

RESEARCH ARTICLE

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Economic Conditions of Students in Albania in the Framework of the Application of the New Law on Higher Education

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Abstract

The part of university studies is an important stage for development, but on the other hand also a financial burden directly and indirectly.

Students face a host of costs, which are directly related to studies such as tuition fees and some partially or completely independent costs associated with the associated costs of studies. The data show that one third of students are affected by financial difficulties. The largest share in the financing of university studies is borne by family contributions and in special cases the state contribution also occupies a significant weight. The state contribution is given mainly through exemption from fees as well as financial scholarships.

Keywords: financial burden, tuition fees, financial scholarships.

1. Introduction

In Albania, with law no. 80/2015 "On higher education and scientific research in the Republic of Albania", in addition to the exclusion of tuition fees, reduced fees (50% of basic fees) are applied as well as financial scholarships for students from categories special, mainly students coming from families in need, as well as students with high scores, with a grade point average of 9-10. As students are mainly supported by family income, those most affected by financial difficulties are students belonging to financially disadvantaged families/families in economic need. Regarding student expenses, the main place is occupied by accommodation costs and these costs increase even more when it comes to continuing studies in the Capital. Accommodation costs have increased, as a result of the increase in the price of housing and also student incomes have increased more slowly than the price level.

This paper aims to provide an overview of the situation of student income and expenditure in Albania. The paper shows how the costs are related to living, studying, the impact of financial aid and various aspects of student income. Sufficient funds available can be considered as a necessary condition

for the entry and successful completion of higher education, so it is important to study the financial difficulties of students, their sources of income, so covering the main issues related to student life.

2. Material and Methods

2.1 Students' financial difficulties

Facing financial difficulties implies a higher risk of the need to extend studies e.g. due to lucrative employment, or even dropping out of higher education. (Quinn 2013, Heublein et al 2017) faced with financial difficulties and thus exposed to such a high risk.

In terms of student funding, its main resources are divided into four groups:

a) Family or partner contributions b) income earned c) national student support and d) other income.

a) *Family contributions* are one of the main sources of financial support to students and are available mainly in the form of cash transfers. Thus, the financial status of student families seems to play an important role in ensuring students' ability to participate in higher education and the importance of family support has increased over time. Albania is considered a system in

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which students are considered financially dependent on their parents and where parents should therefore have a significant share of student support.

b) *Self-earned income by students*, this includes income earned from partial or full employment and covering student costs through it.

c) *National support for students*. Student support includes scholarships received because of their student status, as well as financial support grants to exclude or reduce annual tuition fees. In Albania for the academic year 2020-2021, below will be given the data regarding the benefit from financial scholarships, exemption or reduction from the annual fee according to the relevant DCMs for public universities.

For the academic year 2020-2021, in the Albanian public university, have benefited contributions from the state (exclusion and reduction of fees and financial scholarships) about 49,200 students out of 96,818 students who attend studies in public higher education institutions, or about 50% of students benefit from financial support from the state budget. The total amount of benefits received by students is estimated at about \$ 20 million per year, of which \$ 10 million is scholarships and \$ 10 million per year is exemption or reduction of tuition fees. The data are given as in the table 1. below;

Only for three Albanian universities in the Capital, the data are as follows:

At the **University of Tirana** the total number of students who have benefited is 17,568 students, with a total funding value of 702.5 million lek (about 7 million dollars) of which 3,986 students have benefited financial scholarships (2,030 students with average grades 9-10 and 1,956 students from families in need) and 8,689 students have benefited from a 50% reduction in first and second cycle fees and 4,885 students have benefited from the exclusion of tuition fees.

At the **Agricultural University of Tirana**, the total number of students who have benefited is 4,030 students, with a total funding value of 115.55 million lek (or 1.1 million dollars) of which 635 students have received financial scholarships with a financial effect of 53, 6 million lek. Regarding the reduction of fees by 50% beneficiaries of the first cycle of three-year studies are a total of 2,445 students worth 34 million lek and in the second cycle of studies were 204 beneficiaries with a financial effect of 6, million lek. The total number of students excluded from the

annual tuition fee is 749 with a value of 22 million ALL.

In the **Polytechnic University of Tirana** the total number of students who have benefited is 5,616 students, with a total funding value of 205 million ALL of which 1,404 students have benefited financial scholarship for the year 2020-2021 with a financial effect of 125.6 million ALL and 2,531 students belonging to the first cycle of studies have benefited from a reduction of 50% of the fee in the amount of ALL 38 million, while in the second cycle of studies the reduction of 50% has benefited 205 students with a total value of ALL 8.9 million. Also part of the financial support were 1,499 students who have benefited in total 33.4 million ALL.

Other income- This includes income that is not part of the above categories which may be loans or grants from private companies.

2.2 Student expenses

Student costs are incurred by student participation in higher education such as tuition fees, other costs for teaching materials and so-called indirect costs related to the cost of living or relocation.

Accommodation costs account for the largest share of student expenses and this cost increases even more when it comes to relocation to the capital where the cost of living is higher. The cost of accommodation is also dependent on the form of accommodation that students use, but remains one of the main components of expenses and thus can burden a student's budget and can quickly become an overloaded situation.

In Albania, the state budget also covers expenses for the accommodation of students in student residences (student dormitories) where about 9,000-11,000 students are accommodated per year. Expenditures borne by the state budget for these residences, in addition to investments in infrastructure, are estimated at 350 million lek / year or 3.5 million dollars, which are mainly borne by operating expenses (salaries of administrative staff, electricity, water, heating, etc.).

