

7-25-2014

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Shannon Franklin

Vanderbilt University, shannon.franklin@vanderbilt.edu

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Recommended Citation

Franklin, Shannon (2014) "Book Review: Student Financing of Higher Education: A Comparative Perspective," *Journal of Student Financial Aid*: Vol. 44 : Iss. 1 , Article 6.

DOI: <https://doi.org/10.55504/0884-9153.1538>

Available at: <https://ir.library.louisville.edu/jsfa/vol44/iss1/6>

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Book Review: *Student Financing of Higher Education: A Comparative Perspective*

By Shannon Franklin

Shannon Franklin is a doctoral student at Vanderbilt University.

The demand for higher education worldwide has grown exponentially in recent decades. Enrollment in post-secondary education worldwide grew by 63% in under a decade, from 92.5 million in 1999 to 150.5 million in 2007 (UNESCO, 2010). The largest percentage increase during that period was in developing countries, but even in the developed countries of North America and Western Europe, where enrollments and participation rates were already high, enrollment increased by 21%, from 28.2 million to 34 million (ibid).

The public sector in most countries has been unable to accommodate this vast increase in student demand. This increase in demand, coupled with constraints on overall government revenues due to growing fiscal austerity, has many governments turning to cost-sharing as a means of funding their systems of higher education. The new edited volume by Heller & Callender discusses the global trend in higher education towards students and their families paying a larger share of the costs and away from a system where the costs are covered primarily or entirely by the government. It seeks to understand how this trend is manifesting itself in countries and regions around the world as well as the impact of these changing policies on students, institutions, and societies.

The book is divided into two parts. The first consists of eight chapters on cross-national issues. This section focuses on lessons learned from various policies and comprises approximately 60% of the book. The chapters are carefully tied together and build on one another. The section begins with a broad picture of tuition fee and financial assistance policy alternatives available to governments and then moves on to specific issues within these policies (i.e., impact of student loans, role of information about financial aid in student decision making). Chapters are also dedicated to issues that are sometimes overlooked in these discussions, including policies relating to part-time students and to the public funding of for-profit private higher education, a growing provider of higher education worldwide.

The second part of the book consists of country and regional studies. It is designed to highlight policy implementation in various countries and regions. However, it largely focuses on developing countries as they wrestle with funding expanding higher education systems and recent policy changes that are meant to accommodate growth. This section includes chapters on Sub-Saharan Africa (SSA) and Asia as a whole as well as China specifically; it also discusses the role of institutional subsidies in U.S. institutions. A discussion of the experience of Latin American countries is missing. Although many countries in South and Central America still retain free public higher education, many have turned to private (largely for-

profit) higher education to expand access in the wake of growing demand. The concerns related to the effect on equity and access of the way in which higher education is funded are echoed in the Latin American context. A chapter looking at the region as a whole or a particular country specifically (such as Brazil) would round out the discussion.

The impact of financing higher education on equity is just one of several themes in this volume. A common thread throughout is the changing nature of how we think about higher education, who provides it, who benefits from it, and who should pay for it. The view of higher education as a public good, and thus one that should be paid for by the state, has given way to the idea that individuals who attend higher education receive the greatest benefit and thus should contribute to its cost. This privatization of higher education is referred to repeatedly, be it in the aforementioned form of students paying more or in the form of provision of higher education by private institutions. This reflects a larger transformation in beliefs about higher education in general and the rise of neo-liberalism, which seeks to reduce the role of the state and central government in social and economic affairs. This shift is directly connected to another key point made in this volume.

Economic, political, and ideological contexts in which student funding policies are developed and implemented and how these shape the nature of the provision are vital to understanding the policies that are introduced and the choices governments make about how to target aid and what form it takes. Although the influence of these factors in a particular country may be unique, the fact that they exist is not. These influences are cross-national. Whatever way forward research suggests, the direction will be determined by ideological and political considerations. A related lesson is the importance of not adopting a plan just because it has worked well in another country. Lessons learned from other countries must be learned with care and the above country-specific contexts must be fully understood in order for an appropriate and effective plan to be developed.

A final theme is the importance of information throughout this entire process. The move to neo-liberalism and the reliance on markets presumes that markets are an effective and efficient means of expanding access to and funding of higher education. However, markets only work effectively if information flows freely between suppliers (schools) and consumers (students). Multiple cases from vastly different contexts including both China and the U.S. found that this was not the case, and it caused students to make poor choices regarding college, resulting in overall underinvestment in higher education in society in general. Students from low SES backgrounds are the most susceptible to this, further impacting equity concerns, which markets are not good at addressing. Information constraints can block the ability of financial aid to fulfill its goal of increasing access, yet they are something that can be addressed at low cost.

In addition to numerous themes, the volume outlines current issues and suggests policy recommendations. It looks at what is driving changes in student financing but also how those changes look in practice and what we can learn from them. Each chapter provides specific policy recommenda-

tions too numerous to delineate here. However, there are several overarching lessons.

First, in many cases, tuition fees will ultimately be accepted in countries across the political spectrum as a necessity if enrollment demand and access and quality goals are to be met. In other words, cost-sharing is here to stay and can be seen as an eventuality in most cases. Policies introduced to deal with this eventuality are a function of the overall purpose of aid. Countries must determine if they are seeking to increase enrollment from specific groups. Overall enrollment? Are they trying to award academic merit or is financing based on need to encourage equity? These all relate back to the theme of economic, political, and ideological realities in a given country.

The volume also raises the important point of the possibility that aid systems based primarily on student loans are in opposition to the goal of financial aid. The purpose of financial aid systems is to overcome the financial constraints that keep students from enrolling in college and finishing a degree. However, in the US there is growing inequity in who attends college due to increasing costs and loans as a primary vehicle for funding. Students from low SES backgrounds who do attend college often under-match, not attending the best university for which they are qualified because of concerns regarding costs and lack of information on aid availability. Students in developing countries face a different but related injustice. More affluent students go to private and high-quality secondary schools and get free places at public universities; poor students go to under-resourced, low-quality public secondary schools and then have to pay for places in less prestigious, often low-quality, private higher education institutions, a double injustice. If the goal of student loan policies is to increase access and equity in higher education, they must be very carefully considered and constructed.

Overall, the volume accomplishes its objectives, providing the reader with both a broad understanding of the issues surrounding the trend toward cost-sharing in higher education and a detailed view of what these trends look like in countries around the world. Although there is still much to be done on the topic, this volume provides its readers with many things to consider and many new questions to ask.

References

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