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Higher education in Australia and Britain : what lessons?

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HIGHER EDUCATION IN AUSTRALIA AND BRITAIN: WHAT LESSONS?

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ABSTRACT

Both Britain and Australia have seen rapid, inadequately funded, expansion of student numbers, and increasing central planning. To address these problems, this paper argues (a) that students should pay via a system of income-contingent loans for the private benefits they derive from higher education, and (b) that, within a government-ordained regulatory framework, universities should be free to set fees and student numbers.

In the wake of the Dearing Report in 1997, Britain is making progress on (a) by introducing income-contingent loans to cover student's living costs. If anything, however, it is moving backwards on (b) by introducing a flat-rate fee of 25 per cent of average tuition costs, abated for poorer students. Though laudable in its equity objectives, the government's post-Dearing policy has serious problems: it brings in no extra money in the short run; is harmful to access; is inequitable in other ways; and faces serious administrative problems. In contrast, Australia got the design of loans right ten years ago, and the West Committee's Final Report argues for greater freedom for universities to conduct their own affairs. Once more, Australia looks set fair to give a lead.

HIGHER EDUCATION IN AUSTRALIA AND BRITAIN: WHAT LESSONS?[1]

Nicholas Barr

1 Introduction

The British and Australian university systems share common roots and common recent problems. The solutions they have adopted, however, show significant divergence.

- By introducing the higher education contribution scheme (HECS) in 1989, Australia took the right step. In contrast, the British student loan scheme, introduced in 1990, went the wrong way.

- Both countries tightened rather than relaxed central planning of higher education over the 1990s. The Dearing Committee in Britain (UK National Committee of Inquiry into Higher Education 1997*a*, *b*) and the government's response (UK Department for Education and Employment 1998*a*, *b*) show a clear intention to persist with this strategy. The West Review's discussion paper and final Report (Commonwealth of Australia 1997, 1998) offer some hope that here, too, Australia might steal a march.

In many ways, the main lesson that Britain can offer Australia on the funding and organisation of higher education is how not to do it.

CENTRAL FACTS. British higher education expanded from an élite 5 per cent system in 1960 to a mass 30 per cent system by the mid 1990s. Expansion was particularly sharp over the 1990s (as recently as 1990, the participation rate was still only 14 per cent), but with no parallel increase in funding. Australian experience is remarkably similar.

> ‘Increases in access and participation have completed [the] transformation from an élite to a mass higher education system. At the same time, there has been pressure both to restrain expenditure and to address the issues arising from the rapid expansion of the system’ (terms of reference of the West Review).

In both countries politicians have been willing to finance higher student numbers but not to maintain real spending per student; and in both countries, despite increasingly parsimonious public funding, the financial freedom of universities has been severely constrained.

Alongside underfunded expansion, both countries also face a second central fact — technological advance and global competition. Returning to a smaller system is therefore not an option.

CORE ISSUES. Both countries therefore face the same two strategic issues.

- *Private funding*. Public funding of a high-quality system is possible — albeit regressive — for a 5 per cent system. It is not possible for a mass system. A mass system therefore requires public funding to be supplemented on a significant scale by private funding. The policy problem, therefore, is to devise a way of bringing in private resources in a way which simultaneously protects both quality and access. As a practical matter this means a system of income-contingent loans, i.e. loans where repayment takes the form of *x* per cent of the graduate’s subsequent earnings until the loan has been repaid.

- *Allocating resources*. The second policy question is how most effectively to allocate resources in a large, growing, and increasingly diverse system of higher education — crudely the issue of central planning versus market forces. In the past, universities offered a limited range of fairly standard packages to a limited group of full-time, usually young students. Today, in contrast, the educational package is more complex, is changing, and will continue to change; and there are many more students, their needs are more diverse, and education will increasingly be a repeated exercise. As a practical matter, the task has become too complex for central planning any longer to be possible. In addition, as argued below, theory supports market allocation as being more effective than central planning for higher education.

The next section briefly sets out the relevant economic theory. The third and fourth parts of the paper tell the UK story, discussing in turn the major recommendations of the Dearing Report and the Government's response. The concluding section offers some thoughts on Australia. Since I would not presume to tell Australia what to do, discussion takes the form of lessons I think the UK should learn from Australia.

