upgrade of working conditions for education personnel.

Other common policy priorities for future budgets were easing the progression of young people into the labour market; capital investment; increasing the attractiveness of the teaching profession; higher education; and research and innovation.

From the group of countries with available data on education priorities for 2013, the most common area of priority was **facilitating young people's progression into working life**. This is a very important goal, as there is likely to be even more competition in the future in the job market. Different measures were cited at all education levels to achieve this objective. For example, the Czech Republic aims to strengthen the links between funding and the quality of education provided, particularly with respect to the employability of graduates. One of Spain's priorities is to promote initial professional qualification programmes so that all students will have the opportunity to improve their job prospects. In Finland, admissions procedures for upper secondary education and training will be revised to give priority to school-leavers and unqualified persons, in order to reduce the number of young people without qualifications. In the United Kingdom, England will increase the number of apprenticeships to help the young unemployed, and Scotland will continue to implement the new curriculum for school education, which is intended to provide young people with the skills and behaviours needed for tomorrow's economy. Germany will also allocate additional funding to the modernisation and strengthening of the vocational training system, including vocational guidance and counselling services as well as financial support. New measures with particular significance for young people, including young adults from poor families and/or with immigrant backgrounds will be developed.

Capital investment on buildings and equipment was mentioned explicitly as a priority in some countries. Belgium (Flemish Community) is prioritising, among other things, investment in sustainable and modern infrastructure. In Bulgaria, one priority at school level is to improve the existing buildings and essential equipment, and provide free textbooks for pupils from first to seventh grade. In the United Kingdom (Scotland), the aim is to invest GBP 1.25 billion in school buildings through 'Scotland's Schools for the Future' programme.

Increasing the **attractiveness of the teaching profession** is undoubtedly a challenge for the future. The Czech Republic and Estonia intend to secure an improvement in teachers' salaries. In more specific terms, Latvia aims to increase teachers' salaries through improving the remuneration system by linking it to teachers' performance. A priority in Poland is to increase the minimum basic salary of public higher education staff over the years 2013-2015, amounting to more than 9 % a year (an increase of 30 % compared with 2012). Other priorities related to teaching were, for example, the explicit priority to improve teaching quality in higher education in Germany, and the commitment of France to create 60 000 teachers' positions within the next five years (2012 onwards).

In Sweden, one of the highest budgetary priorities for education in the 'Programme Sweden 2013' is to raise the level of skills among school leaders, school and pre-school teachers so as to improve the quality of education and student outcomes. The budget also includes the 'National School Leadership Programme', which is compulsory for newly appointed school heads, and a special CPD for School Leaders, both at university level. Among other things, the government is investing in a registration

system for teachers and in continuing professional development (CPD) for school and pre-school teachers. In addition to this, the budget includes state grants for local authorities to promote the establishment of specific teaching posts for highly qualified teachers. The aim is to increase the attractiveness of the teaching profession.

Higher education featured in various priority areas. Indeed, all the issues mentioned above were also linked to higher education. Other issues related to higher education were, for example, the aim of creating additional places within the coming years in Denmark, Germany and Malta.

In Germany, additional funds will be provided in the field of tertiary education to support the *Länder* to cover the high number of entrants to higher education institutions. In addition, the *Länder* will continue to receive funding for measures to improve the quality of teaching, and for the further implementation of the Bologna process. Another priority will be financial support for students in tertiary education, including special grants for highly-talented students and young scientists.

In Bulgaria, more funds will be given to state universities, subject to the quality of provision and matching the education provided with the needs of the labour market. Finally, in Latvia, quality assurance in tertiary education through structural reform based on external and internal evaluation of all study programmes is under discussion, and the preparation of a new performance-based financing model is under way, whereby only programmes with recognised quality will be state financed.

Research and innovation was another priority area for higher education in many countries. The Czech Republic intends to increase the effectiveness of state budget resources in supporting research, experimental development and innovation at higher education institutions; linking the support for institutions to actual achievements in these areas is one of the objectives of the Strategic Plan for HEIs for 2011-2015. Slovakia is prioritising research and innovation, particularly in the natural sciences and technology; Spain aims to promote actions to improve the quality of vocational training and recognition of professional competences.

CHAPTER 3: FUNDING OF HUMAN RESOURCES

Most European countries report that changes have been made to the funding of human resources in recent years. However, these changes have not always occurred primarily as a result of the economic downturn and public spending constraints. Other factors, such as demographic variations, educational reforms and new policy priorities have been the driving forces in some cases.

Almost half of the European countries or regions report that the financial and economic crisis has had an impact on the funding of human resources in the education sector. On the other hand, a decrease in the number of students, particularly at upper secondary level, has led to the need to rationalise the available teaching workforce in a number of countries; yet rising student numbers, especially at pre-primary and primary levels of education, have triggered budget increases elsewhere.

Seven countries or regions report that changes in the funding of human resources reflect educational reforms and new policy priorities, which, in some cases, are also made against the background of austerity and attempts to reduce public deficits.

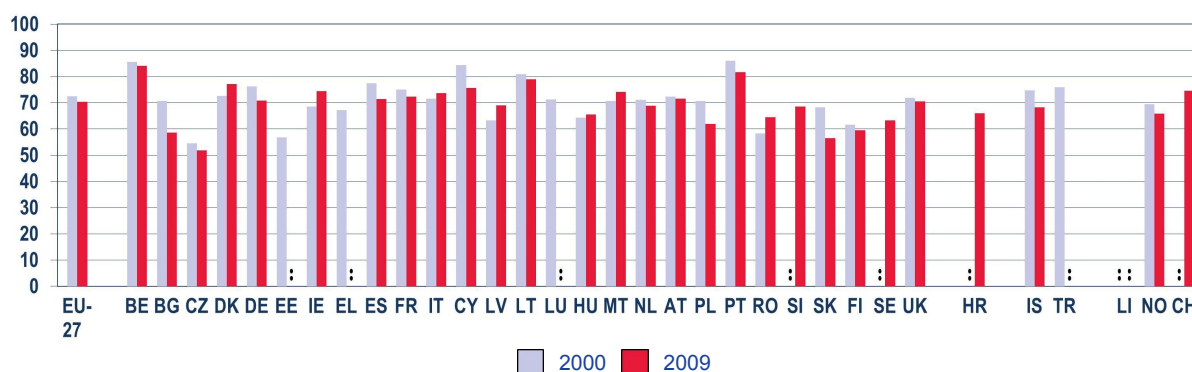
This chapter firstly outlines the changes in the proportion of education expenditure allocated to human resources during the last decade, while the second section looks at trends in the number of teachers and students. Section three explores the most recent changes from 2010 to 2012, and attempts to establish the effects of the financial and economic crises on the funding of teachers and non-teaching staff and their numbers. Section four continues with an analysis of the most recent changes in teachers' statutory salaries and allowances, while the last section provides an overview of changes to the provision and funding of teachers' continuing professional development.

3.1. Proportion of education expenditure allocated to human resources

Total expenditure in educational institutions can generally be divided between current expenditure and capital expenditure. Current expenditure represents more than 84 % of total expenditure by public institutions in all countries, and within this, spending on staff overshadows all other categories. At EU-27 level, human resource costs represent an average of 70 % of annual education expenditure. The proportion is closer to 85 % in Belgium and Portugal while in Bulgaria, the Czech Republic, Slovakia and Finland staff costs represent less than 60 %.

At EU level, the share of expenditure allocated to human resources decreased slightly, by 2.2 percentage points, between 2000 and 2009. However, in the majority of countries the percentage of the total expenditure on staff costs remained stable. Only a few countries experienced significant decreases, representing more than 8 percentage points (Bulgaria, Cyprus, Poland and Slovakia).

◆◆◆ **Figure 3.1: Personnel expenditure as a percentage of total expenditure in public educational institutions (ISCED 0 to 6), 2009**



	EU-27	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	IT	CY	LV	LT	LU	HU
2000	72.5	85.6	70.6	54.5	72.7	76.2	56.8	68.6	67.2	77.5	75.0	71.6	84.5	63.3	80.9	71.3	64.3
2009	70.3	84.2	58.7	51.9	77.2	70.9	:	74.4	:	71.4	72.3	73.7	75.7	69.0	79.0	:	65.6
	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK	HR	IS	TR	LI	NO	CH
2000	70.7	71.1	72.3	70.6	86.0	58.3	:	68.3	61.7	:	71.8	:	74.8	75.9	:	69.5	:
2009	74.2	68.8	71.6	61.9	81.6	64.5	68.6	56.5	59.6	63.3	70.5	66.0	68.3	:	:	65.9	74.7

Source: Eurostat, UOE (data extracted July 2012).

Explanatory note

Total expenditure in educational institutions can generally be divided between current expenditure and capital expenditure. Current expenditure can itself be broken down into two categories – personnel costs and other current expenditure. The breakdown of costs varies depending on teacher salary levels and the student-teacher ratio; whether institutions own or rent the buildings they use; and whether they provide textbooks or ancillary services (meals or boarding facilities, for example) in addition to teaching. The percentage for personnel costs is calculated as a percentage of total annual expenditure (current and capital together).

Country specific notes

EU-27: Estimated figures.

Belgium: Data exclude independent private institutions and the data for the German-speaking Community. Payments from private bodies other than households to public educational institutions are not available for ISCED 1, ISCED 2-3 and ISCED 4.

Belgium, Estonia, Lithuania and Luxembourg: Data from 2001 instead of 2000.

Denmark: Research/development expenditure is not available.

Poland: Payments from international agencies and other foreign sources and payments from private bodies other than households to public educational institutions are not available.

Portugal: Expenditure at local government level is available only for tertiary education. Imputed retirement expenditure is not available. Payments from international agencies and other foreign sources and payments from private bodies other than households to public educational institutions are only available at tertiary level.

Croatia: Payments from private bodies other than households to public educational institutions are not available.

Iceland: Expenditure for ancillary services is not available. Payments from international agencies and other foreign sources to public educational institutions are not available. Research/development expenditure is not available.

Norway: Payments from private bodies to public educational institutions are not available, except for household expenditure at pre-primary level.

Switzerland: Payments from households and other private bodies to public educational institutions are not available.



3.2. Trends in teacher and student numbers over the last decade

Education systems are highly reliant on teaching and other staff in all countries. As was shown in the previous section, staff costs in the EU-27 usually represent around 70 % of annual education expenditure, and spending on staff overshadows all other categories. The analysis of the present section is divided into two periods: the first presenting the evolution between 2000 and 2007 where more demographic factors influenced the evolution of the teaching staff and the second, between 2007 and 2010, where apart from the evolution of the students, other economic factors might have impact on the number of teachers.

At present there is no strong evidence that fiscal consolidation has led to an additional decrease in the number of teachers and academic staff (in full-time equivalent terms) in European countries. Other factors, such as demographic changes in student numbers, and the age profile of the teaching profession both play a part. Increases in birth rate generally lead to the need for more teachers, initially at the lower levels of education. Reductions in teacher numbers, on the other hand, may occur due to imbalances in the age structure of the teaching profession: when a high proportion of the workforce is approaching retirement, there is an opportunity to reduce the workforce through natural wastage if needed.

3.2.1. Overall changes in teacher numbers

In nearly half of the European countries examined, the overall number of teachers in all levels of education (from pre-primary to tertiary level) increased between 2000 and 2007, as well as between 2007 and 2010 according to the data available from Eurostat (see Annex 5 for more details).

◆ ◆ ◆ **Figure 3.2: Growth rate in the number of full-time equivalent teachers (all ISCED levels), 2007/2000 and 2010/2007**



	BE fr	BE de	BE nl	BG	CZ	DK	DE	EE	IE	EL	ES	FR	IT	CY	LV	LT	LU	HU
2007/2000	5.6	:	6.4	-13.1	-1.3	:	8.1	:	26.3	:	16.4	-1.4	-4.4	31.4	22.0	21.5	:	-3.9
2010/2007	1.6	:	4.2	-12.8	-1.7	:	4.9	:	8.3	:	8.7	-2.4	-6.7	10.3	-14.7	-9.6	:	-6.4
	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK	HR	IS	TR	LI	NO	CH	
2007/2000	-1.6	8.9	-2.0	-4.3	3.6	-9.7	8.7	-15.2	9.8	11.0	9.9	1.5	6.7	28.2	11.6	10.6	-1.8	
2010/2007	1.3	2.9	8.8	-3.7	4.3	-4.2	-1.2	-6.1	3.1	10.9	-0.9	17.5	3.4	19.3	-2.6	4.6	1.4	

Source: Eurostat, UOE (data extracted July 2012).

Country specific notes

Belgium (BE fr), Italy and Austria: 2007/2001.

Malta: 2010/2006 and 2006/2002. Data is not completely comparable, as 2010 data includes only teaching personnel. In previous years also teacher aides and head teachers were included.

Portugal, Liechtenstein and Switzerland: 2007/2004.

United Kingdom: Data is provided at consolidated United Kingdom level. However, decisions on spending are made at each jurisdiction, that is, England, Wales, Northern Ireland and Scotland.

Croatia: 2007/2003.

◆ ◆ ◆

Eight European countries (Bulgaria, the Czech Republic, France, Italy, Hungary, Poland, Romania and Slovakia) recorded decreases in the overall number of full-time equivalent teachers (ISCED 0-6) during both of the periods mentioned above. Five countries (Latvia, Lithuania, Slovenia, the United Kingdom and Liechtenstein) recorded a decrease only from 2007 onwards. In contrast, Austria and Switzerland are the only countries that recorded a decrease in the number of teachers between 2000 and 2007 but an increase between 2007 and 2010.

The data for the most recent reference year (2010) reveals that the number of teaching staff (across all levels of education) decreased in a number of countries by more than 5 % (Italy (-6 %), Latvia (-11 %), Lithuania (-5.9 %)) in 2010 compared to 2009. In Sweden and the United Kingdom, it decreased by 4.2 % and 3.5 % respectively and in Greece by 3.9 % (data from national sources). In Latvia, Sweden and the United Kingdom, the decrease in 2010 was the highest of the decade.

When looking at the figures in more detail, however, differences between the various levels of education are apparent. Indeed, a growth in the total number of teachers may hide conflicting trends within particular levels of education. (See Annex 5 for more information on evolution of teachers numbers by education level between 2000 and 2010.)

3.2.2. Pre-primary education

The number of teachers in pre-primary education decreased over both periods in only two countries (Italy and Hungary), whereas it declined between 2007 and 2010 in France (-12 %), Latvia (-4.7 %) and Switzerland (-1.5 %). These decreases may be explained by a declining participation rate among 3-year-old children in pre-primary education (for instance in Italy) or by a fall in the number of children (demographic change) in countries where almost all children participate in pre-primary education (for instance in France).

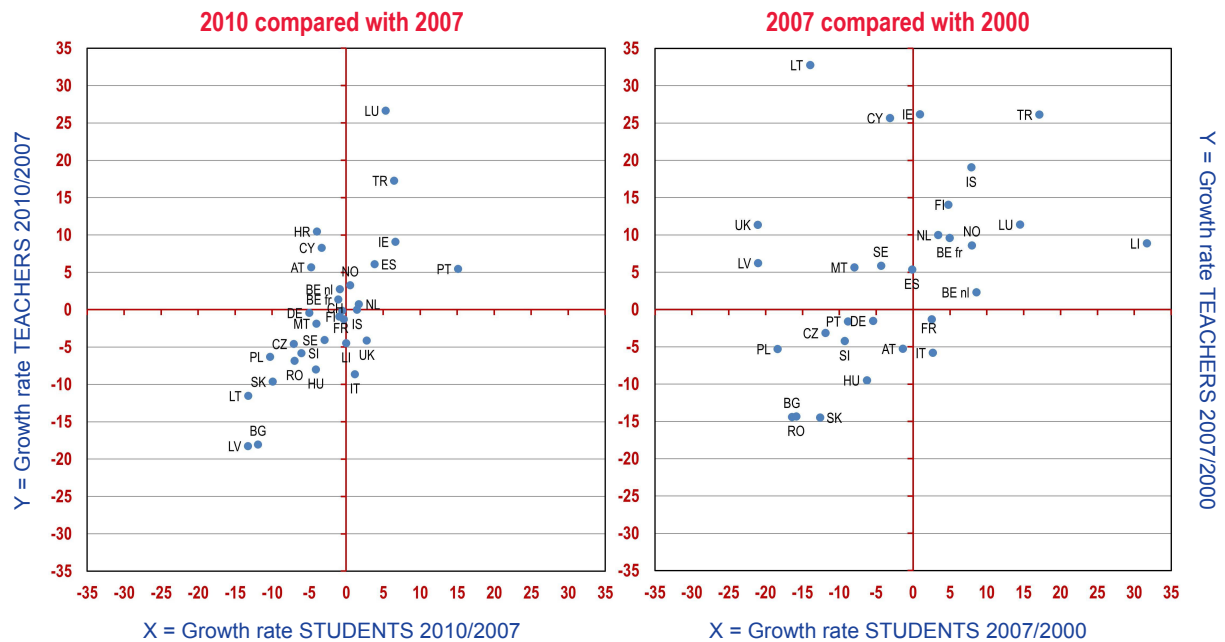
All other countries show a growth in the number of pre-primary teachers between 2007 and 2010, which could be attributed to an increasing demand for pre-primary education leading to higher participation rates.

3.2.3. School education

In analysing the changes in teacher numbers in school education (ISCED levels 1-3), it is important to bear in mind not only changes in student numbers (see Annex 5), but also the employment status of teachers. In almost half of the European countries studied, teachers in public sector schools are civil servants or have permanent contracts. Their conditions of employment, therefore, have a significant impact on any measures taken to reorganise the workforce.

When considering primary and secondary education together, the data shows that most countries experienced a change in the number of teachers following a change in student numbers (see Figure 3.3). During the period 2000-2007, only France and Italy had a slight decrease in the overall number of teachers as their student numbers increased. The same tendency is also evident in the United Kingdom between 2007 and 2010. In contrast, in seven countries the number of teachers increased much faster than the number of students during the period 2000 and 2007. Between 2007 and 2010, very few countries (Cyprus, Austria, and Croatia) continued to increase their teaching workforce while the number of students was declining. Nevertheless, as the employment of new teachers is occurring with time lag of one or two school years, not all relations between student numbers and tendencies in teacher numbers can be seen from the analysis of statistical data.

◆ ◆ ◆ Figure 3.3: Growth rate in the number of students and full-time equivalent teachers from primary through to upper secondary education (ISCED 1-3), 2010 compared with 2007 and 2007 compared with 2000



Source: Eurostat, UOE (data extracted July 2012).

Country specific notes

Belgium, France, Italy, Luxembourg and Austria: Data on growth rate for teachers is calculated 2007/2001.

Greece and Liechtenstein: Data on growth rate for teachers is calculated 2007/2004.

Denmark and Greece: Data for teachers in 2010 is not available.

Estonia: Data for teachers not available.

Malta: Data for 2010/2006 and 2006/2002. Data is not completely comparable as in 2010 data includes only teaching personnel. In previous years also teacher aides and head teachers were included.

Portugal: Data on teachers for 2000 is provided by the national authorities following the same methodology.



Primary education

Almost half of the European countries recorded a decrease in the number of full-time equivalent teachers in primary education, both before and after the start of the financial crisis (i.e. 2007), but in many cases this reduction was due to a reduction in the number of students. The number of primary teachers decreased at a double digit rate during both periods in Bulgaria and Lithuania, and in parallel, the students-teacher ratio increased from 16.8 to 17.6 in Bulgaria between 2000 and 2010. In Poland, a strong decrease in the number of primary teachers between 2000 and 2007 (around 20 %) was tempered afterwards with an overall increase between 2007 and 2010 of 2.7%

In several European countries, the number of primary teachers increased during the pre-crisis period but declined after 2007. This pattern may be attributable to policy measures introduced to limit education expenditure at this level, as well as to the demographic pattern of students in the normal age range of primary schooling. The students-teacher ratio decreased when comparing 2000, 2007 and 2010 in all these countries except Denmark, where the primary students-teacher increased in 2007 and 2010 compared to 2000, and Latvia, where the ratio only increased between 2010 and 2007.

In 2007 compared to 2000, the number of primary teachers decreased by 35.3 % in the Czech Republic but remained stable between 2007 and 2010; the students-teacher ratio followed the same pattern. Austria and Slovenia show a similar pattern: a small increase in the number of primary school teachers between 2007 and 2010 that followed a decrease between 2000 (or 2001 for Austria) and 2007. The remaining countries recorded an increase in the number of primary school teachers over the two periods and a decline in the students-teacher ratio.

Lower secondary education

The number of teachers in lower secondary education increased in only four education systems (French Community of Belgium, Spain, Cyprus and the United Kingdom) during both periods under analysis. However, in the United Kingdom, the student-teacher ratio rose from 16.7 to 17.1 between 2007 and 2010, which suggests that the number of teachers was increased to meet the needs of the additional students.

In contrast, the number of teachers decreased during both periods in several countries. With respect to primary education, Bulgaria shows a decline in the number of teachers and a parallel rise in the student-teacher ratio when comparing 2007 and 2010 with 2000. In France, Italy and Hungary, the student-teacher ratio increased in 2010 compared to 2007 with a corresponding decrease in the number of teachers. In Latvia and Romania, the ratio remained stable between 2007 and 2010. Only Germany combines a fall in the number of teachers with a lower student-teacher ratio at this level.

In a few countries, a decline in the number of teachers was apparent when comparing 2007 to 2000, but this was followed by a limited (Austria and Switzerland) or more pronounced (Croatia) increase in 2010 compared to 2007. Austria and Croatia experienced a decrease in the student-teacher ratio.

Among the countries where the number of lower secondary teachers declined when comparing 2010 and 2007, the Czech Republic, Lithuania and Sweden recorded a 10 % or slightly higher decrease, without an increase in the student-teacher ratio.

Upper secondary education

The change in teacher numbers seems more consistent across European countries at upper secondary level than in primary or lower secondary education. Sweden, Iceland, Switzerland and Turkey are the only countries where the number of upper secondary teachers increased when comparing 2007 to 2000 and 2010 to 2007. Nonetheless, the student-teacher ratio decreased only in Sweden, while it increased in Iceland (from 9.7 to 11.3) and Turkey (from 14 to 17.6). This suggests that the increase in the number of teachers in these countries was not enough to match the inflow of new entrants to upper secondary education and still maintain the student-teacher ratio at the same level as it was in 2000 (see more information in Annex 7).

In all the countries where the total number of teachers decreased over the decade, the student-teacher ratio decreased only in France and Poland, and this occurred in the earlier period between 2000 and 2007. In all other countries in this group, the student-teacher ratio increased in the later period between 2007 and 2010 by: 1.7 in Italy, 2.6 in Hungary, 2.1 in Romania, and by 3.2 in Liechtenstein. In Slovenia, the ratio increased by 1.2 over the decade.

