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ECONOMIC COSTS AND AFFORDABILITY OF HIGHER EDUCATION IN ROMANIA

A b s t r a c t

We start in our approach from the premise that tuition fees are an important factor in the access to higher education, but not the only component in calculating its economic costs and affordability. In agreement with the various projects which have attempted to analyze the full costing of higher education (for example EUIMA 2010-2012 or the analyses undertaken by Eurostudent), we consider that these costs include not only the resources for the functioning of the higher education institutions & system (public funding + student fees), but also the resources for securing the living costs of the students (individual / family contributions + public subsidies & various support schemes). We decided not to discuss opportunity costs for students and their families (as indicated by Gary Becker), and to focus only on the basic living costs for a student (and then for the whole student population). There were several reasons for this option. One regards the availability of sources (in fact, their scarcity for assessing opportunity costs) and the difficulties of computing the average opportunity cost (as this average would have to include a wide range of concrete situations). For measuring the living costs of students, there are several surveys, and if we consider just the basic needs of an average student, then the whole process is much easier. Of course, this is quite normative and does not consider entirely the huge diversity of concrete historical situations, but we chose to produce just a simplified calculation of the basic living costs of the students. A second reason of our option was based on the relative magnitude of the opportunity costs and of the living costs. By all accounts, the opportunity costs will be higher than the basic living costs of students, so we chose the more conservative option (which, anyhow, generates a significant change in assessing the total social cost of higher education).

For practical reasons, we have decided to apply our calculation model for only one year (2013) for which we had reasonably good sources, and after putting to discussion the approach and the results, to allow for further research to investigate this topic for other time-points.

For 2013 the main results are:

The total number of enrolled students was 572,415, among which 385,328 studied tuition-free (on state-financed study-places) while 187,087 paid tuition-fees (99,676 in private universities and 87,411 in state universities). The state allocated 2.25 billion RON for the higher education, and the total tuition and administrative fees paid by the students amounted to about 810 million RON.

Basic living cost expenditures were calculated at an average of 820 RON monthly per student, which means 9,846 RON per year, and amounted thus to about 5.64 billion RON. If we subtract the public scholarships (about 232 million) and the state subsidies for student accommodation and boarding (about 156 million), then the share to be covered by the students and their families was about 5.25 billion RON. If we add to these 5.2 billion the tuition and administrative fees paid by the students (810 million), the private contribution to the total costs of higher education amounted to 6,05 billion RON, i.e. to 10,581 RON/student. Thus, in 2013 Romania the share of public expenditures amounts to only about 27.10 % and the share of private contribution amounts to 72.90 % of the total costs for higher education. Quite more, if we consider that the monthly minimum wage was 750 RON in the first half of 2013 and 800 RON in the second half of the year, i.e. 9,300 RON per year, then the average costs paid by students and their families (10,581 RON/student) exceeded the yearly minimum wage.

Obviously, these averages obscure more profound social disparities, especially if we consider that most fee-paying students (almost one third of the total number of enrolled students) came from less affluent social backgrounds than the students who had managed to obtain state-funded study-places.