Also, the students themselves pay accommodation fees for staying on these campuses, which vary from 4,500-5,500 lek per month or (45,000-55,000 lek/year) which vary depending on their conditions and location, but mainly in the capital are higher than in areas outside Tirana.

The direct form related to student expenses is the fee for HEIs. Different countries pursue different tuition policies. Albania pursues a policy of financial support through scholarships, tuition-fee reductions and

exemptions for certain categories. The average tuition fee in public HEIs in Albania varies in the levels of 25,000 - 45,000 lek / year or 250-450 dollars per year, fees which have not changed since 2014.

Student expenses will be seen in several perspectives: Initially there are living costs which are divided into subcategories:

a) Accommodation costs (rent or student accommodation, dormitories) b) food c) transport d) communication e) health h) social and leisure activities i) other regular living costs (which include clothing, hygiene products). The focus of this category is on regular monthly student spending. In terms of study costs we have the inclusion of several subcategories: fees (covering tuition fees, registration fees and administrative fees, social welfare contributions to HEIs and student associations,

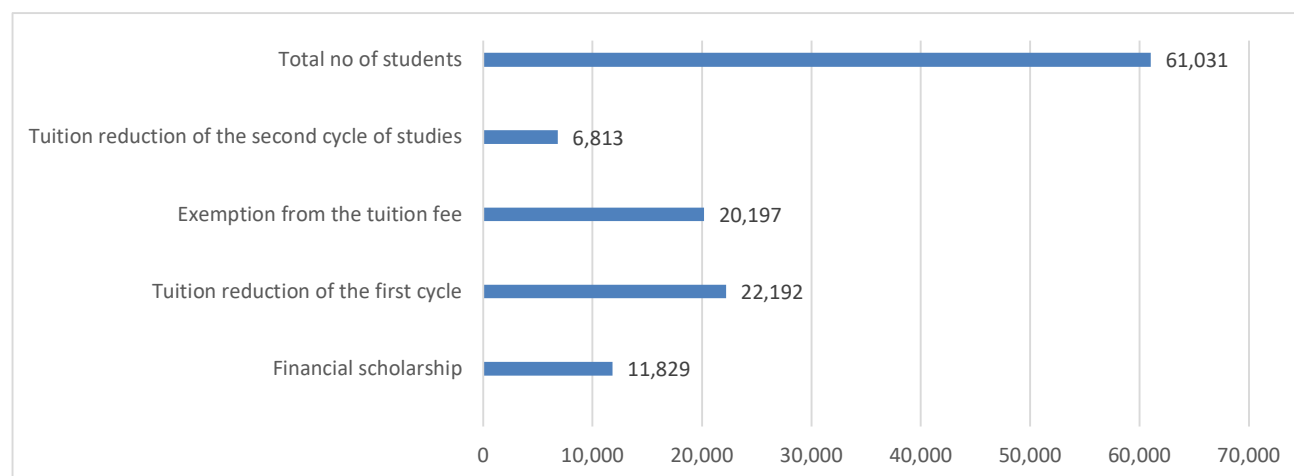
teaching materials. Students who do not live with their parents more often have financial problems than the other group who are students who continue their studies in the city where they live. This is related to the fact that the first group usually pays significantly larger parts of their budget for living costs (including accommodation).

3. Results and Discussion

From 2014 to 2021, tuition fees did not increase at any of the public universities. Starting in 2019, within the "university pact", tuition fees in public HEIs were reduced by 50% and about 30,000 undergraduate and graduate students (22,192 undergraduate students and 6,813 undergraduate students) benefit from a 50% reduction in the tuition fee;

Table 1: State contributions for students in public higher education institutions

<i>Academic years 2020-2021</i>	<i>Total number of students</i>	<i>Value in lek</i>	<i>No. of students with an average of 9-10</i>	<i>Value in lek</i>	<i>No. of students from families in need</i>	<i>Value in lek</i>
Financial scholarship	11,829	1,053,305,030	4,802	431,955,000	7,027	621,350,030
Tuition reduction of the first cycle	22,192	311,840,000	10,734	144,460,000	11,458	167,380,000
Exemption from the tuition fee	20,197	470,978,500	9,433	190,423,000	10,764	280,555,500
Tuition reduction of the second cycle of studies	6,813	229,772,740	2,856	98,498,920	3,957	131,273,820
Total	61,031	2,065,896,270	27,825	865,336,920	33,206	1,200,559,350



4. Conclusions

In all countries, including Albania, the funding burden is not borne only by students, but a significant part is covered by their family and the state. The application of the new Law on Higher Education in Albania, according to the data, has not increased the economic burden of students or their families.

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For the academic year 2020-2021, about 20,197 students of public universities benefit from exemption from the tuition fee (9,433 students are excluded for merit, as they have an average of 9-10 and 10,764 are excluded due to family conditions).

These data on the funding of students attending higher education (49,200 students out of 96,818 students attending studies in public higher education institutions) or about 50% of students, receive financial support from the state budget, it is estimated that the funding system of higher education needs to change, as the state budget is the main contributor to the financing of higher education in Albania.

For 2020-2021, in Albania, funding from the budget for higher education was at the level of about 110 million dollars and funding from students was at the level of about 25 million dollars, so in Albania, the state budget contributes more than 75% in the public higher education budget.

5. Acknowledgements

6. References

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