



Country Example of Portable Grants and Loans - Germany -

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Outline

- I. Introduction to the publicly funded German training assistance scheme (BAföG)
- II. Portability of the publicly funded German assistance scheme (BAföG)
- III. Conclusions





I. Introduction to the publicly funded German training assistance scheme (BAföG)





- **name of the scheme:** Federal Training Assistance Act (Bundesausbildungsförderungsgesetz, BAföG)
- established in **1971**
- **target groups: students and trainees/pupils.**
- **objectives:** to contribute to the establishment of equal opportunities in education. By its nature, BAföG is a **social security benefit**
- **Type of scheme:** hybrid grant-loan scheme (50% grant, 50% loan)
- **budget (2012):** EUR 2.3 billion (65% funded by the Federal Government and 35 % by the 16 *Länder*)
- **Total number of BAföG recipients in 2010:** 386.000 (share of students receiving BAföG: 18,4%)
- **Authorities in charge of the BAföG administration:** generally, student service organisations (Studentenwerke)





Studentenwerke today

- Founded in 1921
- today 58 Studentenwerke
- ca. 400 higher education institutions
- 180 cities of higher education
- 2,5 million students

One Studentenwerk:

responsible for several universities & occasionally regional competence





BAföG eligibility requirements

Nationality/Residency

- German nationals and students from EU/EEA members states: Applicants must live in Germany; and EU/EEA citizens must either have freedom of movement within the EU, or have themselves been gainfully employed in GE.
- Other foreign nationals with certain statuses e.g. a permanent residency status or if they – or one parent have been gainfully employed in GE for several years prior to the beginning of the training.





BAföG eligibility requirements

Age limit

- First cycle student: prior to turning 30 years of age
- Second cycle student: 35 years or below when starting the study programme.

Enrolment status of applicant

- Full-time student enrolment in institutes of higher education or in practical training or distance learning.
- Change of subject only allowed up to the 3rd semester.
- Only first and second cycle students/trainees are eligible

Academic requirements

- Evidence of academic progress required at the end of 4th semester





Financial aspects of BAföG scheme

Actual BAföG amount (grant/loan scheme)

- maximum: EUR 670 per month (student living not at home)
- minimum: EUR 10 per month
- In 2012, 38% of the BAföG recipients received maximum amount; 62% a partial assistance. Average monthly amount paid to students in 2012: EUR 448





Financial aspects of BAföG scheme

Calculation method of BAföG amount (grant/loan scheme)

- Amount is calculated according to basic needs, which include general living expenses and training costs
- Exact amount depends on various factors such as housing and health insurance situation of the applicant, as well as the income, savings, and assets of the applicant, and those of his/her spouse or parents.
- Tax deductions





Financial aspects of BAföG scheme

Duration/Payment arrangements

- Based on standard period of study for chosen discipline
- Monthly payments (12 x per year)
- BAföG awarded for a period of one year a time
- Evidence of study progress necessary





Loan component of BAföG scheme

Administration: Federal Office of Administration

Repayment arrangements

- loans are interest-free; repayable within 20 years
- obligation begins 5 years after the standard period of study in the first training programme financed by the loan.
- Repayment depends on minimum income and family situation (married, children etc.)
- minimum monthly rate for repayment amounts to EUR 105

Maximum repayment is capped at EUR 10 000, even if the received loans exceed this amount.





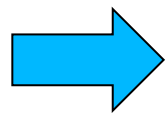
II. Portability of the German publicly funded training assistance (BAfÖG)





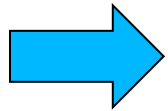
Is the German BAföG scheme portable?

EU member state and Switzerland:



Portability of training assistance for both credit and degree mobility

Non EU member state or Switzerland:



Portability of training assistance only for credit mobility





Studies *within* EU or Switzerland

- Degree & credit mobility
- Since 1.1.2008: abolition of requirement that student must study 1 year in GE before going abroad
- Degree mobility: maximum duration of financial assistance is based on standard period of study as determined by respective host institution

Studies *outside* EU or Switzerland

- Only degree mobility
- Requirement that student must study 1 year in GE before going abroad; proof of „added value“ of study abroad course.
- Training assistance usually limited to 2 semesters, extendable for 3 additional semesters under special conditions (= max. 2,5 years)

Minimum duration: 6 months (1 semester); in case of a compulsory placement or a study course in the framework of an university exchange programme, the minimum period abroad is 3 months.



