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# Who finances our universities?

**Comparing autonomous  
communities in Spain,  
Europe and the OECD,  
2009-2015**

December 2017

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EXECUTIVE  
SUMMARY

## EXECUTIVE SUMMARY

The funding of Spanish universities has been characterized for a long time by significant differences among autonomous communities, which have grown larger over the period 2009-2015. This report analyses their evolution over that period and their current situation, and compare it with other OECD countries.

## Main conclusions:

Already in 2009 the funding of public universities was very different among autonomous communities, and kept no relationship with the number of students or each community's wealth:

- *Total non-financial revenues* per student ranged from 6,744€ in Extremadura to 11,896€ in Cantabria. Total non-financial revenues accounted for a GDP share that went from 0.39% in the Balearic Islands to 1.31% in the Valencian Community.
- *Public funding* per student ranged from 5,406€ in Extremadura to 10,301€ in the Basque Country. Relative to GDP, the highest percentages were reached in the Valencian Community (1.08%) and Andalusia (1.01%), and the lowest one in the Balearic Islands (0.31%), followed by Navarre (0.34%).
- As for the average contribution per student in *public fees*, the community with the highest level was Navarre (1,267€), while the Canary Islands had the lowest one (759€). The community where public fees accounted for a highest GDP share (0.14%) was Castile-Leon. At the other end of the distribution, five communities had percentages far below the average: Balearic Islands (0.046%), the Basque Country (0.049%), Navarre (0.055%) and La Rioja (0.056%).
- As a consequence, the *revenue structure* was very diverse. The share of public funding within total revenues was lowest in Aragon (70.1%), followed by Catalonia (73.5%). The highest share was reached in the Basque Country (88%), followed by the Canary Islands (84.9%). Public fees represented the highest share in Castile-Leon (13.4%) and the lowest one in the Basque Country (6.8%).

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#### Changes over the period 2009-2015:

- *Total:* in constant euros, the total non-financial revenues of the Spanish public universities decreased by 20.2%, because the increase in revenues from public fees (31.0%) was not enough to overcome the fall in public funding (-27.7%).
- Across autonomous communities, in constant euros, the decrease in total non-financial revenues ranged from -12.9% in La Rioja to -32.7% in Castile-La Mancha. The reduction in public funding went from -17% in Aragon to -38.2% in Castile-La Mancha. The change in revenues from public fees ranged from -15.7% in Galicia to +67.6% in Catalonia.
- *Per student:* In constant euros, total non-financial revenues per student decreased by 16.4%, public funding per student fell by 24.2% and public fees paid per student increased by 37.4%.
- Changes over the period 2009-2015 did not reflect changes in the number of students of each autonomous community:
  - Changes in *total non-financial revenues per student* ranged from a 21.5% increase in La Rioja to a -25.1% decrease in Castile-La Mancha.
  - The change in *public funding per student* was only positive in La Rioja (15.1%). Catalonia (-34.7%) and Madrid (-33.9%) were the communities with the highest decrease.
  - Changes in *public fees paid per student* ranged from -1.2% in Galicia (which is, with the Basque Country, the only autonomous community where this magnitude decreased) to 83.6% in the Valencian Community and 60.9% in Catalonia. These were followed, at a distance higher than 20 percentage points, by Murcia (40.5%) and Madrid (40.2%).
- The decrease in the public funding of the universities of the different autonomous communities over the period 2009-2015 did not depend either on the reduction in the wealth of each community.

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**2015: In a context of reduced funding, the inequality across autonomous communities has increased, especially as far as public funding and public fees are concerned.**

