

# Portuguese Higher Education Financing: Evolution of student support and student loans

*O Financiamento da Educação Superior Português:  
Evolução do apoio estudantil e empréstimos estudantis*  
*Financiación de la Educación Superior Portuguesa:  
Evolución de las ayudas y préstamos estudiantiles*

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**Abstract:** In this article, we will report on the evolution of funding for public Higher Education in Portugal, showing the decrease in the State participation in public higher education institutions (HEIs) budget that have to resort to external sources (students and the market), highlighting the development of policy cost sharing in the country. We used official information available on the role of the State, students and the HEIs in this funding and on the number of scholarship holders, the value of the scholarship, indirect public expenditure on students and student loans, for the period 2007-2022.

**Keywords:** Higher education; privatization; social support.

**Resumo:** *Daremos conta neste artigo da evolução do financiamento da Educação Superior pública em Portugal, mostrando a diminuição da participação do Estado no orçamento das instituições públicas de ensino superior-IES que têm de recorrer a fontes externas (estudantes e mercado), evidenciando o desenvolvimento da política de cost sharing no país. Recorremos à informação oficial disponível sobre o papel do Estado, do estudante e das IES nesse financiamento e sobre o número de bolsistas, o valor da bolsa, a despesa pública indireta com os estudantes e os empréstimos estudantis, para o período 2007-2022.*

**Palavras-chave:** *Ensino superior; privatização; apoio social.*

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**Resumen:** *En este artículo se muestra la evolución de la financiación de la Educación Superior en Portugal, mostrando la reducción del papel del Estado en el presupuesto de las instituciones públicas de educación superior – IES que hay que recurrir a fuentes externas (estudiantes y mercado) destacando el uso de la política de cost sharing en el país. Se utilizó información oficial disponible sobre el papel del Estado, el estudiante y las IES en este financiamiento y sobre el número de becarios, valor de la beca, gasto público indirecto en estudiantes y préstamos estudiantiles, para el período 2007-2022.*

**Palabras clave:** *Educación Superior; privatización; apoyo social.*

## INTRODUCTION

Fifty years have passed since the Carnation Revolution took place in Portugal. On April 25th, the “New State” (Estado Novo, in Portuguese), name given to the fascist regime that ruled Portugal from 1926 to 1974, originated from a military takeover supported by the portuguese people since the beginning and quickly transformed into a revolutionary process that normalized on November 25th, 1975. After this date, the Carnation Revolution, a bloodless revolution, lost its glow, following small amendments on the political regime and as consequence got a significant number of members from the far right-winged party inside Portuguese Republic Assembly, with 50 deputies from a total of 230.

At this moment, it’s hard to know how Portuguese democracy will evolve. It is also hard to have a perspective about what to expect from a Social State which has never been consolidated and has become a target of attacks and tensions in the last years. However, related to Education, it’s possible to make a balance from the last 50 years, particularly in higher education, and to analyze its evolution in order to realize how much all the expansion and democratization process of education was supported by government measures to support poor students. On the other hand, they will not have financial conditions to attend higher education institutions (Cerdeira; Cabrito; Mucharreira, 2021).

In this article, we briefly show how the search for education increased and how higher education financing evolved, with the participation of the followings: State, higher education institutions and students/families.

## HIGHER EDUCATION EXPANSION AND DEMOCRATIZATION

One of the most significant answers from Portuguese people for the replenishment of democracy in the country was the explosive and supported movement of education seeking, setting conscience that more education should mean better jobs and better wages and, at the same time, better status and social ascension (Bourdieu; Passeron, 1964, 1970; Bourdieu, 1979). This dynamic is still a

present topic although, in the last years, a crisis of vertical transmission of culture and the progressive importance of groups to press its members was noted and developed (Pasquier, 2005).

Also, it's not strange for this search the market interest itself with the presumption that more education is equal to a more competent and qualified human capital to answer the continued demands of the market (Becker, 1964; Schultz, 1961).

In a kind of “game” in which everybody wins, the Portuguese searched and won more qualification, the social basis of students' recruitment widened, and the market won a more qualified workforce, following a dynamic of capital accumulation defined in the relation education/job (Souza, 2006).

Taking in account this dynamic, two dates and decisive processes that stimulate elementary and high education whose headcounts enabled the higher education explosion shall be highlighted: in 1986, the 9 years compulsory education was established (Law number 46/86, from October 14th/Law of Education System Basis), in 2009, the term of compulsory schooling widened up to 18 years old (Law number 85/2009, from August, 27th). As a consequence from these two laws, the number of young people at elementary and high school increased heavily, creating a huge number of young people that could go up to higher education. Note Table 1:

**Table 1 - Evolution in the number of enrollments at elementary and high school**

Years	Total	Elementary School				High School
		Total	1° Cycle	2° Cycle	3° Cycle	
1961*	1079587	1066471	887235	78064	101172	13116
1970*	1343307	1316279	935453	193912	186914	27028
1980	1707905	1538389	927852	305659	304878	169516
1990	1840682	1531114	715881	370607	444626	309568
2000	1658541	1240836	539943	276529	424364	417705
2005	1529953	1153057	504412	267742	380903	376896
2010	1740444	1256462	479519	273248	503695	483982
2015	1435316	1041698	418145	238582	384971	393618
2020	1344204	950864	38653	215389	348892	393340
2021	1319731	926042	373109	210064	342869	393689
2022	1327423	930323	374620	212914	342789	397100

Source: PORDATA.

If the increase in the number of young people aging between 6 and 18 years enrolled at schools is a result of the establishment of mandatory schooling. It's not possible to say the same when related to higher education: its attendance isn't mandatory and the associated costs are expensive, making it impossible to many families.