Among the countries where the number of upper secondary teachers started to decline from 2007 onwards (i.e. when comparing 2010 to 2007), Bulgaria, Latvia, Luxembourg, Slovakia and the United Kingdom registered a decrease of more than 10 %. In Bulgaria and the Czech Republic, the student-teacher ratio remained stable. This suggests that the decrease in the number of teachers ran in parallel with a decrease in the number of students. In Ireland, Latvia, the Netherlands, Finland and the United Kingdom, the student-teacher ratio increased between 2007 and 2010, after a decrease during the preceding period (2007 compared to 2000, or to 2004 in Ireland). This suggests that a declining student population did not drive the reduction in teaching staff in upper secondary education. Several other countries experienced a decline in the number of teachers before 2007 followed by an increase. This is, for instance, the situation in Belgium (French and Flemish Communities), Cyprus, Austria and Portugal.

3.2.4. Tertiary education

When analysing changes in academic staff numbers in tertiary education, it is not always possible to make direct links between the changes in the numbers of staff with that of students. This is largely due to the fact that in tertiary institutions, academic staff normally carry out research as well as teaching activities. Secondly, as already mentioned for school teachers, the employment status and conditions of service of staff greatly impact on the ability of policy makers to adjust staff numbers (see EACEA/Eurydice, 2012a). In more than half of the European countries studied, university teaching staff are public servants appointed for life; this makes it almost impossible to reduce their numbers when student numbers fall. Finally, as recruitment is a slow process, significant delays between a rise in student numbers and a corresponding increase staff can be observed in the majority of countries.

Tertiary education is the only level of education that seems to have avoided a reduction in teaching staff over the decade (see Figure 3.4). Indeed, the number of teachers at this level has increased over the period in a majority of European countries. The increasing demand for tertiary education, as shown by an increase of 18.6 % in the number of students at EU-27 level in 2007, compared with 2000, can explain this trend. In addition, the 'crisis' effect, which encourages young adults to stay in education or training to improve their skills, or delay their entry into a difficult labour market, has also probably contributed to the growth in student numbers the EU-27 with 5.1 % between 2007 and 2010.

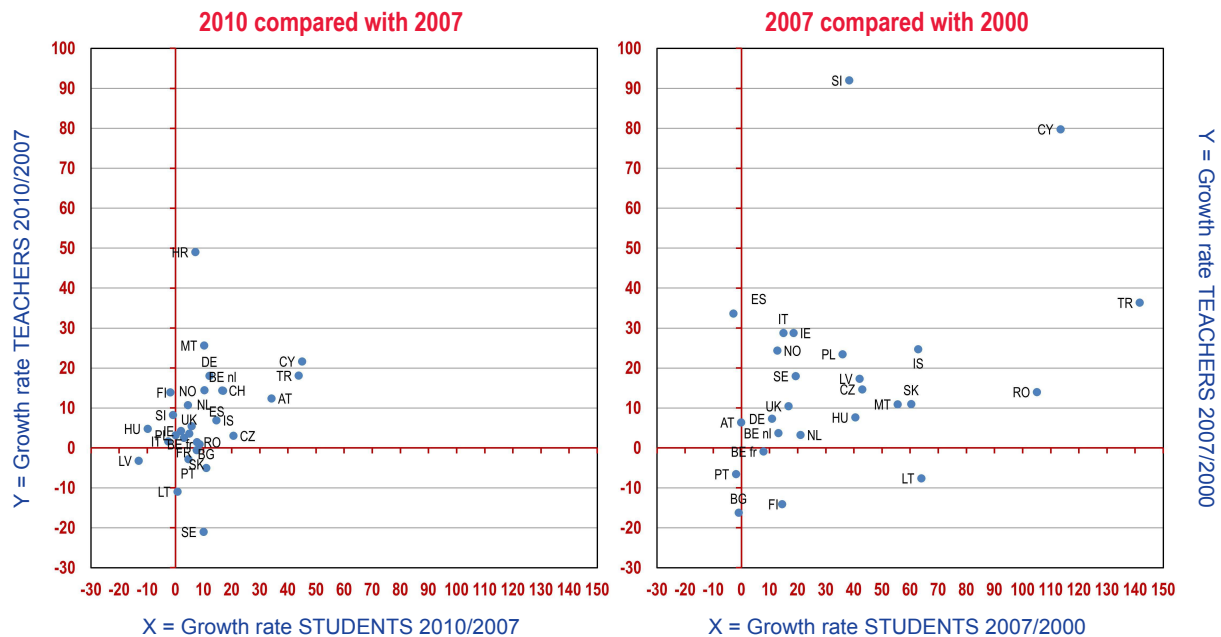
Only three countries (Bulgaria, Lithuania and Portugal) registered a decline in the number of academic staff during both periods analysed (2000-2007 and 2007-2010). However, student numbers in these countries have fluctuated. In Bulgaria and Portugal, during the period 2000-2007, the overall number of students decreased slightly and the reduction in the staff numbers can be related to this decline. However, in the period 2007-2010, the number of students increased (almost 11 % in the case of Bulgaria and 4.6 % in the case of Portugal), but staff numbers expressed in full-time equivalents continued to decline. In Lithuania, on the other hand, university student numbers increased by almost 64 % between 2000 and 2007, while the number of teachers at this level declined by 7.5 %.

Belgium (French Community) and Finland recorded a falling number of academic staff in 2007 compared to 2000; in contrast, the number of students increased during this period by between around 8 % and 15 %. Over the whole decade out of these countries, the number of academic staff remained constant in Belgium (French Community), but slightly decreased in Finland in 2010 compared to 2000. However Finland's data is not totally comparable, as academic staff whose main function is research has been excluded from 2006 onwards.

Latvia, Slovakia and Sweden registered a two-digit growth in the number of academic staff in 2007 compared to 2000, which was not offset (except in Sweden) by the decline recorded between 2010 and 2007.

In all other countries, the number of academic staff in tertiary education increased during both periods but the growth was usually higher during the pre-crisis period (2007 compared to 2000) than in the subsequent period (2010 compared to 2007). In some of the countries with an overall increase in staff, however, there were significant disparities between countries, and in many cases student numbers grew much faster than teachers, resulting in a rise in the students to teacher ratio. This was the case in the Czech Republic, Cyprus, Lithuania, the Netherlands, Romania, Slovakia, Sweden and also Turkey where the ratio of between 13 and 17 students per teacher in 2000 increased to between 17 and 34.

◆◆◆ Figure 3.4: Growth rate in the number of students and full-time equivalent academic personnel in tertiary education (ISCED 5-6), 2010 compared with 2007 and 2007 compared with 2000



Source: Eurostat, UOE (data extracted July 2012).

Country specific notes

- Belgium, Italy and Austria:** Data on growth rate for teachers is calculated 2007/2001.
- Denmark, Estonia, Luxembourg and Liechtenstein:** Data for teachers in 2007 and 2010 is not available.
- Greece:** Data on growth rate for teachers is calculated 2007/2004. Data on teachers for 2010 is not available.
- Portugal and Liechtenstein:** Data on growth rate for teachers is calculated 2007/2003.
- Malta:** 2010/2006 and 2006/2002.
- Finland:** From 2006 onwards excludes academic staff whose main function is research.
- Croatia and Switzerland:** Data for students in 2000 not available.



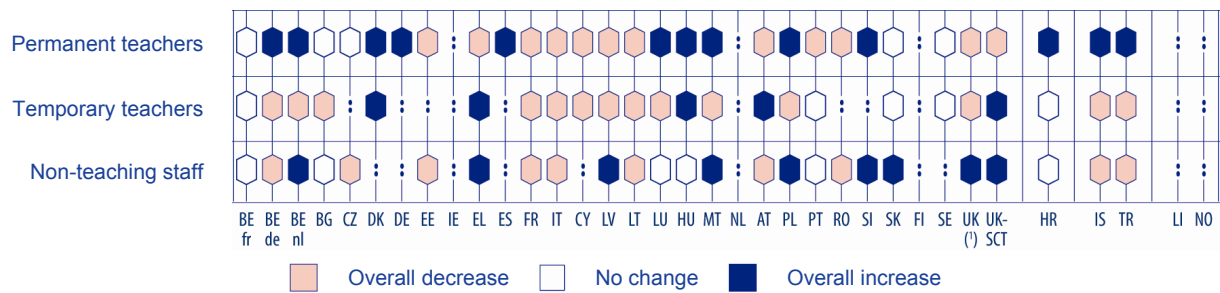
3.3. Recent changes in the number of teachers and non-teaching staff (2010-2012)

As consolidated European statistical data takes a year or two to compile, this analysis of the most recent changes in the number of teaching and non-teaching staff is based on information provided directly by the education authorities of Member States, drawn from national policy documents.

The financial provisions made for human resources are, of course, very directly related to the existing number of employed teachers – whether on permanent or temporary contracts – as well as the number of non-teaching staff (academic and/or administrative). European countries have made adjustments to teacher numbers over recent years for various reasons.

Between 2010 and 2012, the majority of countries have suffered a decrease in the number of teachers as a result of the financial and economic crisis and in addition due to demographic reasons. The sharp decrease in the number of teachers in Latvia in 2010 compared to 2009 was likewise due to budget cuts as a response to the need to decrease state expenditure because of the financial crisis. In order to improve efficiency in the use of the remaining financial resources, local authorities decided to close or merge educational institutions. At the same time, teachers' salaries were decreased. In Iceland, as a result of the economic crisis, fully qualified teachers who led other careers came back to the schools to teach. This process implied a reduction in the temporary teachers without teaching qualifications, while the number of permanent teachers increased.

◆ ◆ ◆ Figure 3.5: Changes in the number of teaching and non-teaching staff at ISCED 0-3 between 2010/11-2011/12



Source: Eurydice.

UK (1) = UK-ENG

Country specific notes**Portugal:** Data on evolution of teachers and non-teaching staff 2010/11 and 2011/12 school years.**United Kingdom (ENG):** Data only available for 2010 and 2011.**Iceland:** Data on pre-primary teachers is not available. Data presented in the figure is only for ISCED 1-3.

The reduction of the number of teachers in Italy was mainly a consequence and intended outcome of a reform promoted under the Law 133/2008, passed in the summer of 2008 before the onset of the crisis. It included a whole series of measures, amongst which an increase in the student-teacher ratio, specifically aiming at rationalising public spending in education to make it more efficient.

Another group of countries state that the changes in the numbers of teaching staff are linked to the number of students. A significant fall in the number of young people can be noted all across the European Union (EACEA/Eurydice, 2012a). Therefore, in Estonia, for example, the number of teachers has decreased slightly as a result of a decrease in the number of students and the closure of schools. In Cyprus, too, the decrease in the number of teaching staff was due to the fall in the number of students at all levels of education. In Lithuania, due to a falling student numbers, a reduction of around 2 500 teachers can be seen between 2010 and 2012. This trend is expected to continue as the number of students is expected to decrease significantly in the coming years. Finally in Greece, the overall decrease in the number of teachers is attributed to a mixture of demographic (decrease in the number of students), administrative (school mergers) and economic/financial factors.

Some countries have experienced decreases in particular categories of staff (teaching and non-teaching). In Austria, for example, a general policy has been introduced to reduce the number of employees working in its administrative bodies. Likewise, the number of non-teaching staff in schools is decreasing as their services are being replaced by various complementary activities (e.g. the Austrian Centre for the Prevention of Psychological Violence (ÖZGPS) for school psychologists, projects for social work at school, etc.).

In Portugal, there have been reductions in the number of teaching and non-teaching staff due to curricular reform reducing the weekly amount of teaching hours and the elimination of some curricular areas, the increase in the number of teaching periods at evening classes, as well as a significant number of staff retiring.

In Romania, in the school year 2010/11, the number of school staff has decreased by more than 20 500 compared to the previous year. This fall includes 14 369 teachers and 4 048 operational and maintenance employees. According to the education levels, the primary and secondary education has had the most significant negative evolution. The vocational education has also lost the majority of its personnel in comparison with the previous years, due to the dissolution of the Schools of Arts and Crafts. The post-secondary education is the only one that has grown by approximately 10 %

compared to the previous year, this trend being directly linked to the evolution of the students registered within this education level.

In Malta, the number of temporary teachers (including supply teachers, supply kindergarten assistants and supply learning support assistants) decreased, because learning support assistants, who successfully completed a 210-hour up-skilling course, were assimilated into the grade of Learning Support Assistant (LSA I).

In contrast to the reductions in staff mentioned above, in several other European countries, the number of teaching staff has increased over recent years. Alongside the increase in early childhood education provision across the EU (European Commission, 2011), there has been a rise in the number of pre-primary teachers in the Czech Republic⁽⁵⁾, Spain, Luxembourg, Hungary, Malta and Slovenia. In Spain, for example, this increase can be explained by the implementation of the 'Educa3 Programme'. As a result, new public pre-primary education schools have been created by transforming kindergartens and other public care facilities for children. In Slovenia, the increase in teaching staff at pre-primary level is linked to the higher birth rate as well as an increased proportion of children attending pre-primary education (an increase of more than 7 % annually).

In some other countries or regions, the number of teachers in mainstream education has increased in recent years mainly as a result of reforms leading to the inclusion of and support to students from disadvantaged socio-economic backgrounds, or students with special needs in general education settings. This is the case in Belgium (Flemish Community), Slovenia and Croatia. In Greece, the number of non-teaching staff for academic purposes has increased by 36 % between the school year 2009/10 and 2011/12, due to newly implemented inclusion support programmes in the field of special education needs.

Similarly, in two countries, there has been an increase in the number of teaching support staff. In Malta, the number of learning support assistants has increased significantly, while in the United Kingdom (England), the number of teaching assistants in schools almost trebled between 2000 and 2011.

3.4. Recent changes in teachers' statutory salaries and allowances

In the last two years, teachers' salaries were directly affected by the economic downturn in around half of the countries studied. Starting from the 2009/10 school year and especially after mid-2010, the effect of the economic downturn and the pressure on public finances was much more pronounced. Hence, more countries were obliged to apply salary cuts for public employees (see Figure 3.6). This was the case mainly in Ireland, Greece, Spain (mainly in 2001/11) and Romania (reduction mainly in 2010/11), Portugal and Slovenia (mainly in 2011/12).

Ireland reduced the salaries of teachers and other public service staff in a progressive way starting from January 2010. The typical reduction in the starting pay of a teacher was 5.3 %. In the following two years (2011 and 2012), the statutory salaries for serving teachers' remained frozen.

At the same time, Ireland applied severe cuts to salaries for new teachers entering the profession (and all new public servants) appointed after 1 January 2011. These salaries were reduced by 10 % starting from January, and a further 3.2 % reduction was applied to the salaries of new teachers appointed after 4 December 2011 due to a cap on the payment of qualification allowances. In 2012, the same declining trend continued, and a further reduction of 4.5 % was applied to the salaries of

⁽⁵⁾ For permanent teachers the situation remains stable; however, there are some differences in different education levels, with a decreasing number of teachers at upper secondary and increasing number of teachers at pre-primary level.

new teachers appointed after 31 January 2012. Instead of receiving qualification allowances, the new appointees now commence on a new pay scale, the first point of which is equivalent to the fourth point of the existing incremental salary scale. From 1 February 2012, also other allowances such as the *gaeltacht* allowance, teaching through Irish allowance, island allowance, the allowance payable to principals for acting as secretary of Board of Management, will no longer be payable to new appointees to these posts.

Spain initially approved, and applied until May 2010, a salary increase of 0.3 % with respect to 2009, which was overturned by the general reduction of around 5 % applied to the salaries of all civil servants from 1 June 2010. The General State Budget for the years 2011 and 2012 established that public sector salaries would be frozen.

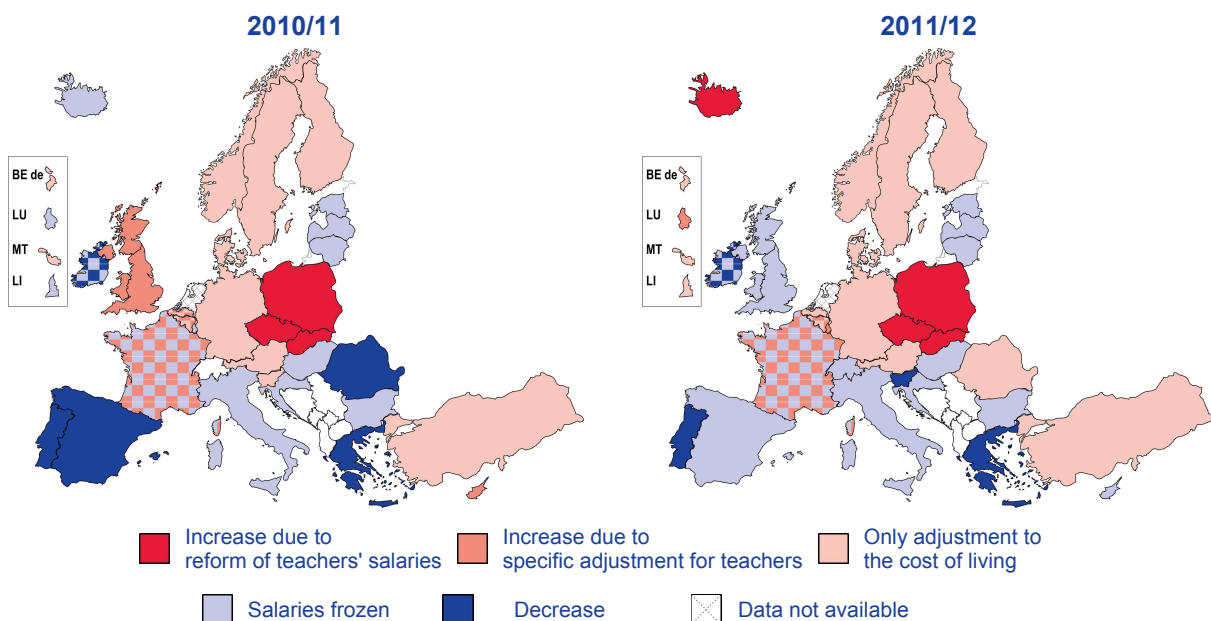
In Greece, the country most severely hit by the crisis, teachers' salaries were reduced in 2010, in accordance with the Law 3833/2010 on the 'Protection of the national economy – Urgent measures for dealing with the fiscal crisis'. These reductions led to a decrease of 12 % in many allowances and payments, and a 30 % cut in workers' statutory payments for annual leave and the Christmas and Easter periods. Starting from June 2010, in accordance with the Law 3845/2010 on 'Measures for the application of the support mechanism for the Greek economy by euro area Member States and the International Monetary Fund', an additional cut of 8 % was introduced to allowances and payments, while the pay for annual leave and the Christmas and Easter periods were abolished and replaced with a very small flat amount. For the year 2011, there were changes in all employees' salaries due to a reform, which was introduced by law 4024/2011 'Retirement adjustments and a single pay grid in accordance with the implementation of the Medium-term framework of fiscal strategy 2012-2015'. These changes concerned the abolition of salary allowances (EUR 473 per month) and the creation of a single grid for public service workers, among them teachers at ISCED 0, 1 and 2 levels. The grid introduces a new system of reclassification of all public employees. Six grades were created for all public employees and salaries are directly linked to years of service.

Portugal was also affected by tight budgetary restrictions, resulting in reduced teachers' salaries, as well as the salaries of all public employees. Law 55-A/2010 Article 19 of 31 December (the State Budget Law for 2011) introduced reductions in remuneration, and it established a regime of salary cuts for public sector employees, namely a progressive reduction of salaries (between 3.5 % and 10 %) in the public administration, public bodies and state authorities, for total monthly gross remunerations over EUR 1 500. Moreover, the 14th payment for 2011 was also reduced by 50 % (after subtracting the value of the national minimum wage – EUR 485). Besides these reductions, teachers and school heads will not receive the 13th and 14th payments in 2012. This reduction will be progressive based on salary levels (from the minimum salary, that is EUR 485 to EUR 1 100), so teachers who earn less than EUR 1 100 will only have a partial reduction.

Finally, in Slovenia, there was a two-stage reduction in teachers' income. Initially, during 2010 and 2011, statutory salaries were stable and only additional payments were reduced. In fact, the Intervention Acts in 2010, 2011 and the first half of 2012 have limited the wage growth of public employees for the purpose of temporarily limiting the growth of national and municipal expenditure. Accordingly, public employees did not receive their performance-related bonus and bonuses related to increased workload were limited. In 2011, no public employees were promoted to a higher salary grade; those who were promoted to higher salary grades in 2012 had their increases delayed. The statutory salary adjustment, to keep pace with the rate of growth in consumer prices, was lower in 2010 and the first half of 2011; and in the second half of 2011 and the first half of 2012, no adjustment at all was made.

In 2008, the wage system reform for all public employees determined the harmonization of salaries for comparable posts and transition to the new system by stages. Due to the economic crisis, the final third and fourth stages were postponed. However, the Fiscal Balance Act, adopted by the National Assembly in May 2012, implemented the final increase of salaries, on average 4 % for teachers, followed by a linear reduction of 8 % in the basic salaries of all public employees. In addition, expense allowances for meals and transport were reduced. Employees promoted to higher salary grades in 2012 and those who were promoted to higher job levels in 2011 and 2012, will not begin receiving higher salaries until June 2013; employees will not be promoted to higher salary grades or job levels in 2013, despite having met the criteria. Maternity pay will stay at 100 % of the basic salary for the first three months, but it has been reduced to 90 % for the next nine months.

◆ ◆ ◆ **Figure 3.6: Changes to teachers' and school heads' statutory salaries in the public sector, 2010/11 and 2011/12 compared with the previous year**



Source: Eurydice.

Explanatory note

The figure refers to absolute changes in the basic gross annual statutory salary for teachers and school heads in 2010/11 and 2011/12 compared with the previous year, without taking inflation into consideration.

The increases or decreases shown on the figure are relative to the basic gross annual statutory salary defined as the amount paid by the employer in a year, including general increases to salary scales, the 13th month and holiday-pay (where applicable) but excluding employers' social security and pension contributions. It does not take account of personal income tax or other taxes paid by employees and does not include other salary allowances or financial benefits (related, for example, to further qualifications, performance, overtime, additional responsibilities, geographical location, the obligation to teach classes in challenging circumstances, accommodation, health or travel costs).

Country specific notes

Belgium (BE fr): In 2011 and 2012, school heads' salaries were increased following a reform. The end-of-year payment was increased by EUR 120 in 2011 and EUR 80 in 2012.

Belgium (BE nl): In 2011, the holiday allowance was increased to 92 % of the monthly salary paid in March.

Ireland: The salaries of serving teachers in 2011/12 remained the same as in 2010/11. For new teachers appointed after 1 January 2011, salaries were reduced by 10 %. An additional reduction of 3.2 % was applied to new entrants after 4 December 2011.

France: The general indexation of the salaries was 0.5 % in 2010 and there was no indexation in 2011 and in 2012. The freeze of salaries in 2011 and 2012 concerns the index point. In 2011, a first adjustment of salaries occurred for teachers at the bottom of the index scales. A second adjustment occurred in 2012. They both consisted in upgrading teachers at a higher index.

Cyprus: The additional gradual tax of monthly salaries is not considered in the figure.

Sweden: There are no statutory salaries set by the government. The figure is presenting the general increase of the actual salaries that are the result of negotiations between the employer and the employees (or their respective representatives).

Iceland: The increase in salaries is due to the new wage contract for pre-primary and compulsory education teachers that increased the salary levels. However, the rise in salaries did not fully meet the rise in inflation.