- *Total non-financial revenues:* In 2015, the highest average amount per student (La Rioja, 10,000€) was 54.3% higher than the lowest one (Balearic Islands, 6,479€). Relative to GDP, the dispersion across communities was even wider, since the highest share (1.41% in Andalusia) was 3.59 times as large as the lowest (0.31%, Balearic Islands). Compared with 2009, the inequality among autonomous communities in total revenues barely changed, although in all cases revenues suffered a significant decrease.
- *Public funding:* The extreme values are those of the Basque Country (the highest, with 8,429€ per student) and Madrid (the lowest, with 4,730€). From 2009 to 2015, Madrid moved from being the 7<sup>th</sup> community with the highest public funding per student to be the 17<sup>th</sup>. Catalonia moved from the 5<sup>th</sup> to the 15<sup>th</sup> position. As a share of GDP, the highest value corresponded to Andalusia (0.87%) and the lowest one to the Balearic Islands (0.23%), closely followed by Navarre (0.30%) and Castile-La Mancha (0.35%). The inequality across autonomous communities increased in both indicators between 2009 and 2015.
- *Revenues from public fees:* the highest amount (Catalonia, with 2,123€ on average per student) clearly stands out over the rest. Catalonia is followed by Madrid (1,715€), also substantially higher than the rest. The Catalan figure is more than 2.55 times as high as the minimum (Galicia, 832€). Relative to GDP, students from the Valencian Community (0.19%) make an effort 3 to 4 times as high as those of the Balearic Islands (0.055%) and the Basque Country (0.053%). In the case of both indicators, there was a significant increase in inequality across autonomous communities between 2009 and 2015.
- *Structure of revenues:* the share that public funding accounts for within total revenues reaches its maximum in the Basque Country (84.9%) and its minimum in Catalonia (60.2%). The latter is followed, at some distance, by Madrid (65.0%) and Aragon (68.6%). Revenues from public fees account for the highest percentages in Catalonia (25.3%) and Madrid (23.6%), while their share is lowest in the Basque Country (8.7%). In this regard, from 2009 to 2015 there was a substantial increase in the inequality across autonomous communities.

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#### Spain loses positions and ends up clearly below Europe and the OECD (2014)

##### *PPP-adjusted total expenditure per university student.*

- Regardless of the kind of university (public/private), in 2014 Spain was **16.8% below the UE22 average, 13.1% below the OECD average.**
- In 2009, the total expenditure per student in the Spanish universities was higher than the OECD and UE21 averages. **Thereafter, these averages have growth, but in Spain expenditure has decreased.**

##### *Total expenditure in universities as a share of GDP.*

- **Spain is the 6<sup>th</sup> country out of 28 that spends a lowest share of its GDP in universities (1.08%).** This represents 79.2% of the OECD average (1.37%) and 85% of the UE22 average (1.27%).
- As a consequence, only two Spanish autonomous communities (Com. Valenciana and Andalusia) reach the UE22 average, and 5 of them (Balearic Islands, Navarre, Castile—La Mancha, La Rioja and the Basque Country) are below all OECD countries.
- From 2009 onwards, the OECD and UE averages have remained stable, while in Spain expenditure has decreased.

##### *Public funding in tertiary education as a percentage of GDP.*

- **Among the 34 OECD countries, Spain (0.96%) is the 8<sup>th</sup> one with lowest public funding (in 2009 it was the 14<sup>th</sup>), far below the OECD average (1.32%) and the UE22 average (1.27%).** Among the 22 countries of the UE22, Spain is the 6<sup>th</sup> with lowest public funding.
- Five autonomous communities are below the whole OECD (without Luxembourg): Balearic Islands, Navarre, Castile-La Mancha, La Rioja and Catalonia. Andalusia is the only one with a higher level than the UE22 and OECD averages.
- In 2009, the public funding of tertiary education was 1.14% of GDP, and by 2014 it had decreased to 0.96%.

##### *Share of tertiary education expenditure within the government budget.*

- **With 1.77%, Spain is the 7<sup>th</sup> country with a lowest share, very far below the UE22 average (2.43%) and the OECD average (2.72%).**
- From 2009 to 2014, the Spanish share decreased from 2.47% to 2.16%. In the meantime, the OECD average increased from 3.06% to 3.14%, and the UE21/UE22 average slightly decreased, from 2.71% to 2.67%.

##### *Revenues from public fees.*

- **In Spain the share of the revenues from public fees in tertiary education is 28.1%, i.e. 86% higher than the UE22 average (15.1%).** The Spanish share is also higher than the OECD average (21.6%).



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