However, the search for higher education dizzily increased since the 70's as shown on Table 2:

**Table 2 - Evolution in the number of enrollments at higher education**

Years	Total (Public + Private Higher Education)	Public Higher Education	Private Higher Education**
1961*	24149	24149	-
1970*	49461	49461	-
1978	81582	77501	4081
1980	80919	80919	7050
1986	106216	90535	15681
1990	157869	119733	38136
1995	290348	186286	104062
2000	373745	255008	118737
2005	380937	282273	98664
2010	383627	293828	89799
2015	349658	292359	57299
2020	396909	323754	73155
2021	411995	335139	76856
2022	433217	351195	82022
2023	446028	359397	86631

Source: PORDATA.

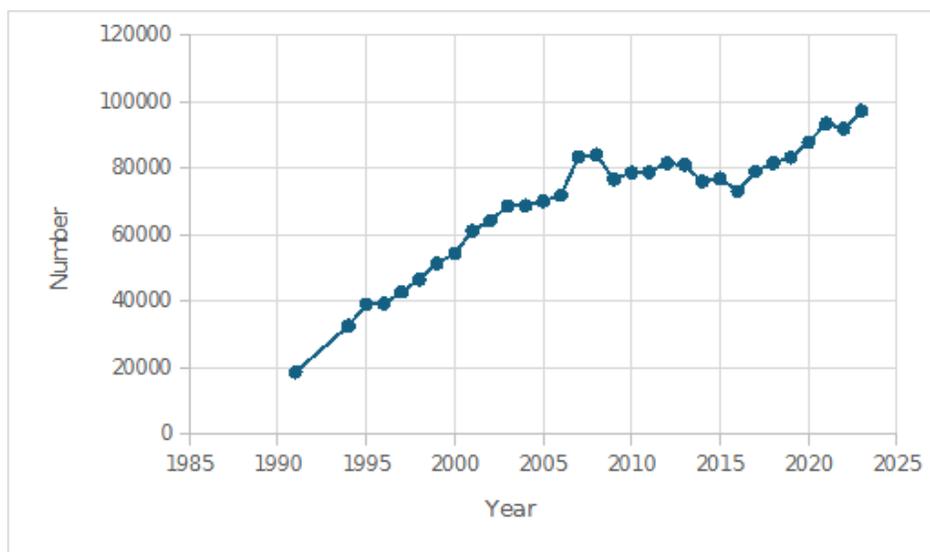
\* Calculated from Barreto *et al.*, *A Situação Social em Portugal* (The Social Situation in Portugal), 1960-1995.

\*\* In Portugal, the private higher education existence only began in 1986. Until this year, the only higher education institution was Portuguese Catholic University, operating because of an agreement between the State and the Holy See, signed on May 7th, but it was only from 1941 had the same status as the other Portuguese universities.

The end of the dictatorship in 1974 allowed empowerment of the Portuguese people in a whole. Since 1974, the population has been searching for higher education systematically, what is, clearly, a leverage for the process of social ascension (Bourdieu; Passeron, 1964, 1970; Bourdieu, 2013). Between 1970 and 2023, the number of enrollments at higher education increased more than 9 times.

As a consequence from the increasing number of students at higher education, the number of graduated students is also increasing quickly, as shown on Graphic 1.

**Graphic 1 - Evolution of the number of students graduated at higher education by year in Portugal (counting Teaching Licensure, Master's Degree, Doctor's Degree and Specialization's Course – ISCED 5-8)**



1991 – 18,671 graduated students; 2023 – 97,182 graduated students

Source: PORDATA

The increase of attend and graduation at higher education reflected on the qualification level of the Portuguese as it was expected, causing a significant increase of qualified workforce in the country, naturally.

**Table 3 - Resident people with 16 or more years by complete level of education**

	Without education level	1º cycle	2º cycle	3º cycle	High and Post-High Education	Higher Education
1961	66,6	29,7	-	-	3,0	0,6
1981	36,8	38,9	10,6	7,1	4,4	2,2
2001	17,4	33,0	16,4	14,8	11,7	6,8
2011	10,8	26,3	12,6	20,2	16,7	13,4
2021	4,7	20,3	9,2	19,4	24,7	21,7
2023	3,7	19,1	8,1	19,0	26,2	23,2

Source: PORDATA.

Table 3 clearly shows the educational path crossed by Portuguese people along the last decades:

- The percentage of resident population above 16 years old with no education level or, in other words, illiterate people, decreased from 66.6% in 1961 to 36.8% in 1981 and then to 3.7% in 2023;
- The percentage of resident population above 16 years old with high school level increased from 3.0% in 1961 to 4.4% in 1981 and then to 26.2% in 2023;
- The percentage of resident population above 16 years old with higher school level increased from 0.6% in 1961 to 2.2% in 1981 and then to 23.2% in 2023.

This increase in the qualification level of the Portuguese is still very expressive when we highlight only the Portuguese within the age range from 30 to 34 years old and comparing the evolution of qualification level with the European Union's values and with Euro Zone's countries: the numbers reveal the effort made and the success of Portugal and of the Portuguese on the seek and achievement of higher and higher qualification levels. Note Table 4:

**Table 4 - Population within age range of 30-34 years old with higher education (ISCED 5-8) (%)**

Years/Regions	European Union27	Euro Zone (20 countries)	Portugal
2002	22,5	24,7	12,9
2005	27,2	29,1	17,5
2010	32,6	33,6	24,0
2015	37,3	37,2	31,9
2020	41,1	41,4	39,6
2021	42,9	42,5	43,7
2022	42,8	43,3	43,0
2023	42,8	43,3	43,1

Source: PORDATA.