Romania and Latvia on one side, and Cyprus on the other, had opposite tendencies in the evolution of teachers' salaries, depending on which year they were impacted more seriously by the financial or budgetary crisis. For example, in Romania, from July 2010, teachers' basic salaries were reduced by 25 %, in order to restore the budget balance in accordance with Law 118/2010 of 30 June 2010. However, from January 2011, basic salaries were increased by 15 %, and as from June 2012, salaries were increased by an additional 8 %. A subsequent planned increase is also planned for December 2012 when salaries will be increased by another 7.4 %, so that the purchasing power of Romanian teachers will be restored to the pre-2010 crisis. It must be noted, however, that teachers in Romania have the lowest absolute statutory salaries in Europe. In Latvia, there was a significant reduction of the public budget for education of almost 40 % in September 2009, which included teachers' salaries. However, in January 2010, the total funding for salaries increased again by 37 % and a possibility for a salary increase through salary indexation and through rewards for additional responsibilities was introduced.

In contrast, in Cyprus, in 2010 and 2011, teachers' salaries were increased by approximately 4 % per year. However in 2012, due to budgetary restrictions, no cost of living allowance or increment was awarded. Furthermore, from October 2011, a gradual decrease in monthly salaries has been enforced with progressive rates starting from 2.5 % for gross monthly salaries between EUR 2 501 and EUR 3 500, rising to 4 % for salaries higher than EUR 4 501.

In a group of ten countries, as an intermediate solution, no cuts were applied to statutory teachers' salaries but they were not indexed to inflation levels. Therefore, whilst absolute values were maintained, the purchasing power of teachers' salaries declined. This is the case, for example, in the United Kingdom (England), which following the recommendations of the School Teachers' Review Body implemented a 2.3 % rise in teachers' salaries in 2009/10 and 2010/11, but is not awarding a pay increase for the period 2011/12. In the United Kingdom (Scotland), the pay agreement for 2011-2013 between the unions and the Scottish government states that there will be no pay award for teachers and associated professionals for the period from 1 April 2011 to 31 March 2013. In addition, as part of this agreement, guaranteed/conserved salaries have been changed, and will cease entirely by 31 March 2016, which will represent a reduction in salaries for some members of staff.

Bulgaria was also one of the countries where the minimum statutory salary didn't change during the period 2011-2012. However, due to the established system of delegated budgets, each school, depending on how well it had managed its budget, could pay a supplement to teachers on the basis of their performance during the academic year. In this way, the actual average salary for teachers and school heads increased by 3 % between 2011 and 2012. Despite this, Bulgaria is still among the countries with the lowest teacher salaries in Europe.

During 2011/12, only the Czech Republic, Poland, Slovakia and Iceland introduced increases in statutory teacher salaries as a result of reforms in the categories of staff or changes in pay scales. For example, in the Czech Republic, the 12-level scale (based on years of experience) was reduced for teachers to a 5-level scale from January 2011. The salaries of new teachers were increased according to the new scale. Moreover, due to changes in the salary scales, actual salaries went up by 3.6 %, and a general increase of 1.6 % was applied to all public employees. In 2012, two different salary scales for teachers have been merged again, but the one with higher salaries was preserved.

The salaries increases in Poland in 2011 and 2012 have resulted from government priorities that seek to improve the quality of education (for example, through incentive payments for the best teachers), and to deliver a significant increase in teachers' salaries by 2012, compared to 2007 levels. The basic statutory salary for teachers increased by 7 % in 2010 and 2011, and will increase by 3.8 % in 2012.

Finally in France, all public sector salaries were frozen in 2011 and 2012, although adjustments were made to give support to specific categories of teachers. During the school year 2010/11, a re-evaluation of teacher salaries was implemented. The upgrading carried out in 2010/11 was for teachers recruited with a Master's qualification. More than 20 000 teachers benefited from an increase in their net salary during their first year (plus EUR 65 per month for a newly-qualified teacher).

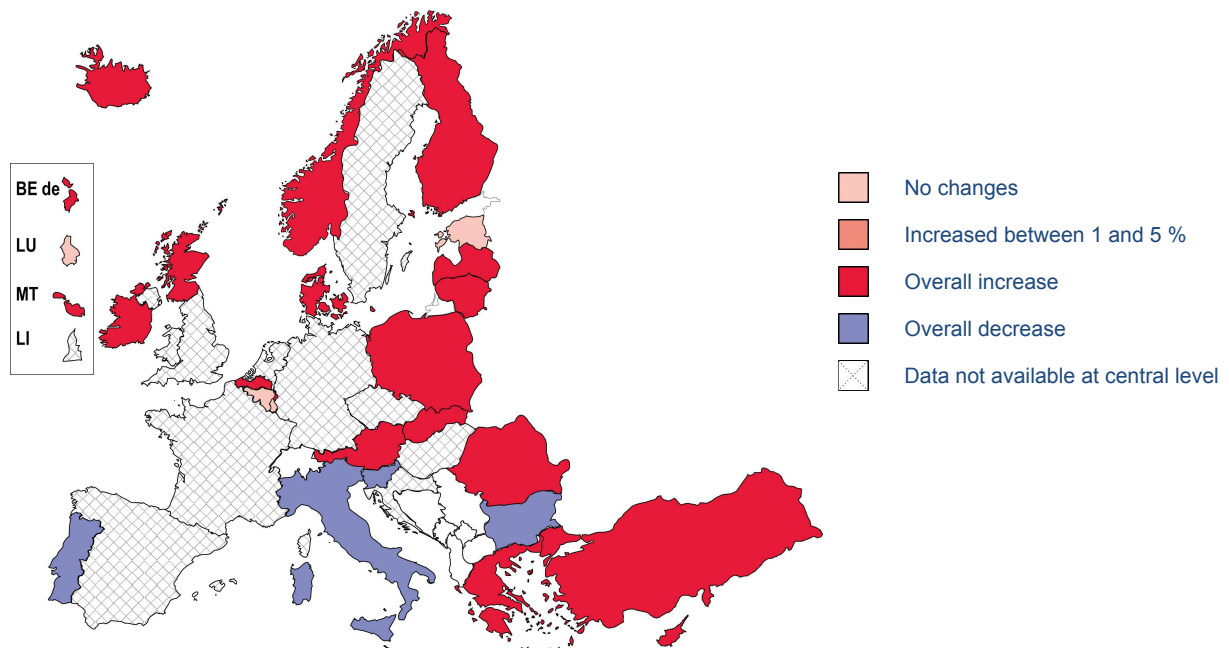
3.5. Changes in teachers' continuing professional development

The provision of comprehensive and high quality continuing professional development for teachers at all levels of education is needed in order to equip the teaching profession with the skills and competences required in a knowledge-based society (European Commission, 2010). As with other areas within the education sector, teachers' continuing professional development (CPD) has seen changes over the last few years due to economic conditions. This section considers, in particular, changes in the provision of CPD activities at central level, and in the financial support available for teachers to attend CPD activities.

In the majority of European countries, the changes in CPD have been positive (see Figure 3.7). In fact, an overall increase in the funding for CPD provision has been reported. In four of these countries (Cyprus, Austria, the United Kingdom (Scotland) and Norway), the increases took place in the context of curriculum or other educational reforms. In Cyprus, following curriculum reform and the implementation of half-term holiday breaks in secondary education, starting from the school year 2010/11, all teachers are now required to attend a special two-day CPD programme. Similarly, in Austria, numerous innovations and reform initiatives – such as the integration of New Secondary School (*Neue Mittelschule*) into the regular school system, the implementation of new education standards and the new competence-oriented matriculation examination – has led to increases in the budget for in-service training over the period 2010-2012 in order to prepare teachers to meet the new challenges. In the United Kingdom (Scotland), additional CPD is being provided in 2012 in connection with the roll-out of the Curriculum for Excellence. In Norway, the former strategy for teacher competence building (2009-2012) has been replaced with a new one (2012-2015). Central government's share of these costs has increased and higher education institutions have been given more responsibility for providing CPD courses.

In five other countries (Greece, Latvia, Lithuania, Romania and Slovakia), funding for CPD has increased as a result of increased financial support from European funds. In Greece, the increase in the funding of teachers' continuing professional development (CPD) concerns the offer of centrally provided CPD courses for teachers in primary and secondary schools due to EU funds (National Strategic Reference Framework). In Latvia, since 2009, four major CPD programmes for teachers have been financed by the European Social Fund (ESF). However from 2012 a decrease in funding has been reported due to the ending of two of CPD activities. In Lithuania, an increase in centrally provided courses and support to teachers occurred in the years 2010-2012, mainly due to an increase in funding from the ESF and other EU funds. This development benefited teachers at all education levels. In Romania, too, the provision of CPD activities increased in 2011 and 2012 as a result of a large number of EU-funded projects, which supported the implementation of new education legislation. In Slovakia, a national CPD project for teachers co-funded with ESF sources started in 2010 and expenditure on centrally provided CPD opportunities has since remained stable.

◆ ◆ ◆ Figure 3.7: Changes in expenditure at central level on continuing professional development (CPD) for teachers at ISCED levels 0-3 between 2010-2012



Source: Eurydice.

Country specific notes

Slovenia: Data includes only state budget. The number of CPD programmes, co-funded by the ESF increased in this period.

Iceland: Data mainly refers to upper secondary level. There is no reliable data at available at central level for pre-primary and compulsory level as they are managed by the municipalities.



The provision of centrally provided CPD activities has also increased in Finland. There is no specific legislation governing CPD and the primary responsibility for in-service teacher training lies with the education providers who ensure teachers' participation as laid down in collective agreements. The state is mainly responsible for continuing education that is important to implement education policy and reforms. At the same time, teachers themselves have been given greater responsibility for developing their professional skills and expertise. More and more attention is being paid to self-motivated CPD, and local authorities' support it within their financial possibilities, financial support is also provided from the state. In addition, a fixed-term national programme (OSAAVA) was set up in 2010. The Ministry of Education is supporting this programme with funding that will increase yearly up until 2016. A central objective of the programme is the development of the competences of educational staff, particularly the competences of leadership, both in institutions and local education administration in general education, teaching staff aged more than 55, as well as the participation of persons who have participated infrequently in CPD for various reasons.

Finally, in Belgium (Flemish Community) and Ireland, the funding of teachers' CPD opportunities decreased in 2010 or 2011 and increased again recently. In Belgium (Flemish Community), in-service training resources for staff teaching in compulsory education was reduced by 20 % in 2010 due to general saving measures in the education budget. However, it increased again in 2011 and remained stable ever since. In Ireland, the budget for centrally provided CPD courses decreased in 2011 compared to the previous year; however, it rose again 2012 to above the 2010-level.

In contrast, in four other countries (Bulgaria, Italy, Portugal and Slovenia) there has been an overall decrease in the supply of centrally provided CPD activities and/or financial support for teachers'

attendance at CPD activities. In Italy, legislation introduced in 2010 led to a decrease of 50 % in the financial resources for CPD in 2011 and 2012. Similarly, in Slovenia, the number of CPD programmes supported by the national budget fell in 2011 and 2012 by around 10 %. Financial support for the implementation of CPD programmes also decreased during the same period, together with the amount of the state budget funds provided to schools for this purpose. At the same time, the number of CPD programmes co-funded by the ESF increased. The number of participants in these programmes increased notably in 2010 and 2011.

Finally, in the United Kingdom (Wales), CPD is funded through individual school budgets. Until recently, there was also an individually focused CPD programme, funded by the Welsh Government. This provided teachers in their second and third year of teaching with an entitlement to two years of Early Professional Development (EPD). Since 2011, funding for the first year of EPD was linked to the national priorities of literacy, numeracy, reducing the impact of poverty on attainment, additional learning needs, behaviour management and reflective practice. However, this arrangement is being revised in 2012 and the funding will no longer be available.

CHAPTER 4: INVESTMENT IN EDUCATION INFRASTRUCTURES AND FUNDING FOR SPECIFIC SUPPORT PROGRAMMES

Although educational infrastructure represents a small share of the total education budget compared to human resources ⁽⁶⁾, it nevertheless has a significant impact on young people's educational experience. Sufficient numbers of institutions in the right places and of the right size are needed to ensure that all young people have easy access to education. Well-equipped teaching areas such as classrooms, ICT suites, libraries and laboratories are essential if high-quality education is to be provided; while other amenities such as canteens, playgrounds and sports facilities are indispensable to the health and well-being of students. This infrastructure must be maintained and adapted to meet changing needs, not only in terms of increases and decreases in student numbers, but also to keep pace with innovations in teaching and learning. The quality of learning is also impacted by the award of additional resources to schools through specific programmes based, for example, on geographical, social, language or other needs criteria. These programmes are often intended to support students with additional educational needs and seek to ensure equity in education.

The economic downturn in recent years has affected spending on infrastructure to differing degrees across Europe. Around half of the countries studied have taken measures to limit public spending in this area as a result of the financial and economic crisis. As far as budgets for specific support programmes are concerned, only the Czech Republic and Ireland report recent reductions. On the upside, around a third of countries or regions have increased their investment in some of the areas of expenditure analysed, though this is sometimes combined with cuts in other areas.

It must be borne in mind that, in many countries, local authorities and/or institutions have a degree of autonomy in managing their resources; information on spending at this level is, however, not systematically reported to central authorities. Consequently, any information provided here on the extent of the cuts to infrastructure spending between 2010 and 2012 does not necessarily reflect a complete picture.

This chapter looks firstly at pre-primary, primary and secondary education and examines the changes made to school provision and class sizes; it then looks at funding for construction, maintenance and renovation of buildings before finally addressing the provision of information technology equipment. Section two focuses on tertiary education, but deals only with the issues of reorganisation of institutions and funding for construction, maintenance and the renovation of buildings. The last section deals with the funding for specific pre-primary, primary and secondary school programmes aimed at particular groups or geographical areas. Each section starts with an overview of the main changes in the area concerned.

4.1. Infrastructure at pre-primary, primary and secondary levels

The provision and reorganisation of schools and other education institutions is a continual process, usually carried out in response to demographic changes in the student population. New institutions are opened and older institutions are closed or merged to ensure that provision meets the needs of pupils and students in the most cost-effective way. However, seven countries report the financial and economic crisis among the main factors for having reduced the number of institutions through mergers and closures. In some cases, decisions on mergers and closures are also accelerated by changing regula-

⁽⁶⁾ For instance, capital expenditure in education, which relates to expenditure on assets that last longer than one year and includes spending on construction, renovation and major repairs of buildings, as well as expenditure on new or replacement equipment, represented in 2008 8.9 % of total annual expenditure in public education institutions at EU level (EACEA/Eurydice, 2012a).

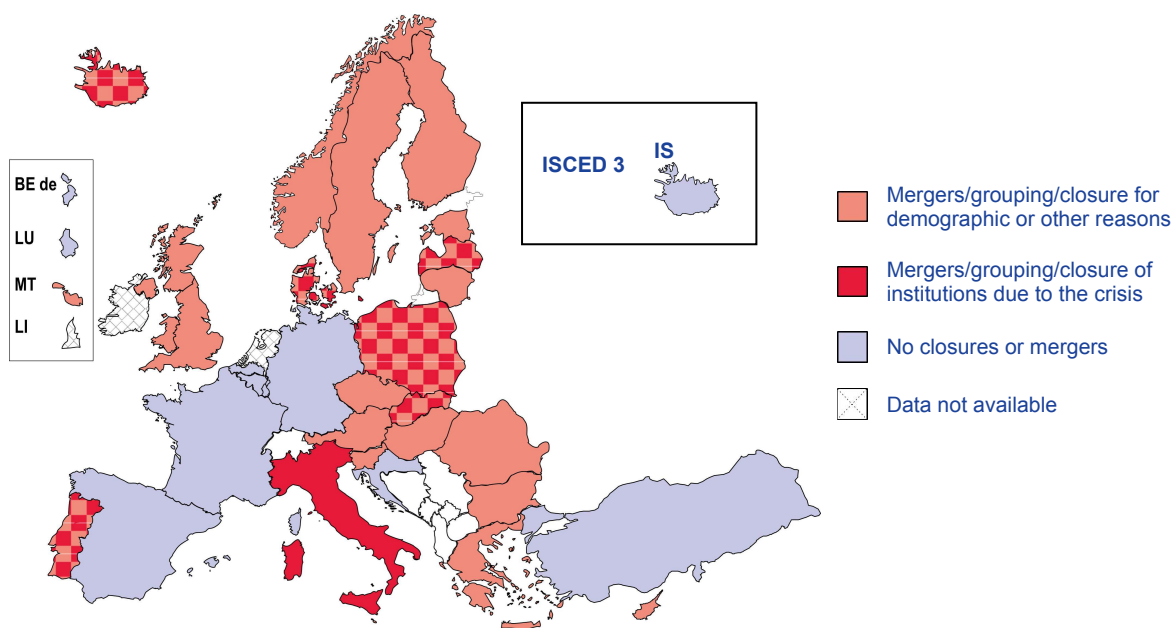
tions on the size of classes or schools, or by reforming funding mechanisms. Besides, eight countries or regions have reduced public funds for the construction, maintenance and renovation of buildings.

One area of spending that appears to have largely escaped the impact of the economic and financial crisis is expenditure on information technology equipment. Only four countries reported cuts in central level budgets for this category of expenditure.

4.1.1. Mergers and closures

The restructuring of education provision through the merger and closure of institutions has been widespread in Europe over the last three years (see Figure 4.1). Indeed, the rationalisation of the school network to keep pace with demographic change is a recurrent objective of public authorities across Europe. However, it is important to examine closely all the circumstances surrounding the recent reorganisations as, in some cases, they have been instigated by the economic crisis, while in others public spending constraints due to the downturn have contributed but are not necessarily the main factor involved.

◆ ◆ ◆ **Figure 4.1: Mergers and closures of pre-primary, primary and secondary education institutions (ISCED 0-3), between 2010-2012**



Source: Eurydice.

Country specific note

United Kingdom (NIR): Against the backdrop of the challenging financial landscape, the government requested an audit which identified schools experiencing problems with enrolments, educational standards or financial viability. On this basis, Education and Library Boards and the Council for Catholic Maintained Schools will conduct further closures or mergers in the near future ⁽⁷⁾.

◆ ◆ ◆

Overall, around two thirds of countries or regions conducted closures and/or mergers of institutions between 2010 and 2012. These reorganisations have mainly involved primary and secondary education, although in eleven countries or regions ⁽⁸⁾, pre-primary institutions have also been affected.

⁽⁷⁾ For further information about restructuring in Northern Ireland, please consult: <http://www.deni.gov.uk/index/schools-and-infrastructure-2/area-planning.htm>

⁽⁸⁾ The Czech Republic, Estonia, Greece, Italy, Cyprus, Latvia, Lithuania, Hungary, Portugal, the United Kingdom (Scotland) and Iceland.

In most of the countries concerned, the major rationale for restructuring is the desire to ensure that public investment follows demographic changes, for example, when the number of young people declines in sparsely inhabited rural areas.

However, the financial and economic context is emphasised as among the main factors involved in prompting mergers and closures in Denmark, Italy, Latvia, Poland, Portugal, Slovakia and Iceland. In Italy, it is indeed the main reason for closing or merging institutions. In Portugal, the lack of adequate infrastructure such as a canteen, a library or ICT facilities has also contributed to decisions on the closing of schools, as well as on the transfer of pupils to schools with appropriate facilities. Denmark indicates that school reorganisations have taken place because of cuts to municipal budgets.

In three of the countries where mergers and closures have been driven by the financial and economic crisis, recent reforms related to funding mechanisms or class size regulations have strengthened the rationalisation process.

In Latvia since 2009, mergers and closures have increased due to the implementation of a new funding system whereby 'money follows pupils'. The system is managed by local authorities, which took over the responsibility for teacher remuneration from central government. In consequence, some local authorities have closed or merged schools where the number of pupils did not attract sufficient funding to pay teachers' salaries. The suspension of regulations on minimum and maximum class sizes has also given local authorities substantial freedom with respect to merger and closure procedures. Consequently, between 2009 and 2011, 27 general education schools from pre-primary to upper secondary level were closed, and 45 general education schools were reorganised⁽⁹⁾. Furthermore, 28 vocational education schools were merged by creating skills centres, and three state vocational education schools were closed. In 2012, the rationalisation process has continued in municipalities that had not previously closed or merged schools and in municipalities where the number of pupils has dropped significantly.

In Portugal, central and regional level authorities have been developing policies to reorganise the school network in partnership with local authorities with a view to rationalising and optimising the available material and human resources. Since 2010/11, the minimum and maximum class sizes have therefore both been recently raised. In addition, a minimum number of 21 pupils has been set for operating a school offering the first cycle of primary education.

In Poland, a regulation introduced in 2010 to limit local government's scope for incurring debt, combined with a worsening economic situation, led some local authorities to accelerate decisions on schools mergers and closures⁽¹⁰⁾. Rural primary schools have been most affected – compared to 2003/04, the number of these schools has fallen by 9.3 % (1 424 fewer schools). Schools that have been closed by local governments, or those in danger of closure, are increasingly being taken over by associations; in these cases teachers' salaries, although still publicly funded, are partly deregulated.

Finally, in four countries, the principal reasons for restructuring the school network are not related to demography or to the financial and economic crisis. In Hungary and Norway, in order to be more cost-effective, state funding mechanisms encourage local authorities to organise larger schools or classes. Hence, in Norway, during 2010/11, the number of pre-primary institutions decreased by nearly 2 % despite a slight increase in the number of children. In Malta, the number of schools is falling due to the phasing out of the dual secondary education system. In the United Kingdom (England), it is

⁽⁹⁾ Ministry of Education and Science of Latvia:
<http://izm.izm.gov.lv/nozares-politika/izglitiba/vispareja-izglitiba/aktualitates.html>

⁽¹⁰⁾ Information based on the pilot phase of research currently carried out by the Educational Research Institute.

government policy to allow popular and successful schools to expand and for weak or under-performing schools with declining rolls to either convert or merge into an academy. The academies programme was originally established to drive up standards in disadvantaged urban areas but the emphasis has now changed and it is the government's ambition to help every school which wishes to do so to become an academy, which brings a greater level of financial and curriculum autonomy. It is also government policy, through the Free Schools programme, to make it easier for teachers, charities, parents and education experts to open a new school if there is a demand within a local area.

4.1.2. Changes in class size

The economic and financial crisis has not prompted changes in regulations in order to increase class size, except in Latvia and Portugal (see Section 4.1.1), as well as Spain. In Spain, where the class size in 2010 was slightly below the EU average, the Government issued a rule of rationalization of public expenditure in 2012 allowing the Autonomous Communities to increase the class size up to a maximum of 20 % compared to regulations in force until then. At present, no Spanish educational administration has applied this measure up to the maximum allowed and many of them have not implemented it.

In contrast, in five other countries regulations have been changed or new policies have been introduced to reduce class sizes. In Belgium (Flemish Community), as of 2012/13, the staffing levels of pre-primary and primary education will rise by 9 % and 1.5 % respectively. In Denmark, a regulation for a maximum of 28 students per class in upper secondary schools was introduced in 2011, where previously there was no regulation and the trend was for an increase in student/teacher ratio. In Slovenia, as of 2011/12, the maximum class size at upper secondary level was lowered from 32 to 30 students in general and technical education, and from 30 to 28 students in vocational education; this reform is to be implemented gradually. In the United Kingdom (Scotland), as of 2011, the maximum number of students in the first year of primary education was lowered from 33 to 25. Finally, in Finland, the Ministry of Education has earmarked budgets for the reduction of group sizes at primary and lower secondary levels throughout the 2009-2012 period, and will continue to do so in 2013. Starting with an amount of EUR 16.3 in 2009, the 2013 earmarked budget will be of EUR 60 million.