2 Underpinning economic theory

This section takes in turn the two issues just discussed: who should pay for higher education (i.e. how costs should be shared between the taxpayer and the student), and how should resources be allocated.

WHO SHOULD PAY? The conventional argument for subsidising higher education is that it creates external benefits. Though the argument is widely accepted in qualitative terms, the difficulties of quantification are well-known (see Blaug, 1976, 1985). I shall take it as read that there *is* a case for continuing subsidy, but leave open its size, (a) because there is no definitive way of measuring it, and (b) because — whatever the scientific arguments — the matter is ultimately one to be decided by politicians and the electorate.

Whatever the size of the external benefit, however, there is no controversy that higher education creates a private benefit. Thus the theory argues unambiguously that some of the costs should be borne by the student. Since the student typically has little current income, what is relevant is her future income — which brings us back to loans. The arguments for income-contingency, for both efficiency and equity reasons are overwhelming. Since they are now common ground between the two countries, I will not belabour the point.[2]

WHO SHOULD DECIDE? The issue here is the usefulness of consumer and producer sovereignty. A central question is whether students are sufficiently well-informed to make efficient choices. Consumer sovereignty is more useful (a) the better is consumer information, (b) the more cheaply and effectively it can be improved, (c) the easier it is for consumers to understand available information, (d) the lower are the costs of choosing badly, and (e) the more diverse are consumer tastes.

Higher education does well in terms of these criteria. First, information is available, and more can be made available. There are already ‘good universities guides’; and universities increasingly publish detailed information on the internet. Second, the information, for the most part, is sufficiently simple for the student to understand and evaluate. This process is easier because going to university can be anticipated (contrast finding a doctor to deal with injury after a road accident) so that the student has time to acquire the information she needs, and time to seek advice. Third, though it is true that the costs of mistaken choice can be significant, it is not clear that a central planner would make fewer mistakes; moreover, the move towards modular degrees, allowing students to change subjects and, increasingly, institutions, reduces those costs. It should be noted, fourth, that students make choices already. Though the matter is controversial, it can be argued that the assumption of well-informed (or potentially well-informed) consumers holds for higher education.[3]

Finally ((e), above), consumer tastes are diverse, degrees are becoming more diverse, and change is increasingly rapid, and global. For all these reasons, students are more capable than central planners of making choices which conform with their own needs and those of the economy. In contrast, attempts at manpower planning are even more likely than in the past to be wrong.

How useful is producer sovereignty, i.e. the economic freedom of universities (I take academic freedom as given)? With an élite system it was possible, as a polite myth, to assume that all universities were equally good and hence could, broadly, be funded equally. With a mass system this myth is no longer sustainable. The characteristics, the quality and the costs of different degrees at different institutions will vary much more widely than hitherto.

Not least to protect the quality of internationally competitive institutions, universities need to be funded differentially, taking account both of the institution's costs and of the demand for places. In principle this could be done by an all-knowing central planner. The problem, however, is too complex for that to be the *sole* mechanism. A mass system in an increasingly complex world needs a funding mechanism which allows institutions to charge differential prices to reflect their differential costs.

THE RESULTING SYSTEM. The theory thus suggests (a) that students should pay for the private benefits they derive from higher education and (b) that market forces will be useful. It is, however, a huge mistake to imagine that this *must* mean law-of-the-jungle competition. Outcomes will be influenced by students, by employers, by universities and by government. If students pay a significant fraction of their costs (an inexorable implication of a mass system), they will be empowered to state their preferences. Some students, for example, will demand more time-efficient courses, e.g. if the content of a four-year degree is taught over three years without lengthy vacations, students have to finance only three years of living costs. Others will demand more flexible part-time options which can be combined with continuing labour market activity.

Such changes in demand will require universities to respond in ways which are wholly impossible within a centrally-planned funding mechanism. Universities need a measure of freedom over the prices they charge, the types of courses they offer and the number of students they accept. Quantity, quality and price would result from the interactions of universities, students and employers within a government-determined regulatory framework. Student demand will be more attuned to continually evolving employer demand than central planning ever could.

Government retains a major influence. It contributes to funding, promotes access, determines the degree of competition and ensures that regulation relating to quality is in place and enforced. At least initially, there is also a strong case for government to establish an upper bound for tuition fees or, perhaps, to establish a norm with permissible variation within a band. That band could be widened over time.