As shown on Table 4, the percentage of Portuguese within age range 30-34 years old with higher education more than triplicated, increasing in higher speed than the average of European Union's countries, sometimes overcoming this average. The numbers effectively show the portuguese effort to develop and achieve maturity levels similar to other European countries.

## **POLICIES FOR HIGHER EDUCATION FINANCING**

### **THE OF STATE, STUDENTS AND PUBLIC IES IN PORTUGAL**

Concerning higher education, as the attendance is voluntary and there is no consensus about its public or private nature, its universality will hardly be affected and the concern about its financing will always be open.

In fact, social scientists as Le Grand (1990) or Barr (1993) highlights the private nature of higher education because they consider the students as the main beneficiaries, as the new and highest levels of qualification will make them get better jobs, better wages and better social status. Under this circumstance, they affirm that it makes no sense that Government pays the necessary costs to provide higher education benefits by tax collected from contributors, some of them without higher education level.

On the other hand, other social scientists as Weale (1992), Wolfe (1995) or Wolfe and Zuvekas (1997) reveals the benefits of a more educated and qualified population for countries: higher levels of solidarity and civil participation, lower level of crimes and other marginalities, higher levels of productivity, more than the spill over effect from the most qualified individuals to the others (Romer, 1986).

Naturally, between both extreme positions, there are several realities, taking into account that governments help in higher education financing, even in countries where the idea of market is stronger and higher education is associated to a private good, for example, the United States of America and Japan, because of several reasons as market's failures and prepared qualified workforce for the market (Eicher; Chevaillier, 1993; Eicher, 1998).

That's why Governments in most of western countries until the 80's assumed the main responsibility to finance higher education (Ziderman, Albrecht, 1995).

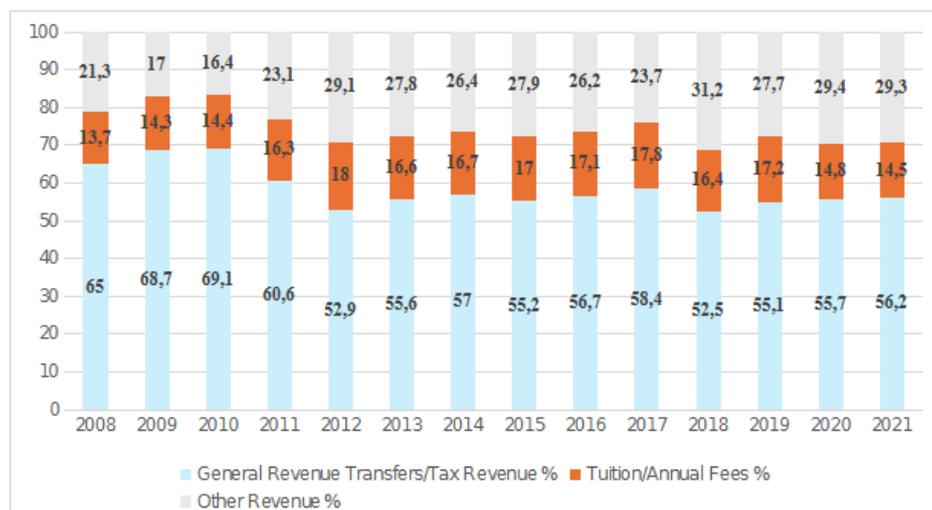
The State's role in young people education and in higher education financing, for undergraduate courses and for graduate ones, through direct financing of institutions and through student financing (scholarships, subsidized loans and others indirect support), has changed significantly in the last decades. Governments have gradually been stopping investment in the production of public and semipublic goods, such as higher education, for financial difficulties or for ideological considerations, forcing the institutions to diversify their financial sources, appealing to what authors as Johnstone (1986), Woodhall (2003), Vossensteyn (2002, 2005) among others called "cost sharing". This policy emerged associated to the establishment of fees, and during some decades after the Carnation Revolution, in Portugal, predominated the idea that higher education is a public/semipublic good, justifying the several support measures to attendance and continuity of young people from poor social class in this education level. However, since the end of the last century the State is disengaging public IES financing (Cabrito, 2004; Cabrito; Cerdeira; Mucharreira, 2023), following a global neoliberal trend as shown on Table 5: from a status of the sole financer of public higher education, today the State contributes just with a bit more than half of public IES budget.

**Table 5 - State participation in public IES financing, in %**

Year	%
Before 1995	+/-100,0
1995	96,5
2005	68,0
2010	69,2
2015	55,1
2020	55,7
2021	56,2

Source: OCDE.

Facing this new situation, the public IES were obliged to look for other financing sources, together with students/families by an annual charge of frequency (in Portugal, called as “fees”) or together with the market and with sponsorship, developing a group of initiatives implemented by a real process of diversification of financing sources (Cerdeira, 2009). This participation of other actors in public IES financing, the cost sharing policy, is well demonstrated on Graphic 2.

**Graphic 2 - The reality of cost sharing policy in public IES financing, in Portugal**

Source: CNE.

Graphic 2 shows a trend for privatization of the public service: the State is reducing its participation in IES budget and increasing the participation of other actors.

- State contribution decreased significantly, reaching the lowest values in the term 2012-2015, when government chose an economic policy of austerity, affecting all social domains, in this case, education;
- The students' role in higher education financing increased: in 2021, 14.5% from public IES budget came from the payment of fees;
- The revenue from other sources, in general revenues from collaboration agreements and protocols with companies of investigation projects with competitive financing, of services provided for a third party (education, advice), and of sponsorship increased.