4.1.3. Construction, maintenance and renovation

This section examines the changes in capital expenditure for construction, renovation and major repairs of buildings for pre-primary, primary and secondary education since 2010 (see Figure 4.2). However, it is worth mentioning that in a majority of European countries, local authorities decide either partly ⁽¹¹⁾ or entirely ⁽¹²⁾ the overall amount of public capital expenditure for these levels of education (EACEA/Eurydice, 2012a) and not all these countries are able to report on trends in local level spending.

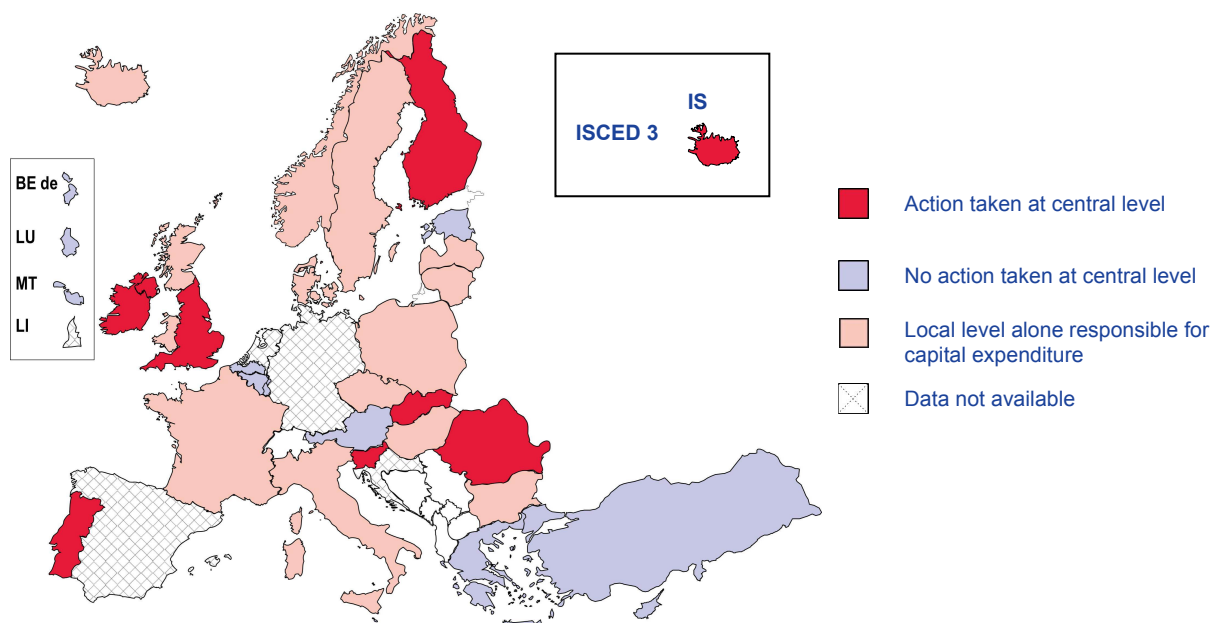
Between 2010 and 2012, seven European countries or regions (Ireland, Romania, Slovenia, Slovakia, the United Kingdom (England and Northern Ireland), and Iceland for ISCED 3) have reduced central level expenditure on the construction, maintenance and renovation of educational buildings as a consequence of the financial and economic crisis. In Ireland, for example, capital expenditure on schools has been reduced by around a third between 2010 and 2012, as part of a range of measures included in the National Recovery Plan 2011-2014. In Romania, the share of capital expenditure

⁽¹¹⁾ Germany, Estonia, Spain, Italy, Lithuania, Luxembourg, Austria, Portugal, Romania, Slovenia, Finland, the United Kingdom (England and Wales), Liechtenstein and Croatia.

⁽¹²⁾ Bulgaria, the Czech Republic, Denmark, France, Latvia, Poland, the United Kingdom (Scotland), Sweden, Iceland (ISCED 1-2) and Norway.

funded by the central government was reduced by more than two thirds between 2010 and 2012. In Slovakia, severe successive reductions were made to budget for capital expenditure in 2011 and 2012. In Iceland, considering the whole period 2010-2012, capital expenditure for upper secondary schools, which is centrally managed, has fallen as a result of cuts across the board. Finally, in the United Kingdom (Wales), it is anticipated that there will be a 50 per cent cut in the capital budget allocated by central government to local authorities and schools.

◆ ◆ ◆ **Figure 4.2: Action taken at central level to reduce capital expenditure on pre-primary, primary and secondary educational institutions (ISCED 0 to 3) between 2010-2012**



Source: Eurydice.

Country specific note

France: The local level takes most decisions on capital expenditure alone. However, it shares decision-making powers related to the building of new educational institutions (ISCED 0-3) with the central level.

◆ ◆ ◆

In those countries affected, central level cuts on capital spending have had a diverse impact, ranging from cancelling refurbishment or construction plans or projects, to establishing an order of priority for different types of capital expenditure.

In the United Kingdom (England and Northern Ireland), some of the plans or projects for capital investment in schools that were made during the previous decade have been or will be cancelled. In England, the programme 'Building Schools for the Future' established in 2004, that aimed to rebuild or refurbish every secondary school in England through public-private partnerships over a 15-20 year period, was cancelled in 2010. Following this measure, a review of the Department for Education's capital funding arrangements was carried out in order to make recommendations on future delivery models for capital investment from 2011/12 onwards⁽¹³⁾. In Northern Ireland, following a review of all capital projects in the Investment Delivery Plan commissioned in October 2009 by the Minister of Education, funding of projects that were not viable and sustainable in the long term has been reduced or stopped.

⁽¹³⁾ The final review is available at: <http://www.education.gov.uk/schools/adminandfinance/schoolscapital/capitalreview/a0076572/independent-review-on-the-school-capital-system-is-published>.

As a consequence of the decrease in the overall amount of capital budget, Slovenia has established priorities between the various types of school capital expenditure. Since 2009, funds for major maintenance and repair of upper secondary education buildings have been set at a minimum intervention level whilst energy-saving building restoration remains a priority.

In addition to reductions in central level budgets, two countries (Poland and Iceland for ISCED 0 to 2) report that local authorities have made cuts in their expenditure on capital projects for schools owing to the financial and economic crisis. Besides, in the Czech Republic, the municipalities (which are responsible for the provision of schools) lacked the funds needed to adapt pre-primary provision to meet the rise in the birth rate from 2001.

Portugal and Finland are the only countries where the reduction of capital expenditure in 2012 is not related to the financial and economic crisis. In Portugal, it is due rather to the ending of a large central and local investment programme of construction and upgrading of pre-primary and school buildings which was in progress between 2009 and 2011. In Finland, a reduction has occurred but is due to several factors, including budgetary fluctuations due to changing amounts of new construction projects and the gradual move of entire school construction and renovation funding to the responsibility of the municipalities.

Finally, in Belgium, Estonia, Greece, Cyprus, Luxembourg, Austria, Malta, and Turkey, central level public authorities did not take measures to reduce the budget for capital expenditure in schools between 2010 and 2012. Of these countries, two regions of Belgium have even recently increased their investment in school capital projects. In Belgium (French Community), the demographic trend is dramatically upwards in some areas and, since 2009, public authorities have been expanding current institutions or building new ones in order to create new school places. Additional investments up to 640 million euros in new school buildings started to be implemented from 2011 (spread over 20 to 30 years depending on the type of school) to face the demographic trend. In Belgium (Flemish Community), investing in sustainable and modern infrastructure is a political priority. In addition, in Sweden, a number of local authorities have increased their capital expenditure in 2012 for the construction of new buildings, as well as for the renovation and modernisation of existing schools.

4.1.4. ICT equipment

The methods of school funding used in Europe do not allow a full and accurate picture of the recent trends in the level of funding awarded for ICT equipment. Decision-making powers in this area are fully centralised only in Bulgaria, Greece, Cyprus, Luxembourg (ISCED 1), Malta, Liechtenstein and Turkey (EACEA/Eurydice, 2012a). In other countries, schools or local authorities have differing degrees of autonomy in deciding how much of their budget should be allocated to ICT equipment. However, it should be noted that most countries award some funding for ICT equipment at central level, since they fund national strategies for developing digital competences at school (EACEA/Eurydice, 2012c). These strategies may be education-focused or they may be general strategies that encompass the education sector, but they all involve financial resources for ICT equipment in schools. The only countries not operating a national strategy of this type are the German-speaking Community of Belgium, the United Kingdom (England, Northern Ireland and Scotland), Liechtenstein and Croatia.

This funding context must be borne in mind when interpreting the available data: only four countries report that centralised public spending for ICT equipment in schools has fallen over recent years as a result of the economic downturn. Depending on the country, these cuts have affected national strategies (Spain), or other centrally designated budgets awarded to local authorities or schools (Cyprus, Poland and Iceland).

Spain continues to have a central strategy for developing pupils' digital competences in 2012, but its budget has fallen by more than a half compared to previous years. 'ICT Programme 2012', which reaches a provision of EUR 41.5 million in the state budget, will develop an electronic platform for learning that will improve the management of content and promote the use of virtual learning environments to facilitate teaching in classrooms and individualised learning.

Central spending designated for ICT equipment in Cyprus and Iceland (upper secondary education) has been reduced because all central level expenditure is tighter. In Poland, the central spending earmarked for ICT equipment was slightly reduced between 2010 and 2012, in order to compensate for the increase in teacher salaries.

In addition, in Portugal, the amount spent on ICT equipment for schools fell in 2011 because the 2007-2010 large investment in hardware, software and information systems for schools had come to an end.

In contrast with the five countries described above, during the 2010-2012 period, Bulgaria and Italy report decreases and successive increases in central level budgets for ICT equipment in schools, whilst Belgium (French Community) and Malta have strengthened their investments in this area.

In Bulgaria, the public financial resources devoted to the national programme 'Information and communication technologies at school' were reduced in 2010, kept stable in 2011 and increased more than fourfold in 2012 compared to 2010. In Italy, public expenditure at central government level on goods and services for schools, which includes ICT equipment, fell to an all-time low in 2010, in order to compensate for not reaching the goals set in 2006 for the reduction of personnel expenditure. In later years, the aforementioned goals have been met, so the expenditure on goods and services was first restored to the previous levels and then increased in 2012.

In Malta, between 2010 and 2012, the budget allocated to information technology in public schools was increased by slightly more than a third, to reach EUR 850 000. Furthermore, in recent years, the government has embarked on two European regional development fund projects in order to improve ICT equipment in schools. The first project, which took place between 2008 and 2011, focused on the purchase of science and technology laboratory equipment for public secondary schools, with a total budget of EUR 1.25 million. The second project has been operating in 2011/12 with an investment of EUR 8.6 million including EUR 2.6 million for the purchase of interactive whiteboards for public primary and secondary schools.

4.2. Higher education infrastructure

At higher education level, efforts to reduce public deficits have led to mergers and closures of institutions in four education systems and to reductions in public funds for the construction, maintenance and renovation of institutions in seven education systems. In some other countries, the restructuring of institutions has been mainly driven by a strategy to make higher education more competitive – ensuring an optimum number of institutions and thus avoiding duplication of provision.

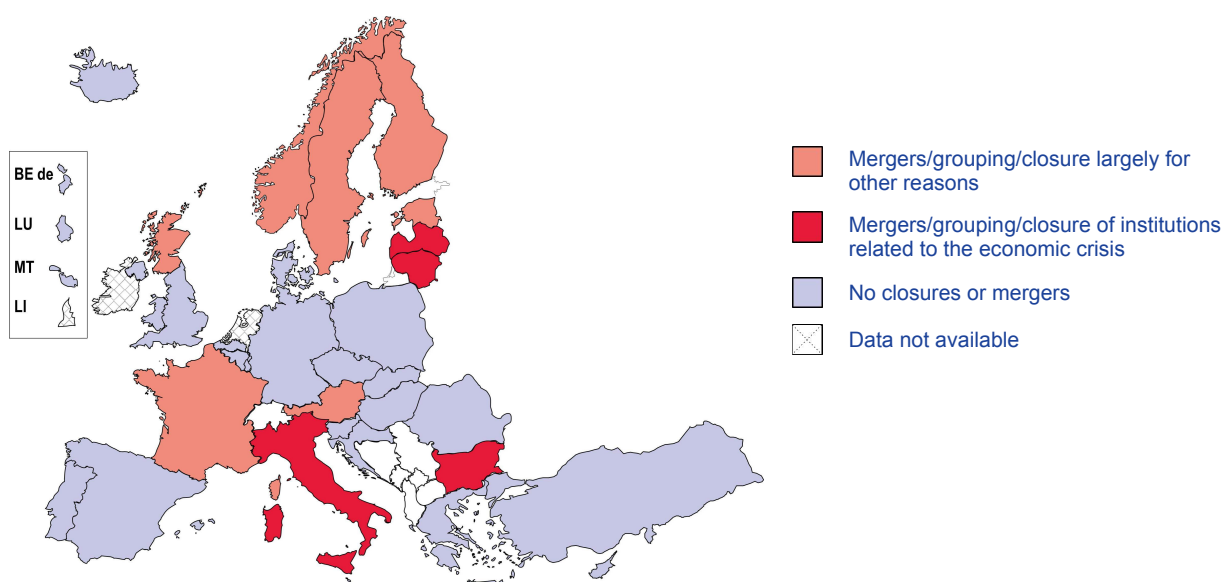
4.2.1. Mergers and closures

Between 2010 and 2012, as a result of the financial and economic crisis (see Figure 4.3), in Bulgaria, Italy, Latvia and Lithuania, central governments took action to cut the number of higher education institutions or approved mergers initiated at institution level. Across these countries and regions, the reorganisations vary in scope. In Italy, mergers and closures have resulted from legislation in 2010 on quality and efficiency in higher education. This legislation is intended not only to achieve economies of scale, particularly with regard to administrative staff costs, but even more important is the prevention

of excessive fragmentation and duplication of ISCED 5 provision in many areas of the country. The legislation also provides for the creation of 'federations' of higher education institutions and post-secondary non tertiary institutions.

In contrast with the situation in Italy, there is no overall policy behind the mergers and closures that have occurred between 2010 and 2012 in Bulgaria, Latvia and Lithuania. In Bulgaria, the general tendency is to have more critical mass and avoid academic staff traveling between institutions. In Latvia, the Police Academy was wound up in January 2010 and, in 2011, a small number of university level higher education institutions were merged with universities. In Lithuania, mergers and closures affected a minor part of the higher education system. In 2009, ten university level higher education institutions were merged, 14 were integrated into six universities, and three were closed. In 2010, two universities were merged.

◆ ◆ ◆ **Figure 4.3: Mergers and closure of higher education institutions (ISCED levels 5-6), between 2010-2012**



Source: Eurydice.

Country specific notes

Czech Republic: Figure shows information for ISCED 5A and ISCED 6 institutions. The number of vocationally-oriented higher education institutions slightly decreased between 2010 and 2012, which is due to a combination of demographic and economic factors.

Greece: No mergers or closures have been realized during the reference period but, in the context of improvement of scientific and academic quality, legislation on higher education provides for mergers, closures or splits of HEIs, taking into consideration the number of students and the needs for budget savings.



During the reference period (2010-2012), mergers and closures of higher education institutions for reasons unrelated to the financial and economic crisis or national reorganisation plans have occurred in seven countries. In Estonia, several private higher education institutions were closed or merged with a university between 2010 and 2012, following negative evaluations received within the quality assurance system in place. In Austria, in the context of the Bologna process, most of the academies for special allied health professions and midwifery have been converted into bachelor's degree programmes and transferred to universities of applied sciences. In Sweden, two new universities were created during the period 2010-2012 by merging existing HEIs.

Over the last years, France, Finland, the United Kingdom (Scotland) and Norway have introduced national level policies for raising the quality and improving the impact of higher education, by supporting cooperation and strategic mergers between institutions. These policies or plans have not been undertaken as a result of the current economic problems, but were introduced on the grounds that too many institutions can be detrimental to education quality because of the wasteful duplication of provision. Furthermore, the development of sufficient critical mass in areas of strength is expected to improve institutions' competitiveness at national and international levels.

In France, a 2006 policy provided for the creation of teaching and research centres which led to some mergers of higher education institutions. In September 2012, 26 such centres had been set up, involving around 60 universities and many other types of higher education institutions.

In Finland, the reorganisation of higher education institutions started earlier than in the other countries mentioned. Since 2002, the numbers of universities and polytechnics have decreased from 20 to 16 and from 30 to 25 respectively. According to the government's *Development plan for education and research 2011-2016*, the higher education network is still too fragmented, and problems relating to completion rates, enrolments and graduate placement are more common in small university and polytechnic subsidiaries. Therefore, the structural reorganisation of HE institutions is being strengthened.

In 2012, the Scottish government (United Kingdom) began a reorganisation of higher education. Mergers and closer collaboration between post-secondary college institutions were encouraged in order to create larger units organised on regional lines. This reform is intended to make the higher education system more responsive to the needs of learners and local economies, and ensure its sustainability.

Similarly, in Norway, given that institutions and campuses were too small and weak to be able to maintain quality and attract sufficient student numbers over the long-term, since 2009 the government has been implementing a strategy to develop higher education institutions through cooperation, division of labour and concentration of resources (CDLC-strategy). The policy adopted by the Government is that change should take place voluntarily, and instead of forcing institutions to merge, the ministry sets a direction and tries to encourage the institutions to move in that direction by various means, including financial support to groups of institutions agreeing on CDLC-measures. The result has been a number of initiatives including voluntary mergers (two are in place so far and several more are planned), networks e.g. in research training, and agreements on the division of labour at subject level.

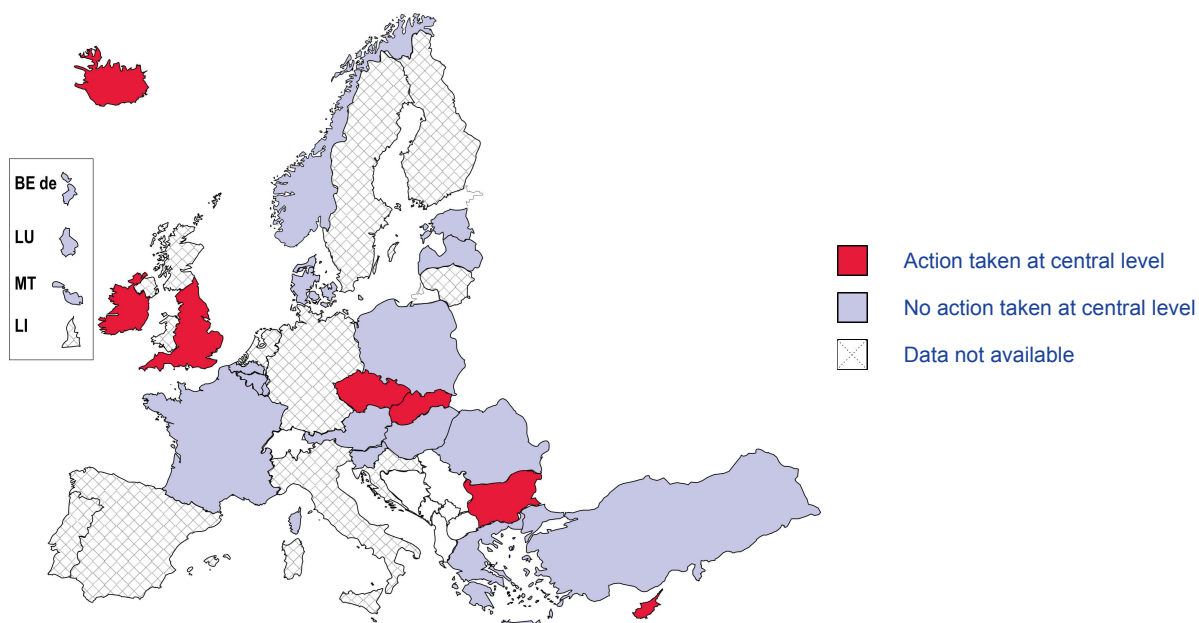
In addition, in the United Kingdom (Wales), the central government has developed plans for a forthcoming in-depth restructuring of its higher education system. The 'For Our Future – The 21st Century Higher Education Strategy and Plan for Wales', introduced in 2009, provides for the reduction of the number of HE institutions to a maximum of six (against 12 currently). In addition, no more than two HEIs should have an income below the UK median.

4.2.2. Construction, maintenance and renovation

Between 2010 and 2012, seven countries or regions have taken central level measures to reduce capital expenditure for higher education institutions (see Figure 4.4) in the context of the current crisis and the need to reduce public spending. This is the case in Bulgaria, the Czech Republic, Ireland, Cyprus, Slovakia, the United Kingdom (England) and Iceland. In Bulgaria and the Czech Republic, central level budgets for capital expenditure in higher education institutions were reduced in 2012 and 2011, respectively. In Cyprus, the general government grant that covers expenses on the construction of new buildings, the maintenance of existing buildings and other type of capital expenditure for public universities has been lowered in 2012. In Ireland, government spending on construction costs was dramatically reduced from EUR 169 to 65 million between 2010 and 2012. In Slovakia, the amount of

capital expenditure for tertiary education was reduced by almost a half between 2010 and 2012. In 2011/12 in the United Kingdom (England), the Higher Education Funding Council reduced the amount of the Capital Investment Fund to which institutions can apply for grants for capital projects, other development initiatives and support for national facilities. In Iceland, state contributions to capital expenditures in the higher education sector decreased in 2011 and 2012 as a result of cuts across the board, by 81 and 18.5 million krona respectively.

◆ ◆ ◆ **Figure 4.4: Action taken at central level to reduce capital expenditure on higher education institutions between 2010-2012**



Source: Eurydice.



In 15 countries, no measures were taken by public authorities between 2010 and 2012 to reduce capital expenditure on higher education institutions. Of these countries, Greece, Poland and Slovenia have even had increases in capital expenditure for higher education. In Greece, after a decrease in 2011, the capital expenditure for 2012 recovered more than its loss compared to 2010. In Poland, the budget earmarked for the Operational Programme 'Infrastructure and Environment', which is mainly targeted at funding capital expenditure was increased in 2011 and 2012. In Slovenia, budget funds for investments in higher education increased in 2011.

4.3. Specific programmes of educational support

Besides the general funding mechanisms for allocating resources across entire sectors or levels of education, central education authorities also award funds linked to specific programmes based, for example, on geographical, social, language or other needs criteria. The aim of these programmes is often to support particular developments such as improving the pupil/teacher ratio, providing supplementary language classes for minority language groups, or implementing projects to support student retention.

Central education authorities usually have extensive decision-making powers to determine the level of resources awarded to schools through specific support programmes. Funds may either be transferred directly to schools or they may be transferred to local authorities in the form of a designated budget, which is then allocated to schools (Eurydice, 2001). Some countries have a different approach. For

instance, in Sweden, municipalities and independent providers decide whether and how much financial support they should provide for students with specific needs, such as those whose mother tongue is not the language of instruction, those from a disadvantaged socio-economic background or those with other additional educational needs.

