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This paper was commissioned by UNESCO and is part of 3rd World Higher Education Conference organized by UNESCO on May 18-20, 2022, with the purpose of enhancing the contribution of higher education institutions and systems world-wide, under the 2030 Agenda for Sustainable Development, its pledge to leave no one behind, and looking at the Futures of Education. The views and opinions expressed in this paper are those of the author and should not be attributed to UNESCO.


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Summary

The demand for higher education has nothing but increased in the recent decades and is expected to continue to do so in the foreseeable future, propelled by demographic growth and an ever more knowledge-based economy. To realize the human capital potential of countries and to establish the foundation of their development, higher education systems worldwide will require considerable funding to increase their overall capacity, quality, and equity.

In preparation for the 2022 World Higher Education Conference, this document provides an overview of the main elements and challenges in tertiary education funding worldwide, as well as policy recommendations. After presenting different funding models and an overview of global trends in key indicators, the document analyses how the policy choices in higher education funding directly impact its levels of access, equity, and quality.

The document further reflects on how to optimize higher education funding to maximize these three goals, with the right to higher education and lifelong learning as overarching frameworks. The role of the State and the different mixes between public and private funding are then considered, with special attention to transition strategies and the need for alignment between higher education policies and national development planning objectives. The final chapter examines the role of international development aid in the higher education systems of developing countries, and the potential for further coordination of these funds in order to ensure an equitable distribution.

The document argues that only public funding (universal or targeted) can truly guarantee the right to higher education, but a mix of private funding depending on national contexts might be required for transitioning. The capacity of this funding to reach the intended goals will depend on the equity and efficiency with which it is collected and invested. A global conversation about both aspects is key for the success of the Sustainable Development Goal (4) to inclusive and equitable education and lifelong learning opportunities for all, highlighting human capital as the enabler of all the other goals.
Acknowledgements

With the purpose of producing updated analysis and recommendations for the 3rd World Higher Education Conference (WHEC2022), UNESCO organized the Technical Expert Group (TEG), whose members were tasked with preparing background documents on each of the main themes of the Conference. Experts participating in the TEG included César Guadalupe, Dag Olav Hessen, Susanna Karakhanyan, Achim Hopbach, Mpine Makoe, David Mills, Ka Ho Mok, Kilemi Mwiria, Jamil Salmi, Sylvia Schmelkes, Francesc Pedró, Damtew Tefera. This is one of the TEG’s background documents, which respectively approached the following themes:

- Impact of COVID-19 on higher education
- Higher education and the SDGs
- Equity, inclusion, and pluralism
- Quality and relevance of programmes
- Academic mobility in higher education
- Governance in higher education
- Financing higher education
- Data and knowledge production
- International cooperation to enhance synergies
- The futures of higher education

The following UNESCO focal points participated in or provided support, at different moments, to the TEG’s activities: Dana Abdrasheva, Daniele Viera, Phoebe Kirkup, Paz Portales, Victoria Galán, Huong Nguyen, Hassmik Tortian, Qingling Kong, Peter Wells, Harold Mera, Takudzwa Mutize, Talal El Hourani, José Antonio Quinteiro, Keith Holmes and Emma Sabzalieva. The TEG’s activities were directly coordinated by José Luis Guzmán.

The TEG met online four times throughout 2021 (March 24, May 19, July 21, and September 8) and held an in-person meeting in Barcelona on 29-30 November 2021. Besides extensive literature review, the process of elaborating the documents included 24 online consultation meetings facilitated by the TEG members. These meetings involved more than 180 experts or stakeholders from all regions of the world. In addition, the TEG members considered comments provided by diverse reviewers for each theme and a technical team of UNESCO specialists reviewed the final versions.

This background document has contributions provided by a group of experts in higher education financing through a double round of workshops facilitated by Professor Damtew Tefera with the assistance of Takudzwa Mutize, from UNESCO-IESALC. The experts were: Roberta M. Bassett, Global Lead for Tertiary Education and Senior Education Specialist at the World Bank; Bruce Johnstone, professor emeritus of the University of Buffalo and former chancellor of the State University of New York (USA); Andrés Bernasconi, professor of education at the Pontificia Universidad Católica de Chile and currently chair of the National Council of Accreditation in Chile; Jocelyn Gacel-Avila, Associate Dean at the University Center for Social Sciences and Humanities of the University of Guadalajara (México); Jeanette B.J. Da Silva, senior adviser at the Department for Human Development at NORAD (Norway); and N.V. Varghese, formerly at UNESCO IIEP and currently Vice Chancellor at National Institute of Educational Planning and Administration.