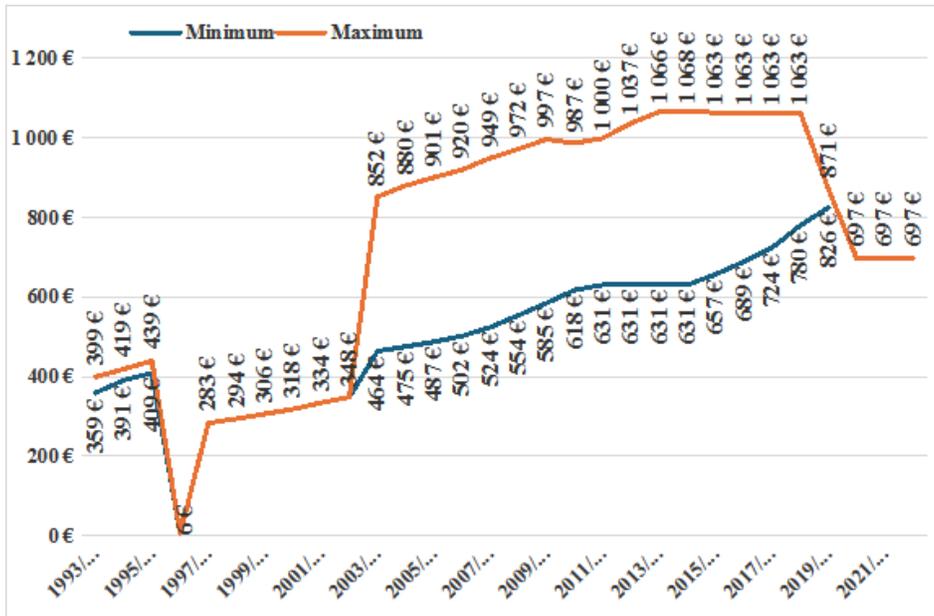
## **EVOLUTION OF FEES/ANNUITIES VALUES**

The expenses that young people are forced to pay with higher education are multiples. One of the parcels from these expenses is the annuities paid by the young to higher education institutions, the so called fees.

Observing Graphic 2, it's possible to conclude that the students/families' role established IES budget in less than 15%. However, this decrease is probably temporary.

In fact, the law of higher education financing in force, Law number 37/2003, from August 22nd, established a new formula to calculate the fee, whose value is now decided by higher education institutions within a term defined by law. However, in the last years, thanks to the registered break in the search for higher education because of Covid-19 pandemic and also for the financial crisis the country got through between 2011 and 2015, the government and the Council of Rectors of Portuguese Universities (CRUP, in Portuguese) and the Portuguese Polytechnics Coordinating Council (CCISP, in Portuguese), decided to temporally reduce the fee maximum value to 697 Euros.

Anyway, it's possible to note that the fees are an important part of public higher education financing, and its amount have increased during the years. However, this increasing isn't regular, as observed on Graphic 3, which shows the evolution of the value of frequency/fee annual charge to attend public higher education during the last decades.

**Graphic 3 - Evolution of annual charge value from 93/94 to 2021/2022**

Source: Elaboration of the authors

Notes: 1st – The decrease of the maximum fee value for 697 Euros in 2020 and 2021 Budget was approved at the Assembly of the Republic; 2nd – The referred value was the same on the subsequent years.

As demonstrated on Graphic 3, in spite of some exceptions, the trend is to have an increase in the evolution of fee value, since the establishment of its updated value, in 1992/93. It's important to highlight that the fee maximum value strongly decreased in the last years as an answer from the system to the decrease of growth rate in the search for higher education or even a break in the search in absolute terms, due to financial difficulties the country and the young people/families are passing by. Nowadays, the fee value is near the minimum charged in 2017/2018, keeping the same value fixed in 2024/2025.

## SOCIOECONOMIC ORIGIN FROM HIGHER EDUCATION STUDENTS

According to what was exposed in the topic before, in the last decades, Portugal has had an explosive increase in the number of students attending or graduated from elementary or high school. The number of graduated at higher education increased significantly, reflecting the qualification level of the workforce.

Before this growth, it's natural the questioning about the socioeconomic origin of the students in higher education, what is relevant concerning the low number of students in higher education, basically young people from a more privileged social class until the 70's, reproducing the dominant order. A higher education for the elite was the characteristic from New State.

However, a lot of things changed since the Carnation Revolution. All the young people from all social classes are called to attend school with the establishment of mandatory school.

The increasing number of enrolled and graduated in higher education isn't only due to young people from the most privileged social class. On the contrary, the number of young people in higher education in Portugal is so high that the only explanation is the widen of social basis recruitment.

Effectively, the recent investigation about the socioeconomic origin of students in higher education, in Portugal, is showing this widenth, with an increased participation of young people from least privileged social class. Observe Table 6.

**Table 6 - Socioeconomic origin of students in higher education, in Portugal**

Years	Familiar total income		
	Elevated; middle-high (>1500€/month)	Middle (between 870 and 1500€/month)	Low (<870€/month)
1994/1995	14,4	71,8	13,6
2004/2005	17,3	74,1	8,6
2009/2010	38,2	43,8	18,0
2014/2015	36,7	46,7	16,6
2020/2021*	31,9	50,7	17,4

Source: Cabrito, 2002; Cerdeira, 2009; Cerdeira e Cabrito, 2014, 2017; Martins et. al., 2021.

\*Adapted from “INQUÉRITO ÀS CONDIÇÕES SOCIOECONÓMICAS DOS ESTUDANTES DO ENSINO SUPERIOR EM PORTUGAL, 2020; ELABORAÇÃO DO ESTUDO (SURVEY ABOUT THE SOCIOECONOMIC CONDITIONS OF THE STUDENTS IN HIGHER EDUCATION): Iscte-Instituto Universitário de Lisboa, CIES-Iscte; Susana da Cruz Martins (Coord.), Rosário Mauritti & Bernardo Machado; Consultores: António Firmino da Costa e Pedro Ramos.