Only the Czech Republic and Ireland report recent reductions in their budgets for specific support programmes. In both cases, these cuts have been made against a background of austerity and the need to reduce public spending.

In the Czech Republic, the funding of some specific support programmes has been reduced since 2010. This reduction was partly compensated for by an increase in the amount of funds coming from the ESF, which were used to fund these programmes.

In Ireland, in line with a reduction in all ancillary grants, the overall allocation for projects participating in the School Completion Programme for the 2010/11 school year was reduced by 5 %. The School Completion Programme provides needs-based support to children and young people at risk or experiencing educational disadvantage. Furthermore, resource teachers for travellers and the visiting teachers service for travellers were withdrawn from 1st September 2011. These decisions were part of a range of measures, included in the National Recovery Plan 2011 to 2014, to secure some EUR 24 million in savings in the 2011/12 school year.

In contrast with the spending reductions mentioned above, Belgium (French and Flemish Communities), Spain and Norway have recently increased their budget for specific support programmes. In Belgium (French Community), the increases affected funds for bridging classes and additional staffing resources. In Spain, the budget of one of the major national level support programmes (PROA) was increased between 2010 and 2011 from EUR 49.65 million to EUR 59.7 million, and in 2012 a further increase which pushed the budget to EUR 60 million took place. The PROA (programmes for reinforcement, guidance and support) are based on cooperation between the Ministry and the Autonomous Communities to address the needs associated with students' socio-cultural environment. Since 2009, Norway has increased the budget for projects intended to increase completion rates in upper secondary education and training, these include programmes to improve teaching basic skills in reading, writing and arithmetic.

Besides, other recent changes in the funding of specific programmes of educational support were made in the United Kingdom (England and Wales), by subsuming a number of ring-fenced grant streams into one overarching grant. In England, the Dedicated Schools Grant is intended to provide schools with more autonomy in allocating funding for specific education priorities. In Wales, the merging of various grants into the single School Effective Grant is intended to put greater focus on the three national priorities (literacy, numeracy, and reducing the impact that deprivation and poverty have on educational attainment). In addition, both England and Wales have created new funds to support students from disadvantaged backgrounds. In England, schools now receive 'Pupil Premium' payments and in Wales the Pupil Deprivation Grant.

CHAPTER 5: FINANCIAL SUPPORT FOR STUDENTS, CHANGES TO STUDENTS' FEES AND PROVISION FOR ADULT LEARNING

Financial support for pupils, students and their families is one of the key ways of encouraging high levels of participation in education, especially among disadvantaged groups. The economic downturn and the subsequent tightening of budgets in many countries has, however, had an impact on the funding available for pupil and student support as well as on the tuition or other fees payable in some countries.

The majority of countries have kept their main student support arrangements in place and have only implemented restrictions to other financial assistance schemes. However, in 2012 compared with the previous year, ten countries increased the amount of the central budget allocated to support grants, mainly for tertiary education students. A few countries have also developed new support schemes to respond to the new economic and social environment; the deterioration of the employment situation having made a re-skilling of the workforce necessary which, in turn, has prompted the development of specific support programmes for adults in education and training.

This chapter analyses the changes in public expenditure on financial assistance to pupils and students and/or to their families, and looks at recent policy developments in this area. A specific section is devoted to the additional fees or monetary contributions implemented during 2011 and 2012. The last section provides an overview of the changes and developments in public financial support and provision for further/adult education.

5.1. Trends in public expenditure for financial assistance to pupils and students over the last decade

On average in 2009, as indicated in the UOE data collection of Eurostat, countries of the EU allocated 6.7 % of their total public expenditure on education to direct support for pupils and students (grants and loans). However, there are differences between countries in the overall level of direct funding provided, as well as large disparities in the amounts allocated to pupils and students at different levels of education. It is important to point out that the figures analysed in this section refer only to the proportion of expenditure devoted to direct financial assistance to pupils and students in relation to total expenditure on education, and not to actual expenditure.

In Bulgaria, Denmark, Cyprus and Norway, the percentage of education expenditure allocated to direct support for pupils and students was at least twice the EU-27 average (i.e. over 13 %), while in Germany, the Netherlands and Sweden the figure was more than 10 % of their total public education expenditure to financial support for students. At the opposite end of the spectrum, almost half of Member States spent less than the EU-27 average of 6.7 %. It must be stressed here, that figures analysed in this section relate only to direct public support for pupils and students, which on its own, does not fully measure the true level of support that families may receive. For instance, other support schemes available to parents of pupils/students from primary to upper secondary levels are not taken into account.

Education at primary and secondary levels is delivered free of charge in all countries whereas education at tertiary level may be subject to fees. This partly explains why, on average, countries of the EU in 2009 spent as much as 17.4 % of their total public expenditure on direct public support for tertiary students, whereas the direct support allocated to those in primary, secondary and post-secondary non-tertiary levels (ISCED 1-4) amounted to only 3.9 %. This pattern is observed in all countries except Bulgaria, where pupils and students at school level received a larger proportion of

support than those in tertiary education. In the Czech Republic, Malta and Poland, there was little difference between the proportion of direct support to school or non-tertiary education levels (ISCED 1-4) and tertiary levels (ISCED 5-6).

Direct support to pupils in primary and secondary education was less than 5 % in more than half of the countries examined. Bulgaria (18.5 %), Denmark (8.1 %) and Germany (8.6 %) recorded the highest percentages whereas in Spain, Luxembourg, Poland and Iceland, less than 2 % of total public expenditure on education was devoted to direct public sector support at these levels.

As tertiary students often move away from the family home and need to pay for living costs (e.g. accommodation), direct public support is a means by which public authorities seek to widen access to tertiary education. Denmark, Cyprus, the Netherlands, Sweden, the United Kingdom, Iceland and Norway devoted a quarter or more of their public expenditure to financial support for students in tertiary education. In Cyprus, the very high level of support (55.6 % of the total expenditure in support) was due to the cost of funding the large number of students who study abroad.

A clear trend emerges when analysing the changes in direct public financial assistance to pupils and students between 2000 and 2009. The proportion of total education expenditure allocated to financial assistance has increased in all countries, except Denmark and Latvia, where it declined.

This general increase is mainly due to the relative rise in the financial assistance allocated to tertiary education students (from 13 % in 2001 to 17.4 % in 2009 at EU-27 level). A strong increase can be seen in Germany, Portugal, Slovakia and Norway, with an increase of more than five percentage points. In the United Kingdom, public financial assistance to students also rose, although the tuition fees charged were also considerably increased.

At school level, the overall increase in the expenditure on financial assistance to pupils and students was only one percentage point at EU-27 level over the ten years analysed. However, Bulgaria increased the share of expenditure on financial assistance from 4.6 % to 18.5 % between 2000 and 2009. The greatest reduction in the percentage of expenditure dedicated to financial assistance for students in primary and secondary education can be seen in Denmark (-7.9 percentage points) and Sweden (-4.9 percentage points).

Explanatory note (Figure 5.1)

Financial assistance for pupils and students corresponds to transfers funded by the public sector in the form of study grants, loans and family allowances. The indicator does not reflect all the financial support provided to pupils and students, since they may also receive assistance from other sources, such as loans from private banks; they may also benefit from subsidised services such as meals, transport, health and housing; or enjoy tax relief.

Country specific notes

EU-27: Estimated figures.

Bulgaria, Czech Republic and Austria: There are no publicly funded loans to pupils/students.

Denmark: Expenditure at ISCED 4 is partially included in that of ISCED 5-6.

Estonia and Hungary: Student loans from public sources are only partially available.

Spain, Ireland and Portugal: Expenditure on ancillary services is not available for ISCED 5-6.

Cyprus: Includes financial assistance to students studying abroad at ISCED 0-6 and ISCED 5-6.

Luxembourg: Expenditure on ISCED 4 is not available. ISCED 1-4 expenditure for ancillary services and public transfers to private bodies other than households are not available.

Portugal: Student loans from public sources are not available. Expenditure at ISCED 4 is partially included in ISCED 5-6. ISCED 1-4 expenditure at local government level and public transfers to private bodies other than households are not available. Imputed retirement expenditure is included in the total expenditure.

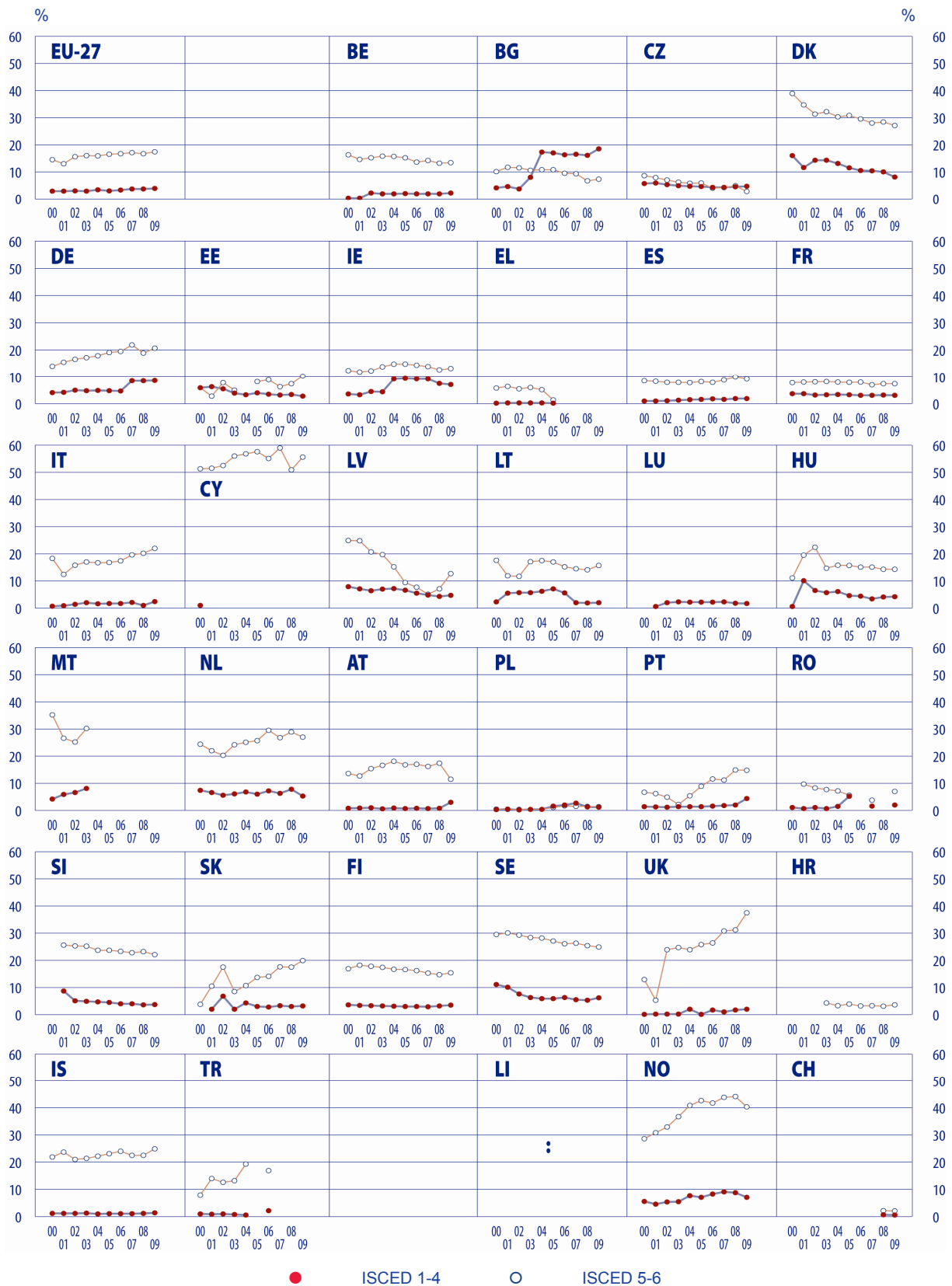
Slovakia: Public transfers to private bodies at local level for ISCED 0, ISCED 1 and ISCED 2 are not available. Expenditure at ISCED 5B is included under ISCED 3.

Croatia: Public transfers to private bodies other than households and scholarships and other grants are not available for ISCED 5-6.

Iceland: Expenditure for ancillary services is not available.

Norway: Expenditure for ancillary services is not available for ISCED 1-4.

◆◆◆ Figure 5.1: Trends in the expenditure on financial aid to pupils and students as a percentage of total public expenditure on education (ISCED0-6), 2000-2009



Source: Eurostat, UOE (data extracted June 2012).

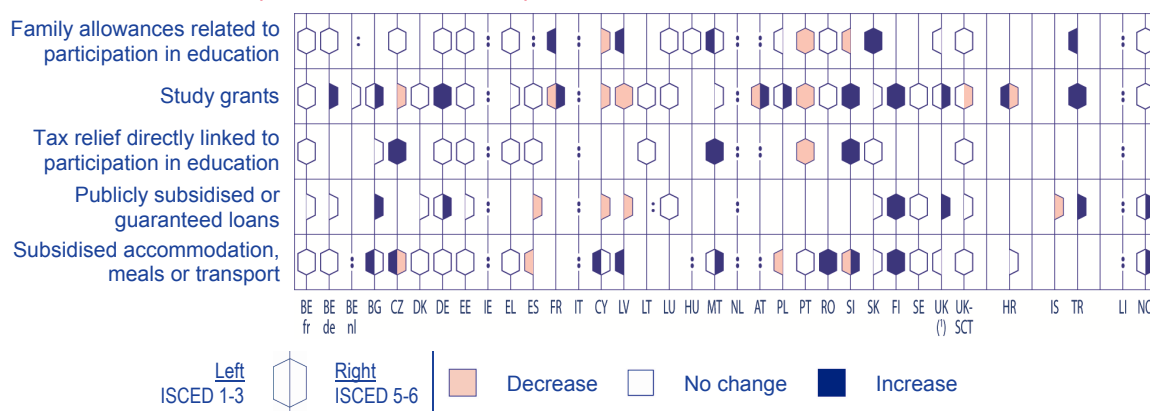


5.2. Recent changes to budgets or to arrangements for financial support of pupils/students and families

In 2012, the majority of countries kept their general arrangements in place for the financial support of pupils, students and/or their families. From the countries with available data, only few countries reported a decrease in the funding for the majority of available support schemes for pupils and students. In Portugal, all the available support schemes were reduced in scope and budget. In Cyprus, although the funding for student support in tertiary education remained stable in 2010 and 2011, according to the new legislation in force from 2012, the Educational Grant will be awarded on the basis of family income, and this will result in an overall decrease in spending on the benefit by 25.2 %. In addition, Child Benefit, which until 2012 was provided to families with students in higher education, has been repealed. Finally, the budget allocation to guarantee loans has also been reduced by approximately 25 %. The only types of support for which the budget has remained stable, or even increased slightly due to an increased number of beneficiaries, are subsidies for accommodation, meals, transport and health insurance in school education.

Eight other countries reported a partial reduction in the proportion of funding for one or more of the support schemes available to pupils and students. In some cases, the reduction was due to a fall in the number of potential beneficiaries (in the case of child allowances), or to a restructuring of the criteria for grant allocation. In other cases, the reduction was due to funds being reallocated or reduced.

◆ ◆ ◆ **Figure 5.2: Changes in the budget or arrangements for public financial support for students and families with children in education (ISCED 1-3 and ISCED 5-6), 2012**



Source: Eurydice.

UK (1) = UK-ENG/WLS/NIR

Explanatory note

Family allowances are regular payments made to parents or carers of children; the ages between which payments are made and any conditions applied vary between countries.

A **study grant** is a financial award made to pupils/students to enable them to participate in an educational course. The indicator does not cover support for pupils who study abroad or specific subsidies for school transport, meals, schoolbooks or materials or boarding costs.

Tax relief is given through the reduction of taxable income. One form of tax relief is a lump sum tax deduction or tax allowance, whereby a defined proportion of a person's income is not subject to tax. This can potentially alter the taxpayer's tax bracket, since it allows the person to receive a certain amount of income free of tax, and means that only the income above this sum is taxable. Another form of tax relief is when certain expenses (e.g. interest paid on loans, education expenses etc.) can be deducted from the taxable income.

Publicly subsidised or guaranteed loans are defined as loans available to students on application which have preferential conditions, interest rates or extended duration that are backed by public guarantees, and are usually repaid on completion of studies.

Subsidised accommodation, meals, transportation are understood as free or subsidised place in a hall of residence, subsidised meals in the institution, and tickets for (local) transport companies, where the main purpose of the ticket is to allow students to travel to and from their institution.

Country specific notes

Belgium: There is tax relief for depending children/relatives, but it is not directly linked to participation in education.

Czech Republic: Changes are indicated in the provision per student and not as overall budget. Data are only for higher education institutions (ISCED 5A). Support for transportation and health insurance for higher education students remained stable. Support for transportation for pupils/students (ISCED 1-3) remained stable; data for accommodation were not available.

Germany: The general family allowance (*Kindergeld*) is linked to participation in education, from the age of 18 up to the age of 24. In ISCED 1-3, the indication refers only to the small percentage of pupils who are 19 years of age and still in school.

Spain: The study grants, which are the main share of financial support for students, have not been reduced. The decrease has taken place in subsidies for meals, transport and textbooks.

United Kingdom (ENG/WLS/NIR): The figure presents the study grants available to 16-19 year olds in Wales and Northern Ireland, which are no longer available in England from January 2011. The study grants for tertiary education students were reduced in Wales.



5.2.1. Family allowances

Family allowances exist in almost all European countries, and in general they are awarded when children are born, and paid at least until the end of compulsory education. However, they are not always directly linked to participation in education and in many cases the upper age limit may be extended when young people continue into post-compulsory education. Some countries introduced modifications in the regulations regarding the family/child allowances during the period under discussion. In 2011, Bulgaria and Hungary linked the allocation of the child allowance to participation in education. The Czech Republic (only for 2010), the United Kingdom (England) and Iceland, among others, made a link between the child benefit to the income level of the family. For example, until 2012 in the United Kingdom, the child benefit was a universal benefit paid to all families with children up to the age of 19 in full-time education, or 16 in the case of children leaving school on completion of compulsory education. From January 2013, the benefit will be reduced in stages if one person in the household has an income of more than GBP 50 000. The benefit will fall by 1 % for every GBP 100 earned over GBP 50 000, which means that those earning more than GBP 60 000 will lose the entire benefit.

Slovenia reformed the child allowance rules⁽¹⁴⁾ in 2010, and at present, parents will no longer be entitled to a child benefit for students who have reached the legal age of adulthood. However, state scholarships may be available to students depending on their means. Under the Fiscal Balance Act, a special budget stream is being established to collect funds for (co-)funding scholarships awarded in accordance with the Scholarship Act. The sources of funding are taxes from student labour, government funds and funds from European Structural Funds, as well as donations. The Act also increased child benefit for secondary students below the legal age of adulthood. In 2012, the general restrictions imposed by the Fiscal Balance Act introduced a temporary reduction of child benefit for some groups of children, with an overall reduction of up to 14 % compared with 2011.

On the other hand, Malta, in its 2012 budget, announced that starting from January children's allowance for families who, because of their earnings, receive the minimum yearly amount of EUR 250 had an increase of EUR 100 for a total annual amount of EUR 350 for each child. In addition, since 2010, foster parents (or the fostering institution) started benefiting from an increase from EUR 40 to EUR 70 per week per child, with age assistance increasing up to 21 years. In 2012, France also increased by 25 % the allowance (*L'allocation de rentrée scolaire – ARS*) given at the beginning of the school year to all families with 6 and 18 years old children in education.

(14) Exercise of Rights to Public Funds Act (http://zakonodaja.gov.si/rpsi/r00/predpis_ZAKO4780.html)

5.2.2. Tax relief systems

The tax relief systems directly linked to participation in education remained constant or increased in the few countries that provided information on this specific support measure. Specific arrangements implemented in the Czech Republic some years ago permitted tax abatement for working students up to the age of 26, and for students of doctoral programmes up to the age of 28. Similarly, in Slovenia, upper secondary students and tertiary education students up to the age of 26 (under certain circumstances even longer) are entitled to a special tax relief for income earned when working via a certified Student Employment Brokerage Service. The amount of special student income tax relief equal to the general personal income tax relief was EUR 3 100 for 2010, EUR 3 143 for 2011, and EUR 3 228 for 2012.

The government of Malta, in its 2012 budget, introduced a new income tax rate applicable to working parents supporting children up to 18 years of age or up to 21 years, if students continue their studies up to tertiary level. This Parent Computation results in a tax saving ranging from EUR 150 to EUR 840 per year, depending upon family income. In addition, a considerable increase is available in the tax allowance for parents who pay private school fees. Parents paying pre-primary fees have had their tax relief increased from EUR 1 000 to EUR 1 200 or EUR 1 300 in respect of each child attending a day-care, reception or kindergarten centre. Parents of children attending private education had their tax relief increased from EUR 1 000 to EUR 1 200 or EUR 1 600 for each child; and finally, for parents of secondary-age children attending private schools, the increase was from EUR 1 400 to EUR 1 600 or EUR 2 300.

5.2.3. Grant systems

The majority of countries have comprehensive grant systems for students in upper secondary or tertiary education. In some countries, grants also exist for primary and/or lower secondary education (Belgium, Italy and Hungary), or even for pupils in primary education (Spain, Poland and Portugal). In 2012, compared with the previous year, ten countries increased the amount of the central budget allocated to grants for pupils and students, but the increases were mainly at tertiary level. Eleven countries retained the 2011 funding levels.

New arrangements have been introduced in some countries leading to increased support for university students. In Poland from October 2011, for example, changes intended to increase participation rates among people from low-income families were introduced into the system of financial support for university and PhD students. Higher education institutions secured a higher allocation of the budget to support social needs – 60 % of grant and scholarship part of budget will be directed to social benefits and only 40 % to merit-based awards. Except for the above-mentioned proportion, budgetary funds cover also social support for students with disabilities, renovations of student dormitories and cafeterias in public institutions or doctoral students' support. Moreover, the level of income defined in central legislation for eligibility of social support has been increased by 30 %. In addition, from October 2012, doctoral students enrolled on programmes in research institutions will have the same rights to student benefits as doctoral students enrolled in higher education institutions, and will be able to apply for financial support.

Austrian university students also saw their grants increased in compensation for the reforms to the Equalisation Fund for Family Allowances Act (*Familienlastenausgleichsgesetz*), which reduced the upper age limit for eligibility for the family allowance (*Familienbeihilfe*) from 26 to 24 years (since July 2011).

Due to the deteriorating economic situation, and because it recognises the importance of investing in people, the government in Slovenia decided to increase funding from the state budget. The increases were mainly directed at state scholarships for students who were progressing normally through the education system and making good progress in their studies. In 2010, scholarships were awarded to 33 % of upper secondary and tertiary students.

5.2.4. Publicly subsidised or guaranteed loans

The system of providing loans with preferential conditions and guaranteed by public authorities is emerging as an alternative method of funding mainly for tertiary education, but also for upper secondary and vocational studies in some European countries. The developments in this area over the last two years vary greatly between countries.