A final, more difficult, question is who should decide on the size of the higher education sector — the government (as in the UK) or consumer demand (as, for example, in the USA). There is much to be said for the latter so long as arrangements assist quality and access while simultaneously observing macroeconomic realities. Under the approach sketched out above, fees are determined largely by market forces; higher-cost universities charge higher fees — but only if students are prepared to pay. Students can borrow to top up any public funding. In such a world (a) consumer demand determines the size of the higher education sector, while (b) government determines what it is prepared to spend on higher education, i.e. how many students it is prepared to fund, and the extent to which it is prepared to fund each. The difference between (a) and (b) is made up by income-contingent loans.

3 The UK story 1: The Dearing Report

THE BACKDROP. After more than a decade of increasing government intervention, the 1988 Education Reform Act virtually nationalised higher education. Such central planning was widely criticised.

> 'In an important sense the main outcome of a cumbersome, complex and yet crude planning process is price control *and* quantity control. Universities can do little to affect either the number of home students they take or the price they charge. They are

underfunded from public sources, and yet their hands are tied as to permissible responses' (Barnes and Barr, 1988, p. 19).

The UK, in short, had a 'market' in which, so far as home/EU students were concerned, price and quantity were determined by the central authorities, a trend which continued inexorably over the 1990s. Though, perhaps, less acute in Australia, these problems will no doubt sound familiar.

On the loans front, too, Britain got it wrong. Until 1990, UK students at a UK university paid no tuition fees and received a tax-funded maintenance grant to cover living costs. The maintenance grant was income-tested on parental or spouse income: students from poorer backgrounds received a full grant; for students receiving less than the full grant, it was assumed that their parents or spouse would make up the difference (so-called parental contributions).

In 1990 a loan scheme was introduced to cover half of living costs, the other half coming from grant and parental/spouse contributions. The loan is disbursed by the Student Loans Company, which also collects repayments. Loans carry a zero real interest rate, i.e. the loan incorporates an interest subsidy. People who have borrowed while a student normally repay in 60 equal monthly instalments (i.e. repayments are organised like a mortgage or bank overdraft), with repayment deferred in any year in which the graduate's income is below 85 per cent of national average earnings. The source of funds is the Treasury, i.e. the taxpayer.

The argument against the scheme is simple — it fails to achieve a single desirable objective. First, and worst, repayments are not income-contingent but organised like a mortgage. Second, it provides no additional resources for universities, and hence does nothing to restore quality. Third, it is hugely and unnecessarily costly in public expenditure terms: students borrow public money; loans carry an interest subsidy; deferments, where a graduate subsequently has low earnings, slow the repayment flow;[4] and administrative costs are high. Finally, the scheme mobilises no private funding at all. These problems were both predictable and predicted (Barr, 1989, 1991), and the Education Minister, in Parliamentary debate about the Dearing Report, pointedly remarked that 'Dearing believes that the present loan system is unfair, unworkable and ineffective' (*Hansard* (Commons), 23 July 1997, col. 950). In the late 1980s, faced with similar information, Australia introduced HECS. Though HECS dealt with fee contributions rather than living costs, its critical lesson for the UK is its income-contingency.

The Dearing Report was published in July 1997.[5] Though its 93 recommendations (listed in the Summary Report, pp. 42-54 and Main Report, pp. 370-82) are broad, three elements — quality, access and funding — were central. This paper concentrates on funding, because this is the central debate in both countries (for fuller discussion, including an Australian perspective, see Barr, 1998*a*).

TRIUMPHANTLY RIGHT. Two of Dearing's recommendations — 78 and 80 — are utterly essential and stand out as by far the most important.

Income contingency. 'We recommend to the Government that it introduces, by 1998/99, income contingent terms for the payment of any contribution towards living costs or tuition costs sought from graduates in work' (Recommendation 78).

The accounting problem. The UK public accounts are organised on a cash-flow basis (though reform is scheduled for three years time). Thus *all* student loans count as public expenditure. Because government targets have tended to focus on the current deficit, lending to students crowded out other educational spending, even though much of that lending will subsequently be repaid.[6] As a result, student loans bring in little extra money until the system is mature. The Report rightly stresses that it is vital to solve this problem — and does so in remarkably strong language.

> 'We recommend to the Government that it looks urgently at alternative and internationally accepted approaches to national accounting which do not treat the repayable part of loans in the same way as grants to students' (Recommendation 80).