Categories and its combination studied by the authors:

Highly above the middle and A little above the middle

A little below the middle and Highly below the middle

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## THE SUPPORT FROM THE STATE

The numbers above show how Portuguese public higher education is democratized although the participation of young people from least privileged social class is still the minority.

However, in a country where the workers' average salary was 1,041 euros/month in 2023 (the minimum salary established in 2024 was 820 euros/month) and where a significant part of the population still lives in poverty (the poverty index in Portugal in 2022, according to the “National Observer of the Fight Against Poverty” was 20.1%), it is important to know the direct and indirect financial effort performed by the State in order to let students from least privileged social class to have an opportunity to ascend to higher education.

There are three fundamental types of State policies to support the attendance of students in higher education: direct monetary support by scholarship policy and other benefits; policy of subsidized loans; other policies.

## THE COSTS OF DIRECT AND INDIRECT SOCIAL ACTION

One of the fundamental instruments that the State is appealing to support young people from least privileged social class to attend higher education classes is the scholarship program. Table 7 shows how the number of scholarship holders is evolving in the last decades.

**Table 7 - State's social action - evolution in the number of scholarship holders, total and by education subsystem**

Years	Total	Public Higher Education	Private Higher Education
1991	10943	10919	21
1992	13.950	13.866	84
1993	16.665	16.452	213
1994	21.665	21.438	227
1995	30705	29651	1054
1996	30.409	28.909	1.500
1997	32.743	28.463	4.280
1998	43.542	38.390	5.152
1999	50.436	43.159	7.277

**Table 7 - State's social action - evolution in the number of scholarship holders, total and by education subsystem**

<b>Years</b>	<b>Total</b>	<b>Public Higher Education</b>	<b>Private Higher Education</b>
2000	56046	44994	11052
2001	59.296	46.846	12.450
2002	59.643	46.463	13.180
2003	57.248	44.442	12.806
2004	63.190	49.109	14.081
2005	66008	52609	13399
2006	68.964	56.743	12.221
2007	70.603	58.010	12.593
2008	73.493	61.361	12.132
2009	73.063	62.290	10.773
2010	74935	62304	12631
2012	56.017	49.109	6.908
2013	58.818	52.116	6.702
2014	62.312	55.701	6.611
2015	69611	62560	7051
2016	72.261	64.563	7.698
2017	74.586	65.967	8.619
2018	74.367	65.324	9.043
2019	72.577	63.216	9.361
2020	79825	69176	10649
2021	80070	69223	10847
2022	81564	69323	12241

Source: PORDATA.

Table 7 shows how the total number of young people receiving scholarship from the State to attend higher education classes has been evolving. In two decades, this number is higher than one million of scholarships conceded.

It's important to highlight that this effort from the State materialized into scholarships conceded to young people, not only from public higher education but also from the private, demonstrates the desire to increase the attendance in higher education classes by young people from least privileged social class, independent from the chosen higher education subsystem.

However, it's also important to highlight that the evolution in the number of scholarships conceded in the term from 1991-2021 was irregular, decreasing in the first half of 2010 decade, due to financial crisis that the country passed through and to austerity policies pursued by the government at the time. Only after 2015, due to a government change, that is now from center-left wing, this trend inverted, highlighting the increasing number at the 2020 decade. The increasing of scholarships also reflected on the evolution of the costs associated to the State, as demonstrated on Table 8.

**Table 8 - Costs with scholarships from social action in higher education, total and by education subsystem**

Years	Total	Public Higher Education	Private Higher Education
1991	8.834.813,1	8.808.561,4	26.251,7
1995	27.402.185,7	25.762.557,2	1.639.628,5
2000	80.064.113,0	56.649.454,8	23.414.658,2
2005	88.967.157,3	68.023.430,7	20.943.726,6
2006	88.405.754,7	67.788.505,0	20.617.249,7
2007	116.466.917,4	93.065.755,0	23.401.162,4
2008	124.043.315,7	99.526.252,0	24.517.063,7
2009	126.551.100,0	106.357.926,0	20.193.174,0
2010	163.287.567,0	135.844.914,0	27.442.653,0
2011	130.657.929,0	112.976.764,0	17.681.165,0
2012	120.081.037,0	108.388.809,0	11.692.228,0
2013	126.129.186,2	112.514.443,9	13.614.742,2
2014	125.169.884,8	114.576.123,3	10.593.761,6
2015	138.295.569,5	125.174.839,3	13.120.730,2
2016	128.519.874,6	116.830.162,4	11.689.712,2
2017	134.116.702,4	120.463.378,3	13.653.324,1
2018	136.401.706,5	120.574.747,8	15.826.958,7
2019	129.057.247,4	113.644.240,1	15.413.007,3
2020	113.779.160,8	99.518.371,6	14.260.789,2
2021	118.563.752,4	103.153.949,9	15.409.802,5
2022	124.886.866,8	108.723.599,8	16.163.267,0

Source: PORDATA.

