THE FINANCING OF HIGHER EDUCATION IN DIFFERENT COUNTRIES: A SHORT ANALYSIS

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ABSTRACT

For a variety of reasons, higher education is critical for governments. It is a crucial step toward obtaining higher degrees of development for countries. To achieve a high level of human capital, higher education must be of high quality and efficiency. Each country has its own higher education financing scheme, with varying degrees of success. While some countries rely mostly on private sector funding, others have public-sector-funded higher education institutions. In each country, the public sector's contribution to higher education funding varies greatly. Many countries' higher education systems have lately undergone significant changes. The balance between private and public contributions to higher education financing has shifted as a result of changes in this area. Institutions of higher learning are regarded as the epicentre of scientific activity. Countries flourish and have a voice in the world thanks to these institutions, which carry out scientific and technical research while keeping up with the times. Without a doubt, it is critical that higher education, which holds such a significant value, be appropriately funded. Countries that improve their scientific research by establishing higher education finance methods will be at the forefront of international competition as a result of globalisation.

Keywords: Finance, Education, Government.

INTRODUCTION

The rising significance placed on education in a country contributes to the betterment of the country's economic and socio-cultural structure, as well as the government's ability to provide better service to its population. The greater the quality and sufficiency of education services, the greater the country's development. As a result, higher education is an important part of the educational process. It has a huge impact on the next generation's development. The significant contribution of higher education service to the improvement of a country's human capital is one of the beneficial consequences of higher education service. As the number of students attending college rises, so does the level of state and national income. As a result, it is easy to infer that higher education improves people's well-being (Kousherbaev & Aryna, 2001). One of the most pressing concerns in higher education is funding, which fluctuates over time. Higher education is understood to be primarily funded by the public or private sectors. Particularly in the previous two decades, public sector engagement has dropped in nations where liberalisation has dominated state policies (Aslan, 2002). As a result, in the aforementioned countries, student and household involvement rates have increased, while higher education has begun to be privatised. In many countries, the public sector, on the other hand, continues to be effective.

Many studies suggest that knowledge has been the most important leading factor and driving force of country growth and economic performance over the last three decades,

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according to the literature. In the context of globalisation, universities and research organisations have grown more influential than ever before on the economic competitiveness of particular economies. In a globalised knowledge economy, countries with a more developed higher education system and higher levels of investment in research and development activities have a greater potential to grow quicker. Higher education, on the other hand, has two categories of costs (Goksu & Gungor, 2015). The first is private costs, which students and higher education institutions should cover. The second is social cost, which comprises both direct and indirect social costs that governments and other public entities reimburse.

Higher education finance is a range of techniques for obtaining the resources that higher education institutions require to continue to operate. There are a number of elements that influence higher education funding. Higher education, which improves society, is initially a semi-public good with high externalities, one of which being that households and students will benefit from attending a higher education institution. As a result, there is a rise in demand for higher education. The more people who complete higher education, the more a country develops or accelerates its economic development, allowing it to give free education to its population. As a result, the public sector must invest more in higher education.

Higher education has never been more vital than it is today, when the value of information is growing by the day and knowledge production is a critical component of global competition. While the value of higher education is constantly increasing in the globalising world order, the issue of funding continues to be a major concern. Private resources financing is when private financial resources cover the entire cost of higher education services. Indirect financing is another name for this sort of funding. Higher education services may be provided by the government or the private sector. The state really produces additional purchasing power through the indirect financing it provides to higher education through the loans or scholarships it grants to those who benefit from the service. Higher education can be financed with private funds by either encouraging private institutions or expanding private income generation options at public colleges.

Since the 19th century, higher education has been increasingly accessible to the general public, owing to an increase in the number of institutions in recent years (Teıchler, 2006). Prior to the twentieth century, national policies dominated strategic decisions and trends in higher education financing. Both in the field of teaching-research and in the finance of higher education, some developments have occurred recently. As a result, several governments around the world have accepted the cost-sharing approach for higher education financing. Four organisations have begun to participate in higher education financing as a result of this development.

Governments and taxpayers are the first group, and governments rely on public funds such as taxes to support higher education. Parents who save or borrow money to pay for their children's higher education make up the second group. Students are the third group, and they, like their parents, save or borrow money (OECD, 2017). Charity groups that support students, parents, or higher education institutions make up the final group. The more tuition fees paid, the more resources are provided to universities and colleges, resulting in cost sharing as a result of tuition fee variation in countries with more public higher education institutions. The cost-sharing mechanism is used for three primary reasons. One of them is the rise in student and departmental costs. Another explanation is the large increase in student enrolments in recent years as a result of the increase in the university-age population. The last factor is that many countries have insufficient public funds. Governments help to ensure the financial viability of higher education.

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CONCLUSION

Higher education is a thorny issue. In terms of its attribute, it is a service that benefits not only its users but also society indirectly. As a result, higher education must be made available to all who request it. Higher education institutions should catalyse social growth and guide society toward a brighter future. The comparison of resources devoted to higher education financing and participation rates in various nations was investigated in this study. At the same time, the reasons for contemporary inequalities in higher education financing among countries were examined.

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