

Editorial

The Supply and Demand Seesaw of Students and Funding

News items relating to the intake of students by universities and the funding ups and downs occasionally become of concern to the general public. This is true when unrest and large fluctuations in higher education become visible. The recession in the USA is collecting its first casualties in higher education. Universities are having trouble in making ends meet. Building plans at the University of California are being curtailed, Columbia University faculty threaten to resign rather than accept funding cuts. Tuition fees in the USA are being raised to levels of \$20000 a year which makes it increasingly difficult to pay for a university education. In this situation both funds and students tend to dry out. In contrast continental Europe is experiencing a glut of students exemplified by France and Germany. France is investing heavily in education. By 1995 350000 additional students are expected to be enrolled. Considerable university construction and renovation is planned. The French development programme will fund 160 technology institutes for shorter, professional degree courses. In Germany higher education is seriously understaffed, partly due to demographic miscalculations on the number of school leavers seeking university entrance. Moreover, in years of economic expansion university pay has not kept pace with economic developments. This is especially true for highly qualified engineering faculty. In the next decade a large contingent of retiring academic staff will be difficult to replace. Engineering schools are running at over capacity, which originally was intended to be temporary and should by now have been back to normal. This over capacity meant an increase in the student staff ratio which should eventually decline again. Student staff ratios have doubled with no additional hiring of staff. Instead of a temporary situation it has developed into a runaway phenomenon. Apart from economic factors the basic difference between the USA and Europe is between tuition fees in the USA and effectively no tuition fees on the European continent. Tuition fees at least cover a measurable proportion of US university finances, whereas in Germany or Scandinavia practically none is covered. This makes higher education entirely dependent on local and national politics and state budgets. It is conceivable that the current budget thinking of both the USA and Northern Europe may eventually need revision. Higher education may not be optimally regulated by a market economy as represented by private sector education but it may also not be well served by political organs which are slow to react to changes in demand. Moreover leaving out entirely a direct tax for higher education by the more wealthy members of the community may also not be expedient in the long run. A synthesis of both factors is now more likely than ever. This means that government in the USA may not be able to sit back forever and watch other governments helping research and education as exemplified by Japan. On the other hand the wealthy in northern Europe may get a better service from education by at least partially paying for it directly.

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