Development & Rational of the Portability scheme

Gradual opening up of the scheme:

- **1971:** system portable for cross-border commuters and limited stay abroad; (intra-European mobility)
- **1974:** portability extended to non-European countries; respective administrative authorities were set up
- **2008:** now complete study within EU/Switzerland possible

Ratio:

- Portability issue as part of the internationalization strategy of Higher Education system in Germany. Intention: 50% target for outgoing mobility in 2020.





Destinations abroad of German BAföG recipients

- In 2012, **73%** of all BAföG supported trainings abroad (credit and degree mobility, placements) took place **within EU member countries**.
- In other words: ~ 80% of all BAföG recipients did a training within one of the 47 countries of the EHEA; ~ 9% in North America; ~ 5 % South, Central America + Oceania; 7 % Africa and Asia.
- Most popular destinations: 1. Netherlands, 2. United Kingdom, 3. Austria, 4. United States
- Duration: mostly, training periods of 1 year and longer.





Additional amount of support

- For a study abroad period students can additionally receive:
- An extra grant for higher living expenses in countries outside the EU (the amount depends on the country of destination);
 - An extra grant for travel costs (lump sum EUR 250 for a return journey within Europe; EUR 500 for a return journey outside Europe);
 - A full grant to cover the tuition fees abroad (up to one year, EUR 4 600 maximum).





Application procedure

The national BAföG support can not be taken automatically abroad. Special application procedures apply for eligible students.

In Germany, the 16 *Länder* determine which authority is responsible for the administration of the “Auslands-BAföG” (financial assistance for studies abroad). 11 out of 18 authorities are student service organisations.

Decentralized system: Each organisation is in charge of a defined number of study abroad destinations world wide!





- **Lichtenstein, Switzerland:** *Studentenwerk Augsburg*
- **Austria:** Landeshauptstadt München, Referat für Bildung und Sport, Amt für Ausbildungsförderung
- **Italy, Sand Marino, Vatican:** Bezirksamt Charlottenburg-Wilmersdorf, Amt für Ausbildungsförderung
- **America (with exception USA and Canada):** Senatorin für Bildung und Wissenschaft, Bremen
- **USA:** *Studentenwerk Hamburg*
- **Albania, Bosnia & Herzegowina, Greece, Cosovo, Croatia, Mazedonia, Montenegro, Serbia, Slovenia, Cyprus, Australia:** *Studentenwerk Marburg*
- **Great Britain, Irland:** Region Hannover, Fachbereich Schulen, Ausbildungsförderung
- **Asia (with the expection of Armenia, Aserbaidshan, Kasachstan, Kirgisitan, Tadschikistan, Turkmenistan, Usbekistan):** *Studentenwerk Tübingen-Hohenheim*
- **Belgium, Luxembourg, Netherlands:** Bezirksregierung Köln
- **Canada:** *Studentenwerk Thüringen*

- **Armenia, Aserbaidshan, Bulgaria, Estonia, Georgien, Kasachstan, Kirgisistan, Latvia, Lithuania, Moldavia, Poland, Rumania, Russian Federation, Slovakia, Tadschikistan, Czech Republic, Turkmenistan, Ukraine, Hungary, Usbekistan, Belarus:** *Studentenwerk Chemnitz-Zwickau*
- **Malta, Portugal:** Universität Saarland, Amt für Ausbildungsförderung
- **Denmark, Island, Norway:** *Studentenwerk Schleswig-Holstein*
- **Spain:** *Studentenwerk Heidelberg*
- **Africa, Oceania (without Australia):** *Studentenwerk Frankfurt/Oder*
- **Sweden:** *Studentenwerk Rostock*
- **Andorra, France, Monaco:** Kreisverwaltung Mainz-Bingen
- **Finland:** *Studentenwerk Halle*



Conclusions

Relatively low BAföG take-up rate to study abroad:

- Number of BAföG recipients studying abroad for credit/degree mobility amounts to **6.5%** of total number of BAföG recipients.

Possible reasons:

- scheme originally designed to study at home; support abroad sufficient?
- Administrative “obstacles”: early decision necessary (1 year beforehand; specific application form)