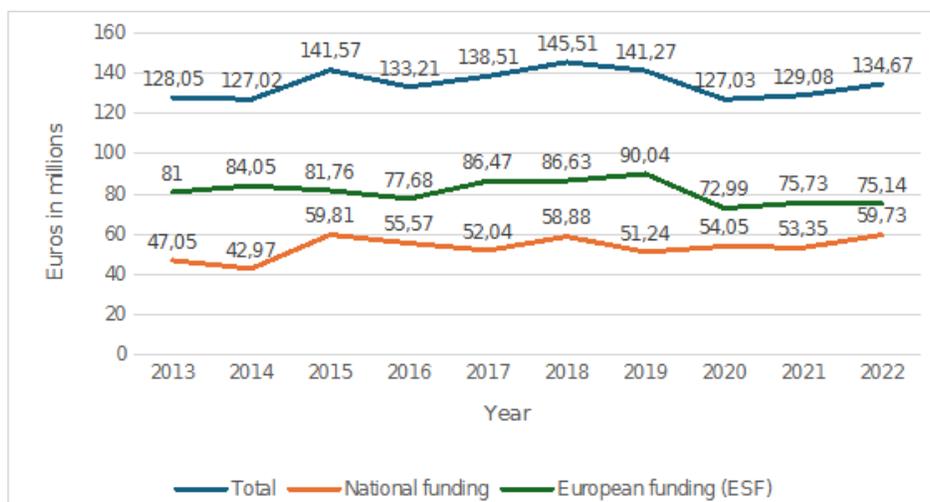
However, the irregularity of the values paid by the State with scholarships reflected significantly on the average value of the scholarships during the term. It increased between 2000 and 2010 but decreased in the following term. In 2022, the average value of scholarships represented only 69.3% of the average value of 2010, confirming a break on the efforts from the State on this individual support. The values in 2022 revealed that this political measure is more and more efficient, not only for the number of scholarship holders, but also for the amount expended.

**Table 9 - Annual average value of scholarships, total and by education subsystem, in euros**

Years	Total	Public Higher Education	Private Higher Education
1991	807,3	806,7	1250,1
1995	892,4	868,9	1555,6
2000	1429,5	1259,0	2118,6
2005	1347,8	1293,0	1563,1
2010	2179,1	2180,4	2172,6
2015	1986,7	2000,9	1860,8
2020	1425,3	1438,6	1339,2
2021	1480,8	1490,2	1420,7
2022	1531,2	1568,4	1320,4

Source: PORDATA.

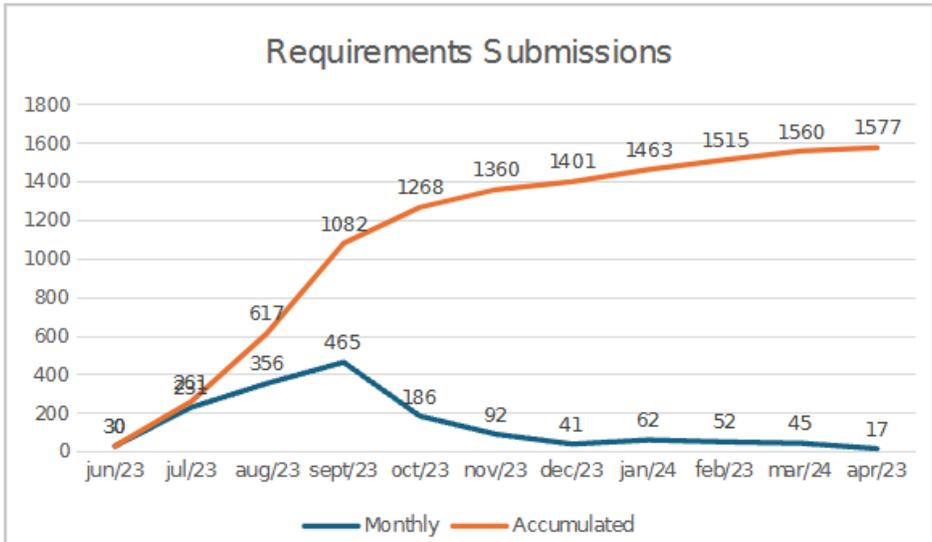
It's also important to note that this measure of support for poor students doesn't come only from State Budget. The role of European Union on this educational policy shall be highlighted. Observe Graphic 4.

**Graphic 4 - Evolution of expenses with direct social action (scholarships)**

Source: CNE, from IGeFE, IP, 2023.

As to the scholarship policy and inclusion policies context, in 2017 the government created the program “Inclusion for Knowledge” through the Ministry of Science, Technology and Higher Education, fixing scholarships for attendance of students with inability equal or higher than 60%. This value is equivalent to the fee effectively paid until the maximum limit of the fee allowed by the Foundation for Science and Technology (FCT, I.P., in Portuguese) to obtain Doctorate Degree (2750 euros) (<https://www.dges.gov.pt/pt/pagina/bolsas-de-estudo-para-frequencia-de-estudantes-com-incapacidade?plid=373>).

**Graphic 5 - Requirements for scholarships to students with inability**



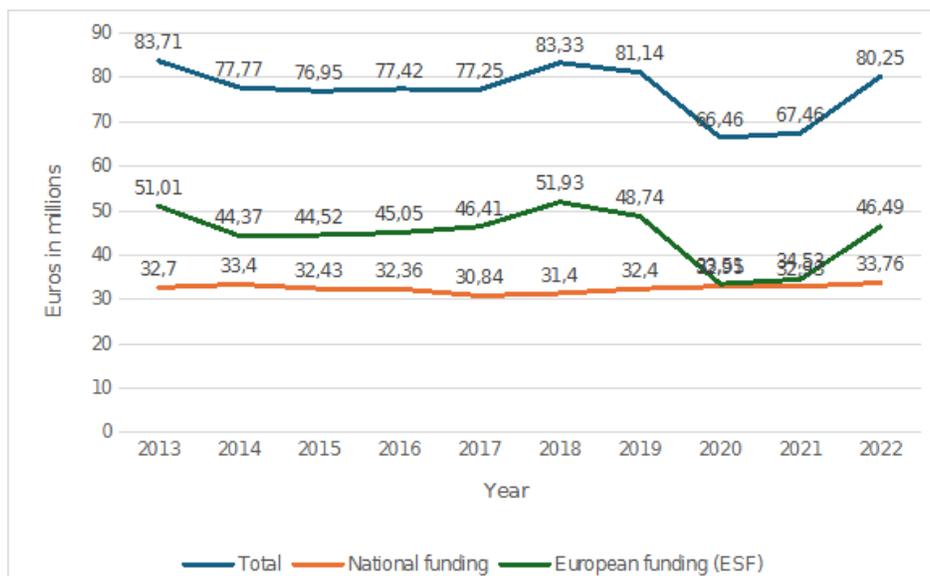
Source: DGES.

