

Recommendation on the amendments on the law accompanying the budget 2015

1. Place of this recommendation in the policy cycle

The Vlor appreciates the initiative of the new Flemish government to ask for advice on governmental amendments on the programme law. In the past, the Vlor has always insisted to have the possibility to formulate a recommendation on all draft law that the government is presenting to the Flemish Parliament. This is certainly the case for amendments related to tuition fees in higher education. These amendments contain new measures that are relevant and have big impact on society.

For the other amendments, the situation is different, because the Vlor already formulated recommendations in its advice on the draft programme law. These amendments are adapted because of the advice of the Council of State, or because of negotiations with the social partners.

The Vlor regrets the way this programme law has been prepared. Conform the participation law, negotiations with social partners always come after the recommendation of the Vlor; both processes were parallel now. For the Vlor it is not possible (procedures) and not desirable to advise on amendments that are the result of negotiations in which an important part of the Vlor members took part, but not all of them. An important part of the Vlor members is thus committed by the results of the negotiations, others are not.

This is why this recommendation does not include recommendations on the amendments that are the result of the recommendation of the Council of State and the negotiations with the social partners.

2. Recommendation on the amendments related to the tuition fees for higher education.

Articles in chapter 2 (section 27) regulate an increase of tuition fees for higher education (universities and university colleges). The government motivates this increase as a compensation for the severe cuts imposed on higher education.

2.1 Consultation at an appropriate moment

The Vlor regrets the fact that the government links the issue of the increase of tuition fees and the issue of budgetary cuts. The increase is presented as unavoidable, and this obstructs open consultation.

The Vlor also regrets the short deadline for this recommendation on such an important societal theme. More consultation, in due time, with all stakeholders involved, would have been more appropriate.

2.2 Adequate financing of higher education

If the knowledge society asks for more employable higher education graduates, the government has to invest in it. With the current savings, the 2 % norm of the gross regional product will not be reached in the short term.

During the last legislature, there was an agreement on a growth path within higher education. Effects of this growth path are neutralized by these cuts for the budget year 2015. Thus, underfinancing of higher education is becoming even bigger. Investments of the Flemish government in (higher) education are needed in order to guarantee the quality.

2.3 Budgetary cuts and the increase of tuition fees in the context of these cuts

The Vlor regrets the cuts and the increase of the tuition fees. Education has to remain, in the first place, a public good, financed by public resources. The Vlor states that it is fundamentally wrong to make the political-societal choice to cut on the budget of (higher) education. It has immediate impact on students and staff. Students pay higher fees, while higher education will loose quality. Staff will suffer from the cuts, because there will be dismissals and work pressure will enhance. The Vlor states that it is not just that part of the cost of budgetary cuts will have to be paid by the student.

2.4 Comments on the increase of the tuition fees proposed by the government

2.4.1 Lack of sufficient motivation

The increase of the fees is motivated by the government as a compensation for the budgetary cuts. The amount of the fees is however not motivated. The amount seems to be determined arbitrary. The Vlor would have liked to see a simulation on the impact on the total study costs for different types of families. The difference between students with a grant and those without a grant has become very important: more research on the mechanism of grants will be needed.

2.4.2 Loss of quality

Higher education institutions face budgetary cuts. This will, unavoidably, impact on staff. This means an increase of the student/teacher ratio, and enhanced work pressure for those who keep their jobs. Research ¹shows that this has a negative impact on study efficiency and quality of education. Less efficiency enhances the cost of studying for the society as well as for the families.

2.4.3 Effect on democratization

¹ Cantillon, B., De Ridder, A., Vanhaecht, E. & Verbist, G. (2011). '(Un)desirable effects of output funding for Flemish universities'. *Economics of Education Review* 30: 1059 – 1072.

2.4.3.1 Guarantee open access to higher education

The Vlor pleads in favour of open access to higher education. The Vlor does not plead for limited access through a numerus clausus, even though this would simplify budgetary check. However, quality of higher education has to be guaranteed, also when access is open.

2.4.3.2 Unsufficient social corrections

The Vlor welcomes the fact that the fees for students with a grant only suffer from a minimal increase. On the other hand, the government also saves on the social allocations for the higher education institutions with 4.9 %. This means that studying will become more expensive, also for students with a grant (increase of prices for accommodation, meals, study costs). Access may remain open, when the live and study costs are a barrier, open access makes no sense.

The Vlor was expecting stronger social corrections together with the increase of tuition fees. An expansion of the category of students with a grant would have been logical. The government has chosen to expand the category of almost-granted students by doubling the maximum reference amount. This category is however extremely small (0.84 % of the students in 2012–2013), so that the Vlor expects the impact of this measure to be minimal.

2.4.3.3 Follow up of impact on participation and study efficiency

The Vlor states that it is very difficult to estimate the impact of increased tuition fees on democratization of higher education. The Vlor insists on research on the impact on family budgets, and the extent to which grants cover the study costs.

Institutions might be obliged to make savings on study guidance for students. This will have an impact mostly on students from disadvantaged backgrounds, and is a threat for their study efficiency, and for the democratization of higher education. The Vlor wants to maintain participation in higher education as a policy priority.

2.4.3.4 Taking less credits becomes more expensive

Taking on less credits becomes more expensive, compared to taking on a full programme, because the fix amount for fees for study points has increased. The government wants to enhance the study efficiency and shorten the study time. The Vlor is not convinced; the debate on this issue, and more specifically the impact on students from a disadvantaged background, has to be organized and research has to be undertaken. The Vlor is ready to take part in this debate, and is actually thinking about a correction of the undesirable effects of flexibilization.

2.5 The same tuition fee for all institutions and for all study options

The Vlor welcomes the fact that the tuition fees for universities, university colleges and all study option remain the same; this avoids competition amongst institutions.

The Vlor sees that university colleges traditionally attract more students with a grant; tuition fees for students with a grant are not increased, and this is justified, but it means that the compensation for university colleges will be less high than for universities.

2.6 The same calculation mechanisms for all categories of students

The Vlor wonders why students with a grant only pay a fix amount and not a fix amount together with a variable amount per credit point, as it is the case for non-granted students

and almost-granted students. A same calculation mechanism for all categories of students would be more transparent.

2.7 Multiannual budget

The minister does not give any insights in the multiannual budget; it is therefore not clear which savings and compensations are to be expected. The Vlor wants to avoid a further incremental increase of tuition fees in the future (as it has been the case in the UK).

3. Continued consultation

The Vlor states that the debate on tuition fees, study cost and study financing does not come to an end with this programme law. The Vlor will continue consultation and will shortly produce an advice at its own initiative.