The Report is right to argue that this problem needs to be fixed fast. It is true that loans will bring in significant additional resources in 20 years time — but (as one Vice-Chancellor put it on the day the Dearing Report was published) you cannot revive a corpse.

The accounting issue (see Barr, 1997*a*) is of limited interest in Australia, since the Australian authorities have already solved the problem (see Australian Bureau of Statistics, 1997, Table 12 and pp. 78-9; Barr and Crawford, 1997, Appendix 2) and so, in a different way, have the New Zealand authorities (Barr, 1997*b*).

POTENTIALLY PROBLEMATICAL. The Report's preferred option (Option B in Table 2.2 of the Report; see also Table 1, below) has three elements:

(a) 50 per cent of student living costs from an income-contingent loan;
(b) 50 per cent of living costs from a mixture of tax-funded maintenance grant and parental contribution;
(c) a tuition fee of 25 per cent of average tuition costs.

The first element has already been welcomed. The other two elements are potentially problematical.

Should grants to cover living costs be kept?. The issue is controversial. The argument in favour of grants is that they enhance access. Keeping grants, however, wastes the chance to abolish parental contributions, whose ill-effects are well-known: they aggravate student poverty, reduce student freedom and have a pernicious gender gradient, particularly for certain ethnic groups (see Barr and Crawford, 1997, Appendix 3). Second, grants are badly targeted: the right income to test is the student's future income, not her parents' or husband's current income. That is exactly what income-contingent repayments do — by basing repayment on where people end up rather than on where they start, they get the income test right, and hence increase progressivity in comparison with means-tested grants.

Arguments about flat fees. Recommendation 79 states:

> 'On a balance of considerations, we recommend to the Government that it introduces arrangements for graduates in work to make a flat-rate contribution of around 25 per cent of the average cost of higher education tuition, through an income contingent mechanism'.

In practice, the recommendation is to impose on students a flat fee of about £1000 per student per year, irrespective of subject studied or university attended — i.e. the 1989 version of HECS.

In Britain (as in Australia) the issue of fees is highly controversial.

View 1: flat fees are bad policy because there should be no fees at all. The counterarguments are, first, that free tuition is unaffordable with mass higher education. Second, graduates, because of their degrees, generally earn more than nongraduates, making a contribution both efficient and fair. Third, charges are levied for most other postcompulsory education and training in the UK; it is unfair that only full-time undergraduate students — in many ways tomorrow's best off citizens — are completely exempt. Finally, free tuition is unnecessary if universal income-contingent loans are available.

View 2: flat fees are the right way to go, but only as the first step towards variable fees. According to this view, the flat-fee approach worked well in Australia and is a model from which Britain can learn. A move from no fees to variable fees is too big a jump, both for potential students and in political terms, and establishing flat fees therefore an important stepping stone.

View 3: flat fees are bad policy because they hinder the introduction of variable fees, which are both inevitable and desirable.

Why did Dearing take this route on living costs and fees? Dearing was well aware of the arguments about variable fees and the replacement of grant by loan. Why, then, did the Committee retain the grant and go for flat-rate fees? The answer is simple: the accounting problem discussed earlier left them with nowhere else to go. If loans count as public spending, then making them more generous — for example extending loans to replace parental contributions, and extending them to part-time and postgraduate students — adds to public spending. But the government was committed to existing public spending limits. Thus there was no way to give students more money.

4 The UK story 2: The Government's response

THE RESPONSE. The Government's initial response to the funding elements of Dearing, on the day the Report was published (*Hansard* (Commons), 23 July 1997, cols. 949-51), had five key elements, discussed in turn. A later response (UK Department for Education and Employment, 1998*a*, *b*) added some detail.

1) Endorsement of the principle of income contingency. A subsequent announcement, in November 1997, confirmed that collection would be by the tax authorities (see UK Department of Education and Employment 1998*b*, p. 57).

2) A flat-rate, means-tested fee of up to £1000. The most glaring feature is that the fee will be paid out of the parental contribution, i.e. the fee will be *upfront and not supported by a loan entitlement* (see Table 1).

3) Replacement of the grant by an income-tested loan entitlement. In conformity with Labour's election manifesto, the grant will be abolished, and replaced by a loan entitlement *minus* any remaining parental contribution.

