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Demanding Value From Universities

By CONRAD DE AENLLE

If your child hopes to attend a good university, writing ability could be more essential than ever — not the student's talent for cranking out term papers but your skill at filling out checks. Tuition and other fees have risen for years in many countries, and the economic and financial crisis almost ensures that the trend will persist or worsen.

Students and their families are not flush with cash themselves, but they will have to get used to bearing a greater share of the burden anyway, the authorities on education financing say.

There is a potential bright side to this, though, they add: It may force universities to operate more efficiently and frugally, as those who foot the bill become smarter, more cost-conscious shoppers.

"Affordability is an issue worldwide," said [Margaret Spellings](#), senior adviser at the Boston Consulting Group and U.S. secretary of education under President [George W. Bush](#). "People are up in arms. Tuition is going up, but an interest in reform is going up for the first time ever."

Well before the crisis, the cost of a university education almost invariably advanced at a faster clip than the general level of inflation. Productivity gains have been few and far between, something for which Ms. Spellings blames government's failure to demand more bang for the buck and an elitism that she says she finds entrenched in academia.

"There is no policy set up in any of our systems anywhere in the world to drive universities toward productivity and efficiency," she said. "We don't collect any data. We don't know what we're getting for our money, and neither do students or taxpayers."

Soaring demand for university places is also seen to be driving up costs, as is a desire by governments to accommodate the demand.

"Part of the problem in much of the world is exploding enrollments," said D. Bruce Johnstone, emeritus professor of education at the [State University of New York](#) in Buffalo.

“A combination of demographic factors and very low, and thus rapidly increasing, rates” of university attendance make conditions especially acute in developing nations, he said.

He also highlighted the fashion in some Western countries of engineering academic egalitarianism, in which higher university enrollments are sought as a matter of public policy.

“An expectation of an entitlement to participation in a research university is part of the problem,” Mr. Johnstone said. He noted that all secondary school graduates in France and Germany who pass a national examination are guaranteed university admission.

Tuition rose 106 percent between 1997 and 2007 at American public universities and 76 percent at private universities, to \$7,171 and \$30,260, respectively, according to the National Center for Education Statistics.

Tuition is lower everywhere else, although it can be quite high relative to incomes, especially in the developing world. The 23 million students attending Chinese universities pay about \$3,000 a year, Mr. Johnstone said, and the government has warned that fees will go up in line with costs.

Tuition in India varies from school to school, he said, but it works out to about \$600 a year for run-of-the-mill universities and much more for the elite technology institutes.

Chinese and Indian schools have no shortage of applicants. The opposite is true in Japan, where enrollments are shrinking.

The government in the middle of the decade began cutting revenue to universities by a percentage point or two every year. In return it gave universities greater autonomy in setting faculty salaries and tuition rates. It is unclear what effect that has had on tuitions, Mr. Johnstone said, but the average one is about \$4,500.

Tuitions are assessed at much lower rates in Continental Europe, he noted, and much less deftly, too.

“European countries introduce tuition fees amid enormous political controversy and then everyone is terrified to increase them,” he remarked. Eventually conditions deteriorate and the authorities are forced to increase fees, he said, “and then everyone really screams.”

Official Europe has begun warming to the idea of tuition, with an important caveat. Dennis Abbott, the [European Commission](#) spokesman on education, pointed to “a distinct trend to increased cost sharing” between students and state sources, although he stressed that “where

tuition fees are a feature, these should be supported by grants and/or **loans** to ensure that financing does not represent an undue barrier to participation in higher education.”

Parents will be glad to hear that higher tuition is not the only suggestion for closing the funding gap. A 2006 report by the Center for European Reform, a London-based, centrist research organization, encouraged European universities to become more competitive, more entrepreneurial and, although it did not say so explicitly, more American. The authors stated that tuition in Europe is a must, but they also recommended paying faculty on the basis of merit; lobbying aggressively with state and private funding sources, like alumni; and developing alliances with corporate benefactors.

Another solution to rising university costs may be less university. Mr. Johnstone recommends more options for vocational training through trade schools or community colleges.

Mr. Abbott agrees. One way to improve affordability and productivity, he said, is to make sure first that students at universities want and need to be there.

“Too many young people are embarking upon university careers but dropping out before completing their courses,” he said. “This represents a missed opportunity, both in terms of the human potential of the individual student and in terms of the best value for money. Better advice and guidance, combined with improved support, including financial support, should be made available.”

For those who do attend college, there should be more flexibility, Ms. Spellings said, so they can do it without constantly being on the premises. She said she expected an increase in “a la carte, hybrid, technology-based education,” in which students take courses in person, online and at times of their own choosing. “Consumers are demanding it,” she said.

That demand itself is a hopeful sign. The straitened circumstances plaguing the global economy, combined with the chronic cost increases before the financial crisis, could push universities to put these ideas into practice and work harder to please the people who write the checks and give them better value for money.

“Things are starting to change, as prices have gotten so ridiculous,” Ms. Spellings continued. “People are starting to ask the right questions that would have been heretical five years ago. Universities have enjoyed their ivory tower status of being above it all, but they’re beginning to change and it’s happening worldwide.”