More than direct support to students with scholarships, the State also indirectly supports the students from public higher education subsidizing expenses, among other costs:

- Nutrition: the value paid by the students in university canteens is lower than the price paid in markets with similar quantity and quality;
- Housing, through university residences, with incomes lower than housing market price with similar characteristics and income subsidizing.

Graphic 6 shows how much the State expended, how much has really been expended with indirect supports for students from public higher education during the last years.

**Graphic 6 - Evolution of the expenses with indirect social action (meal, housing and others indirect support)**

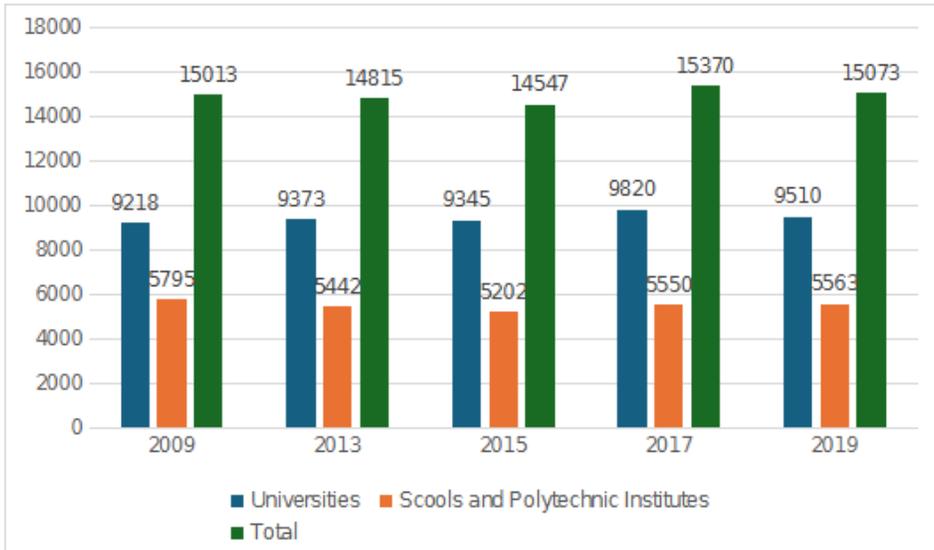


Source: CNE, from IGeFE, 2023.

Analyzing Graphic 6, it's possible to conclude that the States' contribution in expenses with indirect social action remained relatively constant in the last decade as other sources (community financing, own revenues, and Public Administration transfers) presented a more irregular evolution, but always higher than the expenses assured by the State Budget.

The provision of beds/housing hasn't increased during the last years in spite of its importance as support policy for students, particularly the poor ones.

**Graphic 7 - Evolution of the number of beds available in Public Higher Education housings**



Note: No data available for 2011

Source: CNE, Plano Nacional para o Alojamento no Ensino Superior – PNAES, 2022

## OTHER RECENT MEASURES

Since the Covid-19 pandemic years, the government implemented some educative policy measures from different nature, changing the financial impact on the students, particularly the ones from low/middle or low class.

We highlight three of these measures: two are directed to young people graduated at high school by Professional via, mostly frequented by young people from low level of economic and cultural capital; the other one is a measure applied to all poor young people, independent from the high school via (regular or professional).

In relation to the youngsters who completed high school education by professional via:

- The Specialized Superior Technician Courses were created and promoted, constituting a non-higher post high school, level 4, with two years term and applied at polytechnic superior institutions;

- The number of vacancies at higher education exclusive for the young people who completed Professional High School, and the process to access higher education is also different. However, it's important to highlight that these young people can apply for higher education not only by this via but also by regular education.

Concerning poor young people, those from A Tier in the Social Action policies, since 2023/2024, government, with the collaboration of other higher education institutions, reserves a specific number of vacancies for these youngsters, including the designated excellence courses such as Medicine, Architecture and Bioengineering, which are hard to be accessed by these students.

For the scholar year 2024/2025, 2% of vacancies from courses with more than 100 applicants and 2 vacancies from other courses were reserved for these young people. In other words, for each course that the students may apply (there are more than 1,100 courses available at public higher education institutions for the next scholar year), there are at least two vacancies reserved for young people from the low social class.

Indeed, in the present scholar year (2023/2024), there were 2,500 vacancies reserved, but only 1,013 young people from the low social class accessed, what may be explained by the extremely severe economic conditions in which they live and by the insufficient financial supports from the State relative to the vacancies reserved.

## THE POLICY OF BANK LOANS

Another support policy to young people access higher education is the loan policy. This policy, responsible for the increasing the privatization of the public higher education, has been developed during the last 20 years and constitutes from credit availability with reduced charges, longer depreciation period and grace periods available by commercial bank but assured by the State, that's why it's called as Mutual Guarantee Loans.