In the past, participants in Master's and doctoral degrees in Spain had the opportunity to apply for loans guaranteed by the state. In 2010, these loans were funded with up to EUR 100 million. At present, the Spanish authorities expect to improve and give more flexibility to this instrument in the future including criteria of efficiency and effectiveness of public resources.

In October 2010, the Polish government improved the student credit guarantee system, including a simplification of the guarantee procedure. Among other things, the reforms include a new income threshold for each person in the student's family; the possibility of a temporary suspension of student credit repayments; a new way of endorsing the student's status; and separating the disbursement of credit from student progress on the programme/course. The scope of the guarantee for persons with the lowest levels of income, which to date was the greatest barrier to people applying for a loan, has been extended. Starting in the academic 2010/11 year, students with a family income of up to 600 PLN per person received 100 % credit guarantee, while those with an income of up to 1 000 PLN per person received a 70 % credit guarantee.

In the United Kingdom, the publicly subsidised or guaranteed loans in higher education (first cycle) usually combine a maintenance loan and a loan to cover tuition fees. In England and Wales, the amount for maintenance loans was the same in 2010/11 and 2011/12. Loans to cover fees are tied to the level of fees which were subject to inflation linked rises in 2010/11 and 2011/12. In 2012/13, in England, they will increase to take into account the new fee regime, allowing higher education institutions to charge up to GBP 9 000 per year. In Wales and Northern Ireland, for 2012/13, the maximum level of this loan will mirror the maximum level of tuition fees in those regions, and for Wales this is limited to GBP 3 456.

5.2.5. Subsidised accommodation, meals or transport

Reductions in the funding for providing **subsidised meals** have been confirmed by various countries, for example the Czech Republic (for higher education institutions), Poland and Slovenia. Also plans for changes in the eligibility for free school meals exist in the United Kingdom (England), as part of wider welfare reforms.

During the 2009/10 school year in Slovenia, funding for free hot meals was provided to 79 % of upper secondary students⁽¹⁵⁾. The government also provided funding for subsidised school meals for basic school pupils from low-income groups. Subsidised meals were provided for 37 % of primary and lower

⁽¹⁵⁾ The Act on Subsidised Secondary School Student Meals (Official Gazette of the RS, No. 45/08) provides for free meals to be given to all upper secondary students.

secondary education pupils. Under the reforms ⁽¹⁶⁾ that took effect in 2010/11, subsidies for school meals were generally at a rate of 2/3 of the normal price for all interested students, with free meals to low-income students. Due to difficult financial conditions, the parliament has adopted a change in subsidy policy, which has been enacted since September 2012; this subsidy has been maintained only for socially disadvantaged pupils and students. The Slovenian government also provided funds for subsidising meals for tertiary students which increased both in terms of funding levels and the number of students benefitting between 2010 to 2012 (from 41 876 students in 2010 to 60 501 students in 2011).

In Poland, during the school year 2011/12, there was a tendency to reduce the amount of support on student meals related to the diminishing population of students and reducing costs by school running bodies. In many cases, school canteens were handed over to private owners, and some of them were closed.

The subsidies for catering received by higher education institutions (*vysoké školy*) in the Czech Republic continually decreased between 2009 and 2012, from CZK 23 per meal in 2009 to 21.25 in 2010, 19.40 in 2011 and 17.95 in 2012.

Finally, in Greece, there has been an effort not to change amounts regarding support for subsidized accommodation, meals or transport.

Most of the countries that subsidise **transport** for students have either maintained the existing levels or have increased the allowance. This is the case in Hungary, Romania and Slovenia. The average subsidy for transport for higher education students in Slovenia increased by more than 3 % in 2011 compared with the previous year, although the total number of tickets sold was lower in 2011 (33 900) than in 2010 (39 675). Finally in Malta, since 2011, students between the age of 11 and 16 can apply for a Student Saver Card for using the public transport, provided that they are enrolled in a full-time course. Such a card can be used by students for after-school organized tuition. School transport in state schools is provided free of charge by the education authorities.

5.3. Additional fees or monetary contributions introduced as a result of the financial or budgetary restraints

Few countries reported that increases in tuition fees were directly connected to financial or budgetary constraints. However, in some of the countries where tuition fees are not charged, budgetary constraints have affected the provision of financial support in the form of grants or loans, as seen in the previous section.

During the last decade, **pre-primary education** is becoming more widely available, and in many cases it is also provided free of charge, as described in *Key data on education 2012* (EACEA/Eurydice, 2012a). Nevertheless, due to the financial constraints, some countries have introduced parental contributions to costs in these settings. For example, in Slovenia, parents must pay 30 % of the cost of the second child in kindergarten and, whereas school meals were subsidized with two thirds of the price for all pupils before June 2012. Parents must now pay the full price unless they are from a low income group. In Iceland, in 2010, municipalities paid 83 % of all current expenditure in pre-primary education and parents' contributed for 17 % (although this varies between municipalities). In recent years, however, there have been some increases in the fees charged.

⁽¹⁶⁾ School Meals Act (OG RS, No. 43/10, 62/10, 27/12): http://zakonodaja.gov.si/rpsi/r02/predpis_ZAKO5652.html

In all countries, **primary and secondary education** is provided free of charge, but parents in many cases are requested to contribute towards the cost of extra-curricular or other activities. However, parental contributions are sometimes required to cover more basic needs. In Croatia, for example, due to the abolition of central government allowances for transport in secondary education, in 2010, these costs were transferred to students' parents. In Lithuania, parents are requested in many schools to contribute to the renovation of school facilities and to buy books and materials. Finally, in the United Kingdom (England, Wales and Northern Ireland), schools may traditionally ask parents for a voluntary contribution to school funds, but they must make it clear to all parents that their child will not be deprived of any educational opportunity offered to other children, should they be unwilling or unable to contribute.

As regards **higher education**, in Spain as well as in the United Kingdom (England) tuition fees have been or are in the process of being increased in the last two years.

In Spain, a measure of rationalization of public expenditure has been introduced which will result in an increase in public university fees from the academic year 2012/13. This measure has been established by the Government, taking into account that Spanish university fees are lower than in some other countries collecting fees in Europe. This new rule sets that fees for Bachelor's and official Master's degrees must cover at least 15 % and up to 25 % of real tuition costs.

In United Kingdom (England), changes to higher education fee regime introduced in September 2012 are designed to put higher education on a more sustainable financial footing without reducing the capacity of the system and, at the same time, provide more assistance for students from disadvantaged backgrounds. Since September 2012, higher education institutions have been able to charge a new basic tuition fee of GBP 6 000, but they are able to charge up to a maximum of GBP 9 000 if they have an approved 'access agreement' setting out the measures (such as outreach and financial support) they will put in place to improve access and student retention. 'Access agreements' must be approved annually by the Office for Fair Access (OFFA). OFFA has also published guidance setting out its expectation of what English universities would need to do if they wish to charge a higher rate of fees for full-time entrants in 2012/13. Tuition fees will only be repayable after a student has completed his or her course and is earning over GBP 21 000 a year.

Tuition fees were first introduced in 1998/99 under the Teaching and Higher Education Act 1998, when full-time undergraduate students were required for the first time to pay tuition fees of up-to GBP 1 000. For the academic year 2005/06, fees stood at GBP 1 175. From 2006/07, under the Higher Education Act 2004, institutions were allowed to set variable tuition fees for new students of up to GBP 3 000 per year. Subsequent increases were linked to the level of inflation; in the 2011/12 academic year, tuition fees were GBP 3 375. In practice, almost all institutions charged the maximum.

5.4. Developments in the funding and provision of further/adult education

The consequences of the financial and economic crises on the provision and funding of adult education are diverse. With the increasing number of unemployed people, groups such as the long-term unemployed, and adults with low and very low levels of basic skills, are now defined in some countries as priority groups in need of special support. Some countries are also providing adults with new opportunities to update their knowledge and skills through higher education courses.

It is difficult to identify common trends in funding or budget levels, as adult education programmes are generally funded from multiple sources. However, from the countries with available data, it appears that almost half are retaining the existing arrangements and do not report any major changes to adult education provision or to the available financial support.

Six countries, namely Denmark, Ireland, Slovenia, Portugal, the United Kingdom (England) and Croatia are in some way reducing financial support for adult education, but large differences exist between them regarding the objectives, rationale and groups affected.

In **Slovenia**, for example, financial support from the central budget was reduced, but many programmes targeting unemployed people are largely funded by the European Social Fund (ESF) and continue to be supported. It must be pointed out though, that with respect to tertiary education in Slovenia, the Scholarship Act only allows public assistance in the form of scholarships and subsidised meals to younger adults in tertiary education who are not employed but do not have the status of an unemployed person. Therefore, although there has been no change in regulations, many adult learners remain ineligible for financial assistance to study at tertiary level.

In **Ireland**, which was hit hard by the crisis during the period covered, the aim of the authorities has been to maintain the existing provision, but to proceed with reductions in funding and support measures. In terms of policy, the newly developed programmes are tailored to specific priority groups among the unemployed, such as the low skilled; those formerly employed in declining sectors – construction, retail and manufacturing; the under-35s and the long-term unemployed.

The provision of further education opportunities in 2011 and 2012 were largely the same as in 2010, with over 180 000 participants benefiting from Vocational Education Committees⁽¹⁷⁾ (VEC) interventions. Savings were mainly achieved in the area of training allowances and support. This includes a reduction, consistent with reductions in social protection rates announced in the budget, of EUR 8 per week in all weekly training allowances and similar support payments. The long-term unemployment bonus paid to VTOS (Vocational Training Opportunities Scheme) students and to FÁS⁽¹⁸⁾ trainees were reduced from EUR 31.80 to EUR 20 per week. Additionally, the capitation grants paid for further education programmes will be reduced by 2 % in both 2012 and 2013, with a further reduction of 1 % in both 2014 and 2015, or a total cumulative reduction of around 6 %. The two existing allowances paid to 16- and 17-year-olds participating in Youthreach, Community Training Centres and FÁS courses are being merged and reduced to one standard rate of EUR 40. The current rates are EUR 76.65 and EUR 95.75.

On the other hand, in line with the Traveller Education Strategy and the 2008 value for money review of Youthreach and Senior Traveller Training Centres (STTCs), an integrated further education provision for Travellers will be implemented through phasing out of the STTCs by June 2012. Travellers are free to access a range of integrated full-time and part-time Further Education programmes.

Regarding the specific training provision for employment, the Irish government has developed a number of measures to strengthen the framework of 'labour market activation supports' for the unemployed, as part of the National Recovery Plan. These include the introduction of a Skills Development and Internship Programme in 2011, and an expansion of the number of placements available on the Work Placement Programme. While the provision for training and activation for the unemployed will have less funding, the above measures will seek to enhance the quality of provision for the unemployed.

⁽¹⁷⁾ Vocational Education Committees (VECs) are statutory education authorities which have responsibility for vocational educational training, youth work and a range of other statutory functions. VECs also manage and operate second level schools, further education colleges, pilot community primary schools and a range of adult education and further education centres delivering education and training programmes to all sectors of the community.

⁽¹⁸⁾ FÁS – national training authority providing courses to the unemployed and apprentices. In July 2011, the Government decided that a new further education and training authority, to be known as SOLAS, was to be established to replace FÁS.

In 2012, at a time of reducing resources, the Irish Government will fund over 450 000 education and training places across the range of provision in higher education, further education and training sectors. This is similar to the 2011 provision. In 2012, the Irish Government will prioritise places in the further education and training sectors, specifically for those on the Live Register for twelve months or more. The total number of FAS Training places available in 2012 is 81 500.

As part of the Irish Government's 'Action Plan for Jobs' initiative, EUR 20 million has been committed through the National Training Fund with the aim to provide a range of quality, relevant education and training interventions for up to 6 500 long-term unemployed. The fund will be co-financed by the European Social Fund. Funding will be utilised to provide training and education solutions to the needs of both unemployed individuals and employers within the context of four themes. One of these themes is specifically targeted at the long-term unemployed aged under 25 and the other three themes – targeted at specific occupational clusters – are open to long-term unemployed of all ages.

Springboard, which was first launched in May 2011, is a specific initiative that strategically targets funding of free part-time higher education courses for unemployed people in areas where there are identified labour market skills shortages or employment opportunities, such as ICT, the Green Economy and Medical Devices. 5 000 people have been supported to undertake courses under the Springboard 2011 programme and a further 6 000 places are being rolled out under the second phase of Springboard 2012.

Finally, to improve the management and coordination of the different initiatives in the field of further education and training, the Irish government took the decision in July 2011 to establish a new Further Education and Training Authority – SOLAS (*Seirbhís Oideachais Leanúnaigh agus Scileanna*). The creation of SOLAS will facilitate a coherent integrated strategic national response across the further education and training sectors and will ensure a greater focus on the evolving requirements of the unemployed and of industry. Legislation is currently being drafted to establish SOLAS.

In **Portugal**, between 2006 and 2010, around 1.8 million adults enrolled in formal and non-formal education and training activities⁽¹⁹⁾. One third of them obtained certification and/or academic or professional qualification, with another 22 % achieving a partial certification. In the school year 2010/11, 201 067 adults were involved in education and training pathways. However, as a consequence of the financial and economic crisis, in 2012, the annual state budget for adult education and training dropped by 19.9 % compared to 2011⁽²⁰⁾. In 2013, this trend is to be maintained. Nevertheless, some regions, such as the North, the Centre and Alentejo, still benefit from the European Social Fund (ESF) aimed specifically at adult education and training.

The priorities of the present government regarding adult education and training are aimed at qualifying adults of working age. Special emphasis is placed on unemployed people that are underqualified as a result of mismatches between skills needs and supply, caused by early school leaving, as well as on adults in risk of social exclusion and bearing disabilities and special needs. In the pursuit of sustainable growth, i. e., trying to create a more efficient, environmentally friendlier and more competitive economy, measures with regard to the network supply have been taken, so as to provide double certification courses in the most adequate schools and training centres: those with better physical and material conditions, and with adequate human resources, but still ensuring the due balance of the network supply in each region. Providers have been encouraged to establish partnerships with one another (private and state schools, training centres and other providers) in order to optimize resources.

⁽¹⁹⁾ Figures from online database for managing and monitoring education and training offers for adults – SIGO.

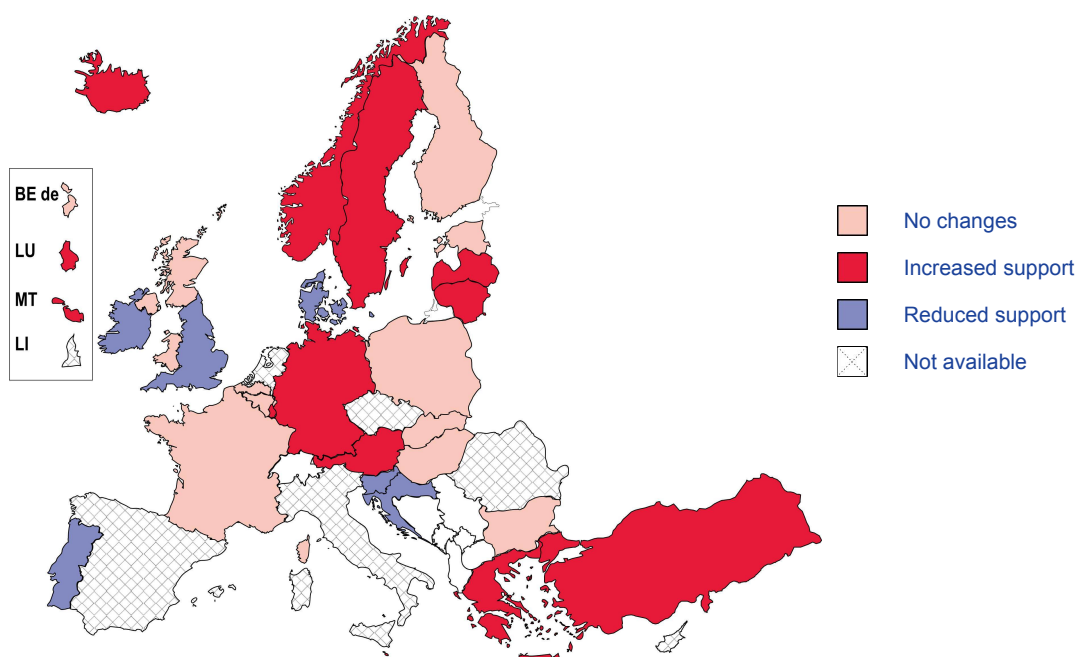
⁽²⁰⁾ In accordance with the 2012 budget breakdown per action from the Financial Management Bureau of the Portuguese Ministry of Education and Science.

In the **United Kingdom (England)**, the new Skills Strategy for England announced in November 2010 established that the provision for many learners over the age of 24 and studying at Level 2 of the National Qualifications framework and above will not continue to be fully funded. Instead, government-backed loans will be introduced. Such fee loans will first be introduced in 2013/14, and they will be supported by the Government. Repayment will be dependent on the borrower earning above a certain threshold.

On the other hand, the provision for learners with very low levels of skills will continue to be fully funded. Under the Education and Skills Act 2008, there is an entitlement (a guarantee), with restrictions, to a course place and free tuition for adults who have yet to achieve qualifications. For learners aged 19 to 25, the entitlement applies to those who have not yet achieved a 'full' Level 2 or 'full' Level 3 (i.e. taking into account the breadth of learning) of the National Qualifications framework.

Finally, in **Denmark**, the financial assistance for adult learners was reduced from 100 % of the unemployment benefits to 80 %. The reduction of this financial assistance was part of the so-called *Genopretningspakken* (recovery package), which includes a number of initiatives intended to strengthen public finances by saving 24 billion kroner in 2011-2013.

◆ ◆ ◆ **Figure 5.3: Changes in public financial support for adult education implemented between 2011 and 2012**



Source: Eurydice.

Country specific notes

Spain: It is not possible to differentiate the amounts allocated to adult education as there are not specific budget lines for this type of education.

United Kingdom (ENG): Provision for learners with very low levels of skills will continue to be fully funded.



In ten countries, the support for adults in education increased either through the creation of new funding mechanisms, or through additional support from the European Social Fund (ESF). The latter is the case in countries such as **Latvia** and **Lithuania**, where the additional funds provided by the ESF were used for improving the skills and competences of adults. A common feature among the countries with increases in support is the adoption of measures to increase basic skills among the adult population. The programmes mainly concentrate on reading, writing, numeracy and digital skills, and in many cases they include an element of employment or social integration. In some countries, such

as Luxembourg and Iceland, special additional support and funding is provided for re-skilling and upgrading the skills of the workforce.

In **Greece**, the new measures for young adults include vouchers for studies in the initial and continuing vocational training. They cover a specific amount to be granted to young people for studies of their choice.

In **Luxembourg**, the government increased the central funding for training initiatives delivered by businesses for improving skills and language competences among the adult population. In 2011, the direct state aid for these actions was increased from 14.5 % to 20 %.

As is the case in Ireland, in Luxembourg, specific target groups are selected for preferential support with the objectives of combating unemployment, and promoting the social integration of migrants. The target groups identified by the authorities are adults without recognised qualifications; those working for more than ten years with the same employer; and the over-45s. For these groups, there has been an increase of 35 % in the public contribution towards their salary costs; the aim is to encourage greater participation in training courses organised by employers and, as a result, an increase in the productivity rate.

In 2011, due to increasing unemployment rates, **Iceland** launched a new educational programme intended to improve the prospects of adults with little formal education. The programme is delivered by upper secondary institutions and is provided free of charge to participants.

In **Germany**, between 2012 and 2014, the Federal Ministry of Education and Research is providing an additional EUR 20 million for a common initiative organised by the federal and regional governments, in order to improve adults' basic literacy and numeracy skills (*Grundbildungspakt*). In addition, as a result of the crisis, spending on education and training in the field of labour market policy increased compared with previous years, totalling approximately EUR 8.8 billion in 2009, and approximately EUR 7.9 billion in 2010. In 2011, spending on education and training in the field of labour market policy amounted to EUR 6.8 billion.

On the whole, spending to promote continuing vocational education and training under Books III and II of the German Social Code has increased since 2005. Overall, it rose from roughly EUR 2 billion in 2005 to roughly 3 billion in 2010. In 2011, it reached EUR 2.4 billion and in 2012 it remained stable (SGB III roughly EUR 1.9 billion, SGB II roughly EUR 0.5 billion).

Promoting continuing vocational training and education will continue to be a high priority in 2012. Overall, even more funding has been made available in 2012 than in 2011 for the special programmes of the Federal Employment Agency (*WeGeBau* – Up-skilling for low-skilled and older workers employed in companies programme and *Iflas* – Initiative to support structural change). In addition, the Federal Government has agreed to invest an extra EUR 12 billion in education and research under the qualification initiative by 2013. Of these, EUR 6 billion will be spent on promoting education.

The **Austrian** Initiative for Adult Education enables adults who lack basic skills or who never graduated from a lower secondary school to continue and finish their education free of charge. Consistent quality guidelines for all courses have been implemented.

The Joint Funding Program developed by the state and the provinces integrated in the Initiative for Adult Education in Austria, is aiming to a quantitative expansion and to a qualitative development of education programs regarding compulsory education certificates and literacy/basic education during the next three years. By the end of 2014, funds of approximately EUR 54 million will be available, which provide offers for around 12 500 people free of charge.

In **Norway**, the Basic Competence in Working Life Programme⁽²¹⁾ has had an increase from 65 million NOK in 2010 to 89 million NOK in 2012, an increase of nearly 40 %. The aim of this programme is to give adults the opportunity to acquire the basic skills they need to keep up with the demands and changes in modern working life and civil society. The programme concentrates on reading, writing, numeracy, and digital skills. Any business in Norway, private or public, can apply for funding from the programme.