Table 1: The Current System, Dearing Preferred Option and the Government's Initial Response

	Living expenses	Tuition
Current system	50% mortgage-type loan; 50% grant/parental contribution	Free
Dearing, Option B	50% income contingent loan; 50% grant/parental contribution	£1000 flat-fee from income-contingent contributions
Government		
'Poor' student	100% income contingent loan	Free
'Rich' student	Parental contribution of 50% of living costs *minus* £1000; Income contingent loan, the rest	£1000 flat-fee from parental contributions

The arrangements are complex, so that a simplified numerical example is helpful. Suppose that students are deemed to need £4000 to cover living costs, made up, under present arrangements (line 1) of a loan entitlement of £2000 and grant/parental contribution of £2000. Thus the maximum parental contribution (for a student not eligible for any grant) is £2000. Under Dearing's preferred option, a student receives £2000 in grant/parental contribution and a £3000 income-contingent loan to cover the remaining £2000 of living costs plus the £1000 tuition fee. Under the Government's proposals, a poor student is eligible for an income-contingent loan of £4000 to cover living expenses, and does not have to pay a tuition fee. A rich student receives £2000 in parental contribution, £1000 to cover the tuition fee and £1000 towards living costs, and is eligible for an income-contingent loan of £3000 to cover remaining living costs.

4) A lack of enthusiasm for top-up fees. This is problematical. A system of mass higher education is too complex for central price control to be compatible with quality and diversity. At the time of writing Parliament is debating legislation to outlaw additional fees.

5) A timetable. The Education Minister announced the intention to bring in the fee contribution for all students entering university at the start of the academic year in October 1998.

COMMENTS. The Government's proposals raise four sets of serious problems: they produce no more resources, put access at risk, create inequities in other ways, and cannot be implemented effectively within the proposed time frame. The arguments are summarised very briefly; for fuller discussion, see Barr, 1998*a*, Barr and Crawford 1997).

Problem 1: no more resources. The logic is distressingly compelling.

- Public spending on higher education will not go up (the budget said so).
- Parental contributions (i.e. private spending) will not go up (the Education Minister said so).
- Loans to students (the other potential source of private spending) count in their entirety as public spending.

If *public* spending is unchanged and there is no extra *private* spending, there is nothing extra for higher education. Both Dearing and the Government propose a genuine resolution of funding problems in the long-run but, as things stand, do not produce any resources in the short run.

Problem 2: potential adverse effects on access. The Government's fee proposals pursue an equity objective through a *price* subsidy (i.e. reduced fees for poorer students) rather than an *income* subsidy through income-contingent loans (for the analytics, see Barr, 1998*b*, Ch. 4). The problem with this approach (which is rather Old Labour) is that it can frequently hurt the very people it is intended to help, for example excessive rent subsidies, which have led over the years to waiting lists and labour immobility. It is therefore not surprising that the proposed arrangements, notwithstanding the government's strong commitment to improve access, are profoundly unhelpful.

Access is harmed in several ways. Student living standards are inadequate because the total of loan, grant and parental contribution is 25 per cent too low to support an adequate standard of living. Second, strengthened reliance on parental contributions, as discussed earlier, makes bad policy worse. Under the Government's proposals, third, the fee contribution is deemed to be paid through the parental contribution, in effect introducing up-front fees. No government committed to access should contemplate such a policy. Finally, all these problems are regressive with respect to gender.

Problem 3: other inequities. Impediments to access are one source of inequity. There are other ways in which the proposals are inherently unfair. First, they focus on starting point rather than outcomes. Lucky the shopworker's son who becomes a successful barrister, who pays no fees, unlucky the managing director's daughter who becomes a social worker. What matters is not where people start but where they end. Second, price does not vary with quality. It is unfair (and will soon be seen to be unfair and hence politically unpopular) to expect parents to pay the same flat fee at Oxford as at Balls Pond Road Technical College.

Problem 4: the timetable for implementation. Even if the policy were ideal, the timetable is highly ambitious. Such dramatic changes as are being suggested require detailed planning. These are not merely administrative matters, but have major implications for the political acceptability of reform.

In sum, the proposals bring in virtually no new private resources in the short run, are inequitable, and entrench central planning. The move to income contingency will stand the test of time; the flat fees regime will be short lived; and — it is devoutly to be hoped — so will continued reliance on parental and spouse contributions.