As it is a relatively recent political measure, there are few young people appealing to loans. Note Table 10.

**Table 10 - Student bank loans, 2007-2016**

Scholar year	Nº of loans	Transction Values (euros)	Average value from loans (euros)
2007/2008	3302	36513696	11058,1
2008/2009	3886	44097135	11347,7
2009/2010	4074	47147583	11572,8
2010/2011	4537	52102335	11483,9
2011/2012	2030	23442984	11548,3
2012/2013	1800	21996561	12220,3
2013/2016	1886	19699707	10445,2
Total	21515	245000000	11387,4

Source: General Directorate for Higher Education (DGES, in Portuguese) (calculus from the authors).

Taking in account the data on Table 10, it's important to refer that in the period from 2007 to 2016:

- There were less than 4% of cases of non-compliance;
- The loan's average value was 11,478 euros;
- About 5.2% of the higher education students needed to make loans;
- About one-third of the students that made loans were scholarship holder;
- The average value of the loan vary from 1,000 to 5,000 euros by year, couldn't be higher than 25,000 euros for 5 years during courses.

In 2017, the loans were suspended but in 2018 the government reactivated the credit line created in 2007. On October 31st, 2018, the government, with Investment Company S.A. (SPGM) and Human Capital Operational Program (POCH), signed the "Credit Line for Higher Education Students with Mutual Guarantee". Four banks adhered to this loan line of mutual guarantee: Banco Comercial Português (BCP Millennium); the public bank Caixa Geral de Depósitos (CGD); the Banco Montepio and the Banco de Investimento (BIC), this lasted until 2023.

Following the reactivation of this student loans policy, there was a recovery, and the average value of the loan contracted during this period was similar to the one from the previous period, as shown on Table 11.

**Table 11 - Student bank loans 2018-2022**

Scholar Year	Contracted Loan		Average value from loans (euros)
	Number	Value contracted (euros)	
2018/2019	696	7042064	10117,9
2019/2020	843	9906709	11751,7
2020/2021	795	9751390	12265,9
2021/2022	115	1431407	12447,0
Total	2449	28131572	11487,0

Source: DGES.

An analysis of Tables 10 and 11 show that the average value of the loans hasn't varied significantly from 2007 to 2022, suggesting that the financial crisis that crashed the country (2008-2011) and the austerity policy that followed it (2011-2015) as well as the consequent problems from Covid-19 pandemic (2019-2020) and from the war in Ukraine (2022-) haven't a determinant role on the values of contracted loans.

Finally, we shall note that the asks for loans aren't equally distributed for all cycles of education. Observe Table 12:

**Table 12 - Students bank loans, 2018-2022, type of courses**

Scholar Year	TType of Course	Contracted Loans		Weight (%)
		Number	Contracted Value (euros)	
2018/2019 a 2020/2022	Professional Superior Technical Course	47	355564	1,3
	Teaching License – 1º ciclo	1615	18512153	65,8
	Master's Degree – 2º ciclo	369	2660527	9,5
	Integrated Master Degree	378	6149663	21,9
	Doctorate Degree – 3º ciclo	40	453665	1,6
Total		2449	28131572	100,0

Source: DGES.

The data on Table 12 show how the search for credit vary according to the cycles of education, with predominance of the teaching license degree. The first cycle from higher education (3 years) is the one with the highest rate of attendance (65.8% from higher education students), because many students get jobs just after graduating from teaching license degree. It's also interesting to note that students from courses in which it is mandatory to attend the master's degree to perform their professions (such Psychology, Veterinarian, Architecture, Medicine, Agronomy, some Engineering courses) are the ones who ask for credit.

## FINAL CONSIDERATIONS

Taking in account what was exposed, it's possible to conclude that the attendance and graduation from higher education in Portugal increased significantly since the Carnation Revolution and the social basis of recruitment of higher education students widened, in spite of the long path that ensures a higher homology between the socioeconomic origin from the higher education students and the Portuguese population.

It was also verified that the qualification level of the Portuguese population clearly increased, following the democratization process and the education universalization in Portugal.

The analyzis also shows a continued and sustainable process of privatization of the public higher education, with the State being released of liability to finance higher education public institutions. At the same time these institutions are forced to diversify their sources of financing, adopting a policy of costs sharing, not only

with students/families, but also in the market, with the collaboration of foundational and business institutions, by the selling of provision service to the market and also by sponsorship.

This privatization process impacted negatively on the financing capability of the young students, especially the ones from low social class that could keep on studying because of the several supports from the State, as the scholarship policy, the indirect social supports, the loans policy and non-monetary measures, such as the opening of new vias to access higher education or vacancies reservation for all courses from higher education for young students from the low social class.

Undoubtedly, since the Carnation Revolution, education has passed through a democratization process and the rate of graduation at higher education is near the rate from the most developed countries from European Union.

However, in spite of the verified increase in the qualification level of the Portuguese population, it's important that:

- The qualification of Portuguese population (not only the young people but also the old ones too) shall keep increasing;
- The qualification level of the non-higher education shall be maintained and improved so that all young people with at least 18 years old shall be in education process, as well at the higher education, because there is a clear relation between the number of graduated from higher education and the level of social, political, cultural and economic development of a country;
- The State shall contribute even more to finance the Higher Education and the Scientific Research, in order that higher education institutions fulfill their triple mission: teaching, research and extension;
- The State shall increase the social support and review the calculus for scholarships, with an extended limit of the familiar income, in order that this education level reaches higher rates of equality;
- The scholarship values shall be reviewed in order to ensure that it will support the costs for higher education students;
- To increase the number of beds as an answer to the lack of accommodations for the students and to increase the market values.

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