⁽²¹⁾ <http://www.vox.no/no/global-meny/English/Basic-skills/Basic-Competences-in-Working-Life/>

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GLOSSARY

Country codes

EU-27	European Union
EA-17	Euro Area
BE	Belgium
BE fr	Belgium – French Community
BE de	Belgium – German-speaking Community
BE nl	Belgium – Flemish Community
BG	Bulgaria
CZ	Czech Republic
DK	Denmark
DE	Germany
EE	Estonia
IE	Ireland
EL	Greece
ES	Spain
FR	France
IT	Italy
CY	Cyprus
LV	Latvia
LT	Lithuania
LU	Luxembourg
HU	Hungary
MT	Malta
NL	The Netherlands
AT	Austria
PL	Poland

PT	Portugal
RO	Romania
SI	Slovenia
SK	Slovakia
FI	Finland
SE	Sweden
UK	The United Kingdom
UK-ENG	England
UK-WLS	Wales
UK-NIR	Northern Ireland
UK-SCT	Scotland
Acceding country	
HR	Croatia
Candidate countries	
IS	Iceland
TR	Turkey
EFTA countries	
EFTA	Three countries of the European Free Trade
LI	Liechtenstein
NO	Norway
CH	Switzerland

Statistical code

: Data not available

Acronyms used in the report

CCFI – Climate Change Finance Instrument

COFOG – National and Regional Accounts and Classification of the Functions of Government

CPD – Continuing Professional Development

EDP – Excessive Deficit Procedure

ESF – European Social Fund

GDP – Gross Domestic Product

HEI – Higher education institutions

HIPC – Harmonised Index of Consumer Prices

ICT – Information and Communication Technologies

PPS – Purchasing Power Standard

R&D – Research and Development

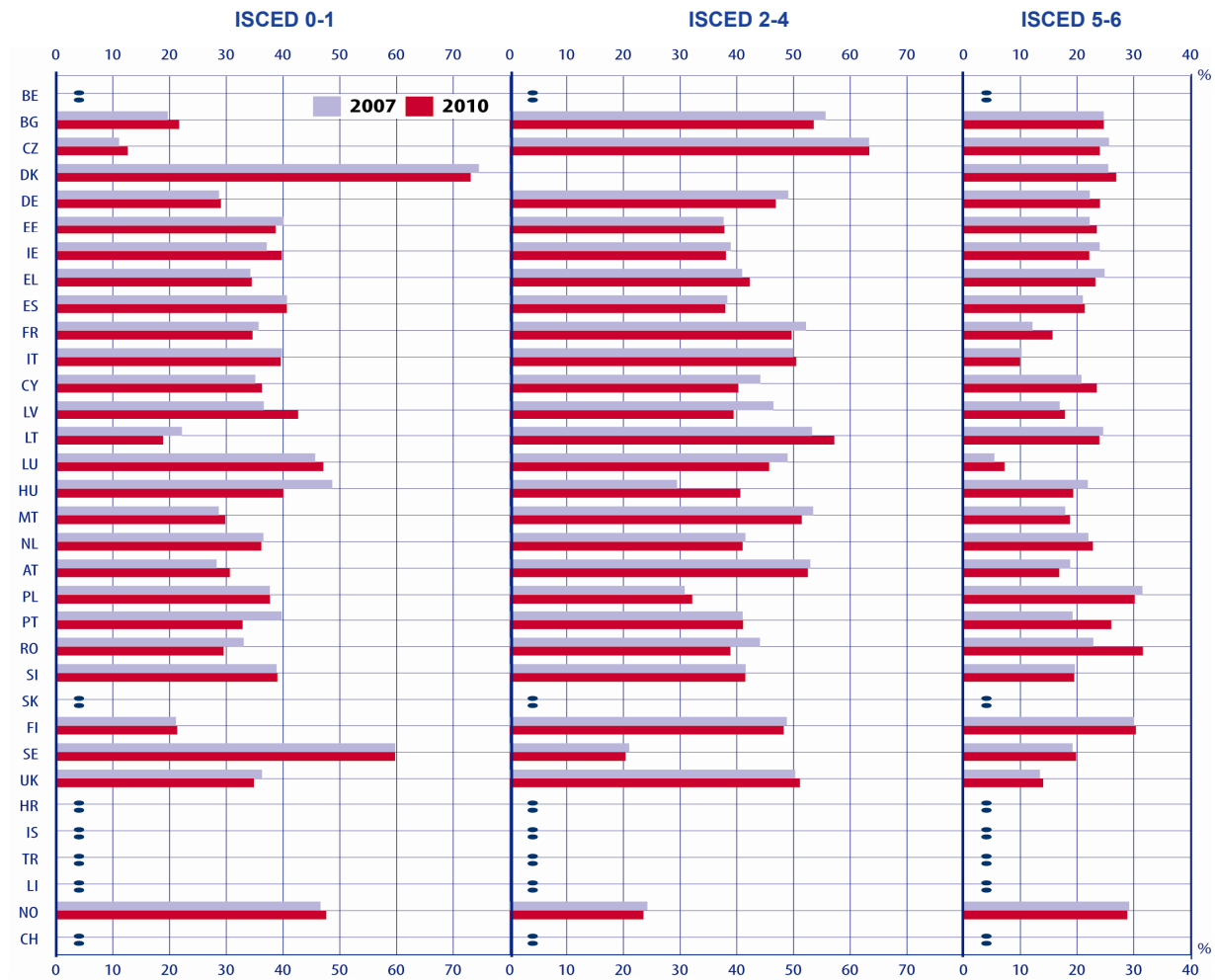
UOE – UNESCO/OECD/EUROSTAT data collection on education statistics

ANNEXES

Annex 1: Real Gross Domestic Product growth rate (percentage change over the previous year), 2005-2012

	2005	2006	2007	2008	2009	2010	2011	2012
EU-27	2.1	3.3	3.2	0.3	-4.3	2.1	1.5	-0.3
BE	1.8	2.7	2.9	1.0	-2.8	2.4	1.8	-0.2
BG	6.4	6.5	6.4	6.2	-5.5	0.4	1.7	0.8
CZ	6.8	7.0	5.7	3.1	-4.5	2.5	1.9	-1.3
DK	2.4	3.4	1.6	-0.8	-5.7	1.6	1.1	0.6
DE	0.7	3.7	3.3	1.1	-5.1	4.2	3.0	0.8
EE	8.9	10.1	7.5	-4.2	-14.1	3.3	8.3	2.5
IE	5.9	5.4	5.4	-2.1	-5.5	-0.8	1.4	0.4
EL	2.3	5.5	3.5	-0.2	-3.1	-4.9	-7.1	-6.0
ES	3.6	4.1	3.5	0.9	-3.7	-0.3	0.4	-1.4
FR	1.8	2.5	2.3	-0.1	-3.1	1.7	1.7	0.2
IT	0.9	2.2	1.7	-1.2	-5.5	1.8	0.4	-2.3
CY	3.9	4.1	5.1	3.6	-1.9	1.3	0.5	-2.3
LV	10.1	11.2	9.6	-3.3	-17.7	-0.9	5.5	4.3
LT	7.8	7.8	9.8	2.9	-14.8	1.5	5.9	2.9
LU	5.3	4.9	6.6	-0.7	-4.1	2.9	1.7	0.4
HU	4.0	3.9	0.1	0.9	-6.8	1.3	1.6	-1.2
MT	3.6	2.6	4.1	3.7	-2.4	2.7	1.6	1.0
NL	2.0	3.4	3.9	1.8	-3.7	1.6	1.0	-0.3
AT	2.4	3.7	3.7	1.4	-3.8	2.1	2.7	0.8
PL	3.6	6.2	6.8	5.1	1.6	3.9	4.3	2.4
PT	0.8	1.4	2.4	0.0	-2.9	1.9	-1.6	-3.0
RO	4.2	7.9	6.3	7.3	-6.6	-1.1	2.2	0.8
SI	4.0	5.8	7.0	3.4	-7.8	1.2	0.6	-2.3
SK	6.7	8.3	10.5	5.8	-4.9	4.4	3.2	2.6
FI	2.9	4.4	5.3	0.3	-8.5	3.3	2.7	0.1
SE	3.2	4.3	3.3	-0.6	-5.0	6.6	3.7	1.1
UK	2.8	2.6	3.6	-1.0	-4.0	1.8	0.9	-0.3
HR	4.3	4.9	5.1	2.1	-6.9	-1.4	0.0	-1.9
IS	7.2	4.7	6.0	1.2	-6.6	-4.0	2.6	2.7
TR	8.4	6.9	4.7	0.7	-4.8	9.0	8.5	3.0
LI	:	:	:	:	:	:	:	:
NO	2.6	2.3	2.7	0.1	-1.6	0.5	1.2	3.1
CH	2.7	3.8	3.8	2.2	-1.9	3.0	1.9	1.0

Annex 2: Education expenditure by level of education, 2007 and 2010



		BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	IT	CY	LV	LT	LU	HU	MT
ISCED 0-1	2007	:	19.7	11.1	74.5	28.7	40.1	37.1	34.2	40.7	35.7	39.8	35.1	36.6	22.2	45.7	48.7	28.7
	2010	:	21.7	12.6	73.1	29.1	38.7	39.8	34.5	40.7	34.6	39.6	36.3	42.7	18.9	47.1	40.0	29.8
ISCED 2-4	2007	:	55.6	63.3	:	49.1	37.7	38.9	40.9	38.3	52.2	50.0	44.1	46.5	53.3	48.9	29.5	53.4
	2010	:	53.6	63.3	:	46.9	37.8	38.1	42.3	38.0	49.7	50.5	40.3	39.5	57.2	45.7	40.6	51.5
ISCED 5-6	2007	:	24.7	25.6	25.5	22.2	22.2	24.0	24.8	21.0	12.1	10.2	20.8	16.9	24.6	5.4	21.9	17.9
	2010	:	24.7	24.0	26.9	24.1	23.5	22.2	23.3	21.4	15.7	9.9	23.5	17.9	24.0	7.2	19.3	18.7
ISCED 0-1	2007		36.5	28.3	37.7	39.8	33.1	38.9	:	21.1	59.8	36.3	:	:	:	:	46.6	:
	2010		36.2	30.6	37.7	32.9	29.5	39.0	:	21.3	59.8	34.8	:	:	:	:	47.6	:
ISCED 2-4	2007		41.5	52.9	30.8	41.0	44.1	41.6	:	48.8	21.0	50.3	:	:	:	:	24.2	:
	2010		41.0	52.5	32.1	41.1	38.9	41.5	:	48.3	20.4	51.1	:	:	:	:	23.5	:
ISCED 5-6	2007		22.0	18.8	31.5	19.2	22.9	19.6	:	30.1	19.2	13.5	:	:	:	:	29.2	:
	2010		22.8	16.8	30.2	26.0	31.6	19.5	:	30.4	19.8	14.0	:	:	:	:	28.9	:

Source: Eurostat, national accounts statistics (data extracted July 2012).

Explanatory note

The distribution is based on education expenditure allocated by ISCED level. It does not cover the sub-categories 'Education not definable by level', 'Subsidiary services to education', 'R&D Education' and 'Education not elsewhere classified'.

Country specific notes

Bulgaria: Provisional data. ISCED level 4 – data not available.

Denmark: Data related to ISCED levels 2 and 3 are included in ISCED level 0-1.

Greece and Hungary: Provisional data.

Spain: 2007 – provisional data.

Annex 3: Annual expenditure per student in PPS, at primary (ISCED 1), secondary and non-tertiary (ISCED 2-4), and tertiary (ISCED 5-6) levels of education, based on full-time equivalents at constant prices, 2000, 2007, 2008 and 2009

	ISCED 1				ISCED 2-4				ISCED 5-6			
	2000	2007	2008	2009	2000	2007	2008	2009	2000	2007	2008	2009
EU-27	3727	4479	4629	4743	5253	5455	5675	5853	7578	7887	8062	8144
BE	3851	5328	5784	5539	6156	6507	7129	7156	9623	9756	10187	10256
BG	841	1652	1962	1872	1010	1588	2014	2003	2692	3349	4188	4392
CZ	1565	2425	2472	2787	2728	3859	3857	4199	4656	5928	5412	5470
DK	5982	6704	6847	7416	7334	7069	7281	7329	11140	12030	11978	12323
DE	3569	4010	4026	4396	5949	5705	5839	6147	9263	9991	10451	10434
EE	2449	2912	3751	3612	2938	3587	4118	4209	2997	3746	3903	4232
IE	2931	4433	:	:	4031	5580	:	:	8615	8094	:	:
EL	2373	3401	:	:	3036	4369	:	:	3780	4602	:	:
ES	3528	4717	4867	4958	4881	6253	6633	6714	5968	9059	9055	9041
FR	4031	4367	4274	4232	6776	6872	6965	7082	8373	9228	9602	9724
IT	5588	5114	5598	5457	6993	5647	6134	5778	7130	6288	6468	6350
CY	3049	5725	6456	6842	5710	8095	8885	9199	8106	7693	8782	7777
LV	1476	2976	3685	3415	1674	3019	3554	3215	2545	3963	4246	3176
LT	1134	2034	2396	2130	1713	2537	2964	3057	2899	4035	4112	3744
LU	:	:	9776	10954	:	:	13475	12833	:	:	:	:
HU	2927	3403	:	:	2949	3030	:	:	5167	4493	:	:
MT	2460	3771	3995	4882	3709	5532	6203	6461	5962	7542	8403	8911
NL	3924	4727	4907	5258	6173	7396	7455	7832	11571	11521	11739	11854
AT	5871	6128	6397	6653	7114	7666	7879	8191	8087	11376	10649	10246
PL	1894	2881	3206	3427	1682	2438	2837	3066	2626	3321	4016	4356
PT	3073	3353	3279	3527	4456	4759	4657	5321	3988	6913	6280	6300
RO	:	1023	:	1915	:	1144	:	1703	:	2166	:	2860
SI	4495	5828	6188	6191	3590	4250	4769	4840	7236	5177	5549	6398
SK	1083	2545	2822	3387	1558	2341	2699	3093	4201	4172	4449	4436
FI	3746	4493	4818	4893	5287	5643	5883	5941	7150	9778	10465	11003
SE	5710	6026	6179	6230	5685	6580	6710	6611	13607	13270	13619	13256
UK	3416	5966	6000	6107	4695	6477	6463	6773	8494	11184	10354	10780
HR	:	2739	2963	2884	:	2729	3144	3439	:	5260	6341	5747
IS	5232	6910	7257	6706	5609	5991	6168	5741	6900	6680	7141	6600
TR	:	:	:	:	:	:	:	:	:	:	:	:
LI	:	:	:	:	:	:	:	:	:	:	:	:
NO	5988	7173	7471	7859	7581	8527	8739	9107	10548	12391	12775	12796
CH	:	:	:	:	:	:	:	:	:	:	:	:

Source: Eurostat, UOE (data extracted July 2012).

Country specific notes

EU-27: 2001 instead of 2000.

Belgium: Expenditure excludes independent private institutions and the German-speaking Community. 2000 – imputed retirement expenditure is not available. 2000, 2007 and 2008 – payments from private entities other than households to educational institutions are not available for primary and secondary education in the Flemish Community. ISCED level 1 and ISCED levels 2-4, 2007-2009 – payments from other private entities to educational institutions are not available.

Denmark: 2008 and 2009: Expenditure for independent private educational institutions is not available. 2007 to 2009 – some expenditures are partially included in ISCED level 5-6. ISCED levels 2-4, ISCED level 5-6, 2007 and 2009 – payments from other private entities to educational institutions are not available. ISCED level 5-6, 2007 to 2009 – R&D expenditure is not available.

Germany: Enrolments in ISCED 6 is not included.

Estonia: 2005 instead of 2000.

Ireland: 2005 instead of 2007.

Greece: 2001 instead of 2000; 2005 instead of 2007. 2001 – imputed retirement expenditure is not available, expenditure at ISCED level 0 is reported under ISCED level 1. ISCED level 1 and ISCED levels 2-4, 2005 – payments from other private entities to educational institutions and payments from international agencies and other foreign sources to educational institutions are not available.

Spain: ISCED levels 1 and ISCED levels 2-4, 2007-2009 – payments from other private entities to educational institutions are not available. ISCED levels 5-6, 2007 and 2008 – expenditure for ancillary services is not available.

Italy: 2001 instead of 2000. ISCED levels 2-4, 2007-2009 – expenditure at ISCED level 4 is not available; 2007 and 2008 – payments from international agencies and other foreign sources to educational institutions are not available.

Lithuania: 2001 instead of 2000. 2001 – public expenditure in public and private educational institutions. ISCED level 1 and ISCED levels 2-4, 2001 – expenditure of ISCED level 1 is reported under ISCED levels 2-3. ISCED level 1, 2007-2009 – payments from other private entities to educational institutions are not available, payments from households to educational institutions and payments from international agencies and other foreign sources to educational institutions are not available. ISCED levels 2-4, 2007-2009 – payments from international agencies and other foreign sources, from other private entities and from households to educational institutions for programmes with pre-vocational and vocational orientation are not available.

Luxembourg: 2008 and 2009 – expenditure at ISCED level 4 is not available.

Hungary: 2004 instead of 2000 and 2006 instead of 2007.

Netherlands: ISCED levels 1 and ISCED levels 2-4, 2007 to 2009 – payments from international agencies and other foreign sources to public educational institutions are not available. ISCED level 1, 2008 and 2009 – payments from private entities other than households to public educational institutions are not available.

Austria: 2007: Payments from international agencies and other foreign sources to educational institutions are not available. 2008 and 2009: Payments from private entities other than households to public educational institutions are not available.

Poland: 2007 to 2009: payments from other private entities to educational institutions are not available nor are payments from international agencies and other foreign sources to educational institutions. ISCED level 1 and ISCED levels 2-4, 2000 – public expenditure in public and private educational institutions. ISCED levels 5-6, 2009 – payments from households and other private entities to educational institutions are available only for tertiary-type A and advanced programs only.

Portugal: 2007 to 2009, payments from international agencies and other foreign sources to educational institutions are not available. ISCED level 1 and ISCED levels 2-4, expenditure at local level of government is not available. 2000, 2007 and 2008, imputed retirement expenditure is not available; 2007, payments from other private entities to educational institutions are not available; ISCED levels 2 to 4 and 5-6, 2007 – expenditure for ancillary services is not available; 2008 and 2009, expenditure of ISCED level 4 is partially included in ISCED levels 5-6. ISCED level 1, 2007 to 2009, payments from households to educational institutions are not available; 2008 and 2009 – payments from other private entities to private educational institutions are not available. ISCED levels 2 to 4, 2007 – expenditure at ISCED level 4 is not available.

Romania: 2005 instead of 2007.

Slovenia: 2001 instead of 2000. 2001 – expenditure of primary level education is included under expenditure at ISCED level 2.

ISCED levels 1 and ISCED levels 2-4, 2007 to 2009 – expenditure of ISCED level 2 is reported under ISCED level 1.

Slovakia: 2007 to 2009, expenditure for independent private educational institutions is not available. 2008 – payments from international agencies and other foreign sources to private educational institutions are not available. ISCED levels 2 to 4 and 5-6 – expenditure of ISCED 5B is included under upper secondary level of education. ISCED levels 5-6, 2009 – payments from households and other private entities to independent private educational institutions are not available.

Sweden: ISCED levels 1 and ISCED levels 2-4, 2007 to 2009 – payments from international agencies and other foreign sources to educational institutions are not available.

United Kingdom: Adjustment of educational expenditure of financial year, that is running from 1 April to 31 March, to the calendar year. ISCED levels 1 and ISCED levels 2-4, 2008 and 2009 – payments from international agencies and other foreign sources to private educational institutions are not available. ISCED level 6, 2007 – expenditure for ancillary services is not available.

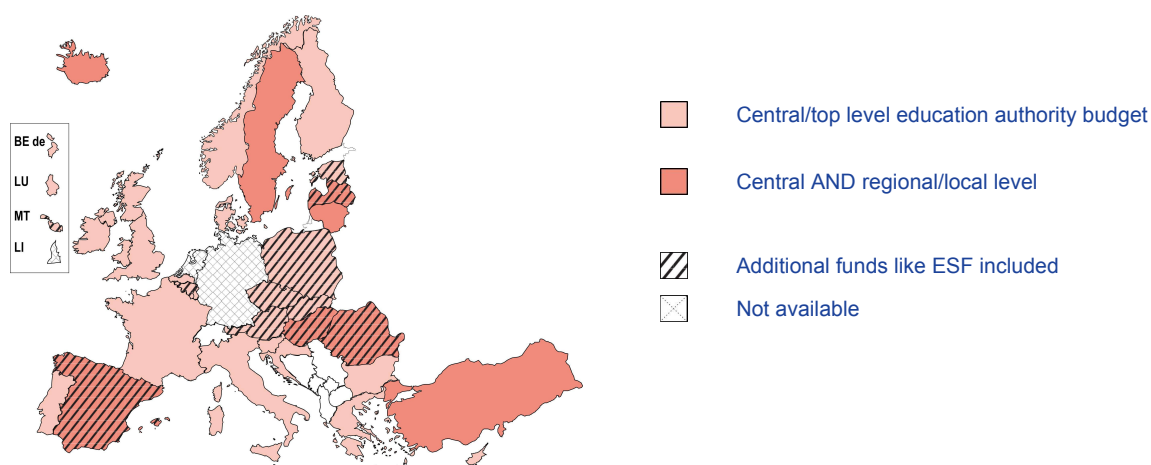
Croatia: 2007 to 2009: Capital expenditure from private educational institutions is not available. Expenditure for compensation of personnel in private educational institutions is not available. 2008 and 2009 – payments from international agencies and other foreign sources to independent private educational institutions are not available. ISCED levels 1 and ISCED levels 2-4, 2008 and 2009 – expenditure of ISCED level 2 is reported under ISCED level 1. ISCED levels 5-6, 2009 – expenditure for independent private educational institutions is not available.

Iceland: 2007 and 2008 – expenditure for ancillary services is not available. Payments from international agencies and other foreign sources to educational institutions are not available. 2008 and 2009 – capital expenditure from private educational institutions is not available. ISCED levels 2-4 and 5-6, 2000 – expenditure at ISCED level 4 is partly included under ISCED levels 5-6. ISCED levels 5-6, 2008 – R&D expenditure is not available.

Norway: ISCED level 1 and ISCED levels 2-4, 2000 – ISCED level 2 expenditure is included under in ISCED level 1. 2007 and 2008 – payments from other private entities to educational institutions are not available. ISCED level 2-4, 2007 to 2009 – payments from households to educational institutions are not available. ISCED levels 5-6, 2007 to 2009 – payments from international agencies and other foreign sources to educational institutions are not available.