5 Thoughts for Australia

Before turning to the Australian debate, a few words on what I am *not* saying. I am not saying that universities should necessarily or immediately be given unlimited freedom over fees — merely that they should have more freedom than currently. Nor am I opposed to central planning of higher education for ideological reasons, but because market forces plus some regulation will do better than any other method of preserving both quality and access. Some might argue that it is immoral to charge for education on the grounds that education is a basic right. I believe strongly that education *is* a basic right. But that does not necessarily mean that it should be free. We all agree that adequate nutrition is a basic right, but are happy for food to be supplied by profit-maximising private producers. Where consumers are well-informed, equity objectives are better achieved through income transfers than by price subsidies. For precisely that reason we do not send pensioners food parcels, but pay them pensions so that they can buy food at the same shops as the rest of us, at the same prices.

I look at Australia with some envy — and not only because of the crimson rosellas. HECS advanced Australian higher education funding in important ways:

- it introduced a highly effective income-contingent loan scheme;
- it established the principle of tuition fees;
- those fees brought in some extra resources, so that the Australian funding problem is not as acute as the British one.

HECS was undoubtedly the right scheme for 1989, when the Australian system was smaller than it is now. Turning to the West Report, two developments since 1989 are particularly salient.

- Higher education expanded rapidly, so that participation is now around 40 per cent. In the UK context I have argued that this suggests the need for flexible fees (subject to regulation) within a more market-oriented system of higher education.

- An additional development was the introduction in 1997 of full-fee students, who receive no public subsidy for tuition and are not eligible for HECS. Such an introduction of upfront fees has rightly been heavily criticised (see Chapman, 1997*b*).

Two recommendations of the West Committee's discussion paper are thus particularly relevant.

- *Fees*. 'Institutions should have the freedom to set tuition fees.... Institutions must have the ability to provide a range of courses and delivery options, and to decide the level of resources that are devoted to them. Fee flexibility is also essential to encourage competition ...' (Commonwealth of Australia, 1997, p.31).

- *Loans*. 'No student undertaking a first qualification should be required to face the upfront payment of tuition fees.... Students should have access to income contingent loans for the payment of any contribution' (Commonwealth of Australia, 1997, pp. 29-30).

These views carry through to the Final Report (Commonwealth of Australia, 1998, p. 25). From a UK perspective, both recommendations are a target for UK policy to aim at. From an Australian perspective, it is worth noting that a move towards market prices (i.e. fees set by universities within a regulatory framework) fully supported by income-contingent loans makes it possible to take the millions of dollars currently spent on *general* subsidies and use them instead on *specific* subsidies carefully targeted on groups for whom access is most fragile. Such a move is unambiguously progressive — it benefits tomorrow's less well off at the expense of today's middle class — and, precisely for that reason, is not universally popular. The Australian middle-class is vigilant in defence of its perks. In that respect the two countries are identical.

NOTES

1. Financial support from the Nuffield Foundation is gratefully acknowledged. Many of the ideas in this paper result from collaboration with Iain Crawford. I have also enjoyed many useful discussions about these matters over the years with Mark Blaug and Bruce Chapman.

2. For fuller Australian discussion, see Commonwealth of Australia (1988) (the Wran Report) and Chapman (1988, 1997*a*). For UK discussion, see Barr (1989, Ch. 5; 1991; 1998*b*, Ch. 13) and UK National Committee of Inquiry into Higher Education (1997*b*, Ch. 20).

3. Note that the answers to these questions differ as between university students on the one hand and school children and their parents on the other. Thus it is not inconsistent to support mechanisms (e.g. vouchers and income-contingent loans) empowering consumers in higher education but to oppose them for school education.

4. With income-contingent repayments, precisely *because* repayments are exactly related to income, the threshold for repayment can be fairly low. With mortgage-type repayments, because the graduate pays either zero or a full instalment, the threshold has to be high, slowing the repayment flow.

5. A parallel Report on further education (broadly comparable to TAFE) was also published in summer 1997; see UK Further Education Funding Council (1997) and, for the government's response, UK Department for Education and Employment (1998*c*).

6. The Labour government elected in May 1997 no longer focusses so tightly on the current deficit; however, its stated educational priorities favour pre-university education, so that the funding problem in higher education remains.

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