Annex 4: General budget for education

Coverage of the budgetary data collected by the Eurydice Network in 2010, 2011 and 2012



Annex 5: Evolution of the teachers numbers, 2000, 2007 and 2010

	ISCED 0-6			ISCED 0			ISCED 1-3			ISCED 5-6		
	2000	2007	2010	2000	2007	2010	2000	2007	2010	2000	2007	2010
BE	197 288	210 052	216 546	:	25 729	27 390	171 977	165 950	169 197	16 499	18 372	19 959
BE fr	:	92 228	93 741	:	11 038	11 464	:	73 341	74 354	:	7 849	7 923
BE nl	110 705	117 744	122 707	13 537	14 691	15 926	87 268	89 799	92 253	9 881	10 464	11 959
BG	120 786	104 997	91 601	18 789	18 053	18 114	82 058	70 247	57 573	19 701	16 509	15 677
CZ	144 809	142 911	140 443	22 708	21 150	22 778	104 970	101 658	97 011	15 488	17 759	18 295
DK	116 138	:	:	42 439	41 896	45 688	73 699	:	:	:	:	:
DE	974 005	1 053 277	1 105 045	97 353	168 237	187 425	677 873	667 517	664 651	168 071	180 342	212 909
EE	30 688	:	:	6 699	:	8 025	19 075	15 598	11 011	4 053	:	:
IE	50 420	63 700	69 009	154	57	92	42 036	53 045	57 871	8 230	10 598	11 046
EL	:	193 635	:	:	11 968	:	:	153 173	:	:	22 905	:
ES	597 645	695 448	756 144	70 638	114 216	140 289	435 254	458 637	486 562	91 753	122 595	129 293
FR	917 250	904 768	883 057	:	133 744	117 650	798 950	662 202	653 882	113 110	108 822	111 525
IT	:	858 207	800 592	:	100 642	97 754	:	653 144	596 719	:	104 421	106 119
CY	9 249	12 156	13 412	818	1 104	1 240	7 586	9 533	10 324	845	1 519	1 848
LV	33 551	40 930	34 899	1 081	6 178	5 889	27 935	29 673	24 258	4 116	4 829	4 674
LT	71 965	87 412	79 053	11 136	11 132	11 339	48 800	64 792	57 317	11 540	10 665	9 499
LU	:	:	10 553	:	1 086	1 283	:	6 527	8 266	:	:	1 004
HU	190 003	182 587	170 924	31 653	30 422	29 807	139 823	126 564	116 457	18 528	19 940	20 898
MT	:	:	7 249	:	:	561	:	:	5 710	:	:	867
NL	212 217	231 075	237 664	:	:	:	177 624	195 354	196 794	34 593	35 721	40 870
AT	:	125 218	136 201	:	13 307	16 306	:	88 828	93 869	:	17 158	19 287
PL	684 020	654 626	630 301	69 920	46 439	53 103	522 528	494 882	463 678	82 640	102 032	105 309
PT	:	201 628	210 359	:	16 599	17 531	:	157 239	165 823	:	27 790	27 005
RO	288 415	260 370	249 402	35 517	36 434	38 150	225 115	192 850	179 635	26 665	30 398	30 837
SI	27 134	29 501	29 158	3 071	4 619	5 220	22 116	21 183	19 951	1 919	3 684	3 987
SK	94 221	79 906	75 011	16 241	10 745	11 483	66 949	57 247	51 735	10 495	11 647	11 585
FI	86 095	94 515	97 424	10 338	12 538	14 198	60 004	68 442	67 812	15 753	13 535	15 414
SE	168 759	187 379	207 877	24 045	30 891	62 951	117 690	124 580	119 512	26 698	31 496	24 882
UK	713 558	784 554	777 832	44 574	40 328	57 022	582 449	648 640	621 780	86 535	95 586	99 030
HR	:	58 758	69 040	:	6 244	7 385	:	43 057	47 564	:	9 457	14 091
IS	8 472	9 042	9 347	2 273	1 599	1 809	5 086	6 055	6 054	1 113	1 388	1 484
TR	549 078	704 169	840 223	15 696	24 775	42 716	468 178	590 494	692 539	65 204	88 900	104 968
LI	:	569	554	:	68	69	:	491	469	:	0	:
NO	85 371	94 434	98 740	:	:	:	72 037	78 233	80 802	13 028	16 201	17 938
CH	:	79 291	80 377	:	8 210	8 091	:	60 280	60 200	:	10 316	11 799

Source: Eurostat, UOE (data extracted July 2012).

Annex 6: Evolution of the students numbers, 2000, 2007 and 2010

(in thousands)

	ISCED 0-6			ISCED 0			ISCED 1-3			ISCED 5-6		
	2000	2007	2010	2000	2007	2010	2000	2007	2010	2000	2007	2010
EU-27	95 840.4	93 247.4	93 088.0	13 599.7	14 188.4	14 922.1	78 339.10	72 755.10	71 685.80	15 920.8	18 884.2	19 846.6
BE	2 234.8	2 417.7	2 450.0	400.4	412.0	434.3	1 831.30	1 953.20	1 934.60	355.7	393.7	445.3
BE fr	971.3	1 037.3	1 045.6	156.8	176.7	181.9	793.10	832.30	823.30	167.6	180.8	196.4
BE nl	1 257.5	1 380.4	1 404.4	240.7	235.3	252.4	1 032.20	1 121.00	1 111.30	188.1	212.9	248.9
BG	1 357.1	1 175.2	1 097.0	211.9	206.7	217.8	1 089.00	910.10	801.50	261.3	258.7	287.1
CZ	1 906.2	1 855.6	1 841.4	298.6	287.4	316.7	1 602.80	1 412.30	1 312.50	253.7	362.6	437.4
DK	1 003.0	1 154.5	1 177.2	255.2	252.1	259.7	810.40	921.10	935.40	189.2	232.2	240.5
DE	14 549.3	14 250.6	13 931.2	2 297.8	2 420.1	2 359.6	11 963.20	11 316.10	10 754.00	2 054.8	2 278.9	2 555.6
EE	302.9	268.4	247.0	52.5	47.4	48.2	240.30	190.10	168.30	53.6	68.8	69.0
IE	990.1	1 054.3	1 103.0	:	:	61.7	787.80	795.00	847.90	160.6	190.3	194.0
EL	1 883.5	1 964.4	2 023.1	147.9	142.7	160.0	1 384.10	1 322.70	1 359.20	422.3	602.9	641.8
ES	7 768.6	7 555.7	7 879.2	1 135.1	1 559.7	1 822.0	5 785.90	5 778.30	6 000.20	1 829.0	1 777.5	1 879.0
FR	11 933.8	12 296.0	12 324.3	2 416.7	2 594.1	2 551.3	9 813.40	10 062.50	10 032.20	2 015.3	2 179.5	2 245.1
IT	9 049.2	9 500.2	9 540.5	1 574.0	1 652.7	1 681.0	7 240.60	7 433.70	7 521.30	1 770.0	2 033.6	1 980.4
CY	138.0	145.8	151.7	17.3	19.5	21.1	127.60	123.60	119.50	10.4	22.2	32.2
LV	498.6	449.8	389.1	56.6	67.1	71.1	401.40	317.00	274.90	91.2	129.5	112.6
LT	766.8	759.7	689.7	93.4	86.8	88.3	639.30	550.00	477.20	121.9	199.9	201.4
LU	68.7	75.8	85.2	13.5	14.6	15.4	65.50	75.00	79.00	2.4	:	5.4
HU	1 905.6	1 916.1	1 804.7	366.9	327.6	328.5	1 502.80	1 408.70	1 351.00	307.1	431.6	389.0
MT	77.6	74.8	75.5	10.0	8.4	8.5	70.40	64.80	62.20	6.3	9.8	10.8
NL	3 171.1	3 345.5	3 451.2	388.3	401.1	378.8	2 657.80	2 748.50	2 795.60	487.6	590.1	650.9
AT	1 458.8	1 457.3	1 488.0	223.4	218.7	240.2	1 141.10	1 125.00	1 071.70	261.2	261.0	350.2
PL	9 073.8	8 416.3	7 765.9	919.1	862.7	994.1	7 306.70	5 964.50	5 351.10	1 579.6	2 146.9	2 148.7
PT	2 032.3	1 881.1	2 131.7	228.5	263.9	274.4	1 658.60	1 511.90	1 740.50	373.7	366.7	383.6
RO	3 962.1	3 839.4	3 734.9	616.3	648.9	666.1	3 414.80	2 873.50	2 672.90	452.6	928.2	999.5
SI	389.4	394.8	377.3	58.2	43.2	49.2	305.10	276.80	260.10	83.8	115.9	114.9
SK	1 122.8	1 079.4	1 010.7	164.0	143.7	143.2	981.00	857.20	772.00	135.9	218.0	234.5
FI	1 152.3	1 251.3	1 239.5	126.6	143.3	156.6	878.50	920.60	912.10	270.2	309.2	303.6
SE	2 089.5	2 060.6	2 067.0	341.0	358.0	399.0	1 709.50	1 635.10	1 587.20	346.9	413.7	455.0
UK	14 954.5	12 606.9	13 011.9	1 183.3	1 004.7	1 175.4	12 930.30	10 207.40	10 491.80	2 024.1	2 362.8	2 479.2
HR	:	728.1	714.8	:	90.9	99.3	:	588.20	565.00	:	140.0	149.9
IS	73.5	85.0	88.3	14.9	11.9	12.7	63.40	68.40	69.40	9.7	15.8	18.1
TR	13 168.8	16 687.3	18 686.1	251.6	640.8	980.7	12 153.40	14 233.60	15 156.70	1 015.4	2 453.7	3 529.3
LI	4.5	6.3	6.3	0.8	0.8	0.7	4.10	5.40	5.40	0.5	0.7	0.8
NO	989.3	1 078.9	1 098.9	142.2	161.4	173.6	791.50	854.70	859.20	190.9	215.2	224.7
CH	:	1 349.8	1 375.2	:	153.2	147.2	:	1 103.30	1 097.60	:	213.1	248.6

Source: Eurostat, UOE (data extracted July 2012).

Annex 7: Evolution of the pupils to teacher ratios, 2000, 2007 and 2010

	ISCED 1-3			ISCED 1			ISCED 2			ISCED 3		
	2000	2007	2010	2000	2007	2010	2000	2007	2010	2000	2007	2010
BE	:	10.8	10.5	:	12.6	12.4	:	9.2	8.1	:	10.2	10.1
BE fr	:	10.4	10.2	:	12.1	12.1	:	7.8	7.7	:	10.7	10.2
BE nl	13.7	11.1	10.7	21.5	13.0	12.6	:	10.6	8.6	9.3	9.7	10.0
BG	13.2	12.8	13.6	16.8	16.0	17.6	12.1	12.1	12.7	11.6	11.6	11.9
CZ	16.6	14.5	14.2	21.0	18.7	18.7	15.6	12.3	11.2	13.4	14.0	14.0
DK	11.0	:	:	10.7	11.2	11.5	10.6	:	:	12.1	:	:
DE	16.4	16.9	16.1	19.8	18.3	16.7	15.7	15.2	14.9	13.9	14.3	13.2
EE	12.5	12.7	16.0	14.9	14.4	16.2	11.2	11.4	14.9	10.1	12.2	16.6
IE	17.7	15.6	15.2	21.5	17.9	15.9	15.8	:	:	15.8	13.2	14.4
EL	11.8	8.6	:	13.4	10.1	:	10.8	7.7	:	10.5	7.3	:
ES	13.1	11.5	11.3	14.9	13.6	13.2	13.7	11.7	10.1	9.7	7.7	9.6
FR	14.6	14.3	14.4	19.5	19.7	18.7	14.7	14.3	15.0	10.4	9.6	9.7
IT	10.6	10.6	11.7	11.0	10.5	11.3	10.4	9.5	11.9	10.5	11.7	12.1
CY	14.9	13.0	11.5	18.1	15.9	14.0	:	11.2	10.0	12.7	11.1	10.1
LV	14.3	10.6	11.2	18.0	11.0	11.9	12.7	9.5	9.3	13.3	11.2	12.1
LT	13.0	8.4	8.3	16.7	10.0	9.9	11.7	8.0	7.8	:	:	:
LU	:	10.0	9.5	:	11.2	10.1	:	:	24.3	:	9.0	7.6
HU	10.6	10.8	11.4	10.9	10.2	10.8	10.9	10.2	10.7	9.9	12.1	12.5
MT	12.9	:	10.5	19.1	:	14.4	9.0	:	8.1	16.2	:	12.1
NL	17.0	15.6	16.1	16.8	15.6	15.7	:	:	:	17.1	15.7	16.5
AT	:	11.5	10.4	:	13.6	12.2	:	10.3	9.3	:	11.0	10.1
PL	13.8	11.7	11.2	12.7	11.0	10.0	11.5	12.4	12.7	16.9	12.2	12.1
PT	10.6	9.6	8.9	12.4	11.8	10.9	10.4	7.9	7.9	8.5	8.4	7.2
RO	14.4	14.5	14.3	:	16.9	16.7	15.0	12.2	12.2	12.8	15.3	14.9
SI	13.4	12.7	12.7	13.4	15.2	16.2	13.8	9.5	8.0	13.1	13.7	14.3
SK	14.5	14.9	14.8	18.3	17.9	17.1	13.5	13.9	13.6	12.8	14.1	14.6
FI	15.0	13.8	13.8	16.9	15.0	14.0	10.7	9.9	9.8	17.0	15.9	17.1
SE	13.4	12.4	12.0	12.8	12.3	11.7	12.8	11.5	11.4	15.2	13.6	13.1
UK	19.6	15.2	17.3	21.2	19.4	19.8	17.6	16.7	17.1	19.3	11.2	15.2
HR	:	13.5	11.6	:	17.3	14.7	:	12.6	10.6	:	11.6	10.6
IS	11.7	10.3	10.6	12.7	10.4	10.3	:	:	:	9.7	10.2	11.3
TR	25.4	23.0	20.5	30.5	26.2	21.7	:	:	:	14.0	16.2	17.6
LI	:	8.2	8.3	:	9.6	8.8	:	6.9	7.5	:	8.6	11.1
NO	10.5	10.5	10.0	:	11.0	10.5	11.4	10.2	9.9	8.5	9.8	9.4
CH	:	:	:	:	:	:	:	:	:	:	:	:

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EURYDICE AND POLICY SUPPORT

Avenue du Bourget 1 (BOU2)
B-1140 Brussels
(<http://eacea.ec.europa.eu/education/eurydice>)

Managing editor

Arlette Delhaxhe

Authors

Stanislav Ranguelov (coordinating author)

Isabelle De Coster

Sogol Noorani

Jari Matti Riiheläinen

Layout and graphics

Patrice Brel

Production coordinator

Gisèle De LeI

EURYDICE NATIONAL UNITS

BELGIQUE / BELGIË

Unité Eurydice de la Fédération Wallonie-Bruxelles
Ministère de la Fédération Wallonie-Bruxelles
Direction des Relations internationales
Boulevard Léopold II, 44 – Bureau 6A/012
1080 Bruxelles
Contribution of the Unit: Joint responsibility;
experts: Philippe Dieu (Direction des Relations
internationales/Etnic); Alain Dufays (Administration générale
des personnels de l'Enseignement)

Eurydice Vlaanderen
Departement Onderwijs en Vorming /
Afdeling Strategische Beleidsondersteuning
Hendrik Consciencegebouw
Koning Albert II-laan 15
1210 Brussel
Contribution of the Unit: experts: Ann Van Driessche,
Raymond Van De Sijpe and Nicole Goubert

Eurydice-Informationsstelle der Deutschsprachigen
Gemeinschaft
Autonome Hochschule in der DG
Monschauerstrasse 57
4700 Eupen
Contribution of the Unit: Stéphanie Nix

BULGARIA

Eurydice Unit
Human Resource Development Centre
Education Research and Planning Unit
15, Graf Ignatiev Str.
1000 Sofia
Contribution of the Unit: Anita Rahova from the Ministry of
education, youth and science

ČESKÁ REPUBLIKA

Eurydice Unit
Centre for International Services
National Agency for European Educational Programmes
Na Poříčí 1035/4
110 00 Praha 1
Contribution of the Unit: Marcela Máchová,
Helena Pavlíková; external experts: Michaela Kleňhová,
Lucie Brumovská, Hana Pluskalová, Petr Valášek

DANMARK

Eurydice Unit
Danish Agency for Universities and Internationalisation
Bredgade 43
1260 København K
Contribution of the Unit: Joint responsibility

DEUTSCHLAND

Eurydice-Informationsstelle des Bundes
Project Management Agency
Part of the German Aerospace Center (DLR)
EU-Bureau of the BMBF/German Ministry for Education
and Research
Heinrich-Konen-Str. 1
53227 Bonn
Contribution of the Unit: Randi Wallmichrath

Eurydice-Informationsstelle des Bundes
Project Management Agency
Part of the German Aerospace Center
EU-Bureau of the German Ministry for Education and
Research
Rosa-Luxemburg-Straße 2
10178 Berlin

Eurydice-Informationsstelle der Länder im Sekretariat der
Kultusministerkonferenz
Graurheindorfer Straße 157
53117 Bonn
Contribution of the Unit: Thomas Eckhardt

EESTI

Eurydice Unit
SA Archimedes
Koidula 13A
10125 Tallinn
Contribution of the Unit: Tiina Annus (expert, from the
Ministry of Education and Research)

ÉIRE / IRELAND

Eurydice Unit
Department of Education and Skills
International Section
Marlborough Street
Dublin 1
Contribution of the Unit: Chris Kelly, Mary Hearty,
Gráinne Morrissey, Martin Mc Loughlin, Paul Keating,
Tara Carton, Alan O' Neill, Paul Mc Clearn,
Sandra Fogarty and Pádraig Maloney

ELLÁDA

Eurydice Unit
Ministry of Education and Religious Affairs, Culture and
Sports
Directorate for European Union Affairs
37 Andrea Papandreou Str. (Office 2172)
15180 Maroussi (Attiki)
Contribution of the Unit: Anna Krompa

ESPAÑA

Eurydice España-REDIE
Centro Nacional de Innovación e Investigación Educativa
(CNIIE)
Ministerio de Educación, Cultura y Deporte
Gobierno de España
c/General Oraa 55
28006 Madrid
Contribution of the Unit: Joint responsibility

FRANCE

Unité française d'Eurydice
Ministère de l'Éducation nationale, de l'Enseignement
supérieur et de la Recherche
Direction de l'évaluation, de la prospective et de la
performance
Mission aux relations européennes et internationales
61-65, rue Dutot
75732 Paris Cedex 15
Contribution of the Unit: Joint responsibility

HRVATSKA

Ministarstvo znanosti, obrazovanja i športa
Donje Svetice 38
10000 Zagreb
Contribution of the Unit: Duje Bonacci, Ivana Fain,
Mirela Zagorac

ÍSLAND

Eurydice Unit
Education Testing Institute
Borgartúni 7a
105 Reykjavík
Contribution of the Unit: expert: Valgerður Freyja
Ágústsdóttir (advisor)

ITALIA

Unità italiana di Eurydice
Istituto Nazionale di Documentazione, Innovazione e
Ricerca Educativa (INDIRE)
Agenzia LLP
Via Buonarroti 10
50122 Firenze
Contribution of the Unit: Alessandra Mochi;
experts: Gianna Barbieri and Massimiliano Ciccia (Servizio
di statistica settore istruzione, Ministero dell'Istruzione,
dell'Università e della Ricerca – MIUR), Francesca Brotto
(Direzione generale per gli affari internazionali, Ministero
dell'Istruzione, dell'Università e della Ricerca – MIUR)

KYPROS

Eurydice Unit
Ministry of Education and Culture
Kimonos and Thoukydidou
1434 Nicosia
Contribution of the Unit: Joint responsibility

LATVIJA

Eurydice Unit
Valsts izglītības attīstības aģentūra
State Education Development Agency
Valņu street 3
1050 Riga
Contribution of the Unit: Joint responsibility of the unit
together with expert Svetlana Batare (Deputy State
Secretary – Director of the Department of Provision and
Finance of the Ministry of Education and Science)

LIECHTENSTEIN

Informationsstelle Eurydice
Schulamts des Fürstentums Liechtenstein
Austrasse 79
9490 Vaduz

LIETUVA

Eurydice Unit
National Agency for School Evaluation
Didlaukio 82
08303 Vilnius
Contribution of the Unit: Emilis Ruželė (expert)

LUXEMBOURG

Unité d'Eurydice
Ministère de l'Éducation nationale et de la Formation
professionnelle (MENFP)
29, rue Aldringen
2926 Luxembourg
Contribution of the Unit: Joint responsibility

MAGYARORSZÁG

Eurydice National Unit
Hungarian Institute for Educational Research and
Development
Szalay u. 10-14
1055 Budapest
Contribution of the Unit: Joint responsibility

MALTA

Eurydice Unit
Research and Development Department
Directorate for Quality and Standards in Education
Great Siege Rd.
Floriana VLT 2000
Contribution of the Unit: Desiree Scicluna Bugeja and
Gaetano Bugeja (Directorate for Quality and Standards in
Education)

NEDERLAND

Eurydice Nederland
Ministerie van Onderwijs, Cultuur en Wetenschap
Directie Internationaal Beleid
Etage 4
Rijnstraat 50
2500 BJ Den Haag

NORGE

Eurydice Unit
Ministry of Education and Research
AIK-avd., Kunnskapsdepartementet
Kirkegata 18
0032 Oslo
Contribution of the Unit: Joint responsibility

ÖSTERREICH

Eurydice-Informationsstelle
Bundesministerium für Unterricht, Kunst und Kultur
Abt. IA/1b
Minoritenplatz 5
1014 Wien
Contribution of the Unit: Joint responsibility

POLSKA

Eurydice Unit
Foundation for the Development of the Education System
Mokotowska 43
00-551 Warsaw
Contribution of the Unit: Beata Maluchnik; external expert: Monika Siergiejuk, in cooperation with experts from the Ministry of National Education and the Ministry of Science and Higher Education

PORTUGAL

Unidade Portuguesa da Rede Eurydice (UPRE)
Ministério da Educação e Ciência
Direcção-Geral de Estatísticas da Educação e Ciência (DGEEC)
Av. 24 de Julho, 134
1399-54 Lisboa
Contribution of the Unit: Isabel Almeida; Carina Pinto; from other departments of the Ministry: Aida Castilho, Alcina Cardoso, João Matos, Joaquim Santos

ROMÂNIA

Eurydice Unit
National Agency for Community Programmes in the Field of Education and Vocational Training
Calea Serban Voda, no. 133, 3rd floor
Sector 4
040205 Bucharest
Contribution of the Unit: Veronica – Gabriela Chirea in cooperation with experts from:

- the Ministry of Education, Research, Youth and Sports: Maria Dornean (Director), George Ghelmez (Director), Eugenia Popescu (Director), Marius Bălaşa (Director), Ion Ciucă (Director), Adrian Bărbulescu (expert) and Mirela Dîrstaru (expert);
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- the National Agency for Community Programmes in the Field of Education and Vocational Training: Adrian Georgescu (Head Director)

SCHWEIZ/SUISSE/SVIZZERA

Foundation for Confederal Collaboration
Dornacherstrasse 28A
Postfach 246
4501 Solothurn

SLOVENIJA

Eurydice Unit
Ministry of Education, Science, Culture and Sport
Education Development Office
Maistrova 10
1000 Ljubljana
Contribution of the Unit: Joint responsibility; experts from the Ministry of Education, Science, Culture and Sport, the Ministry of Labour, Family and Social Affairs, the Ministry of Finance and the Ministry of Economic Development and Technology

SLOVENSKO

Eurydice Unit
Slovak Academic Association for International Cooperation
Svoradova 1
811 03 Bratislava
Contribution of the Unit: Marta Ivanová, Martina Račková; external experts: Danica Omastová, Jaroslav Juriga

SUOMI / FINLAND

Eurydice Finland
Finnish National Board of Education
P.O. Box 380
00531 Helsinki
Contribution of the Unit: Petra Packalen (Eurydice Unit) and Timo Ertola (Ministry of Education and Culture)

SVERIGE

Eurydice Unit
Department for the Promotion of Internationalisation
International Programme Office for Education and Training
Kungsbrogatan 3A
Box 22007
104 22 Stockholm
Contribution of the Unit: Joint responsibility

TÜRKIYE

Eurydice Unit Türkiye
MEB, Strateji Geliştirme Başkanlığı (SGB)
Eurydice Türkiye Birimi, Merkez Bina 4. Kat
B-Blok Bakanlıklar
06648 Ankara
Contribution of the Unit: Dilek Gulecyüz, Osman Yıldırım Uğur, Bilal Aday

UNITED KINGDOM

Eurydice Unit for England, Wales and Northern Ireland
Centre for Information and Reviews
National Foundation for Educational Research (NFER)
The Mere, Upton Park
Slough SL1 2DQ
Contribution of the Unit: Claire Sargent

Eurydice Unit Scotland
c/o Intelligence Unit
Education Analytical Services
Scottish Government
Area 2D South
Victoria Quay
Edinburgh
EH6 6QQ
Contribution of the Unit: Joint responsibility

European Commission; EACEA; Eurydice

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