# Acronyms

<table>
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<th>Description</th>
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<tbody>
<tr>
<td>CRS</td>
<td>Credit reporting system</td>
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<tr>
<td>DAFI</td>
<td>Albert Einstein German Academic Refugee Initiative</td>
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<td>GDP</td>
<td>Gross domestic product</td>
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<td>GER</td>
<td>Gross enrolment ratio</td>
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<td>HED</td>
<td>Higher education</td>
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<td>IESALC</td>
<td>International Instituto for Higher Education in Latin America and the Caribbean</td>
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<tr>
<td>LMIC</td>
<td>Lower-middle income</td>
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<tr>
<td>ODA</td>
<td>Official Development Assistance</td>
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<tr>
<td>OECD</td>
<td>Organisation for Economic Cooperation and Development</td>
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<tr>
<td>PPP</td>
<td>Purchasing power parity</td>
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<tr>
<td>SDGs</td>
<td>Sustainable Development Goals</td>
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<td>OHCHR</td>
<td>Office of the High Commissioner for Human Rights</td>
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<tr>
<td>UMIC</td>
<td>Upper-middle income</td>
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<td>UNSDG</td>
<td>United Nations Sustainable Development Group</td>
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<td>UNESCO</td>
<td>United Nations Educational, Scientific and Cultural Organization</td>
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<tr>
<td>UNHCR</td>
<td>United Nations Refugee Agency</td>
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<td>UNICEF</td>
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Introduction
Two main reasons explain why higher education demand has been exploding over the past years, particularly in developing countries. On the one hand, economic growth has coincided with, and remains driven by, demographic changes resulting in a growing demand for higher education everywhere. The world’s population is expected to reach 9.8 billion by 2050, and 11.2 billion by 2100. Most of this growth is anticipated to occur in Africa while the population of more developed regions is expected to remain largely unchanged (UN, 2017). Evidence indicates that the return on investment in higher education is not only favourable for the individual, but also for society and the economy, leading to an optimal rate of development ( McMahon, 2018). Furthermore, higher education has the potential to contribute to each Sustainable Development Goal (SDG) through teaching, research, public, debate, service provision, and the contribution to social and economic development (McCowan, 2019).

On the other hand, the discussions about higher education, and the ways it should be financed, cannot be anymore seen exclusively from an economic and labour perspective. There is a growing consensus around the need to adopt a political perspective on higher education that brings in a social justice lens that goes hand in hand with the affirmation of the universal right to education throughout the whole life cycle. Therefore, according to this perspective, higher education should not be considered a mere commodity but a public service that helps individuals and societies to fulfil their aspirations. Such a rights-based perspective, if adopted, has important implications for the financing of the provision of higher education and, consequently, the mechanisms and arrangements to be chosen.

The combination of economic and political developments helps to explain why worldwide participation in tertiary education has increased at a rate of approximately 4 per cent a year since 1995 – although enrolment rates vary considerably by world region and country. The number of students enrolled in higher education is predicted to reach 660 million by 2040 rising from 28.6 million in 1970 and approximately 220 million today; such growth would mean that students would represent 10 per cent of the world’s population (aged 15-79 years old) compared with 4 per cent in 2012 (Calderon, 2018, p. 187). The number of young people with a tertiary qualification will continue to increase across OECD and G20 countries, while the greatest growth is occurring in emerging and developing countries. If current trends continue, 70 per cent of young people with tertiary education will come from non-OECD G20 countries by 2030 (OECD, 2015). This growth is reflected in the growing number of universities, rising from around 12,000 in 1997 to 19,400 in 2019.

However, participation remains dramatically unequal with the gross enrolment ratio at tertiary level ranging from an average of 8 per cent in sub-Saharan Africa, which has seen massive growth in a short period, to 75 per cent in Europe and North America (O’Malley, 2019). The implications of
this growth — and its trajectories — for who and how much to finance the sector are evident.

Countries around the world grapple with funding their higher learning institutions adequately and efficiently. From countries like Chile, the Philippines, South Africa and the United States, where graduated students often remain highly indebted long after they complete their studies (Gayardon, 2019) — student loans in the United States stand around 1.7 trillion USD (Federal Reserve Bank, 2020) — passing through mix functioning as Romania or Vietnam (Altbach et al., 2021) to heavy social welfare states in Scandinavia (Buchholz, 2021; Myklebust, 2018) to South Korea — which has recorded phenomenal economic growth but faces declining population outlook (Douglas, 2020) — all struggle in their strategies to meet the funding needs of their higher education systems in a context of expansion.

The cases above show that there is a wide range of combinations where different mixtures of public and private funding coexist. The extent of the funding challenge for the sector varies greatly, but it is still controversial everywhere, as it corresponds to a policy arena where the struggle for the enforcement of a rights-based policy perspective collides with the limited fiscal capacity of States, particularly in the Global South. Advancing in the accessibility and success in higher education has become a key imperative for development, but also crucial to ensure the right to higher education throughout life. From both a capability (Sen, 1991) and a lifelong learning (UIL, 2020) perspectives, higher education funding and financing at the service of quality, equity, and inclusion are becoming nowadays more critical and relevant than ever, particularly to promote people’s opportunities to achieve well-being and accomplish the pledge of the 2030 Agenda for Sustainable Development: leave no one behind.
02.

Funding higher education
Financing higher education is a highly contentious issue (Woodhall, 2007) and is not just an economic and financial phenomenon but also a historical (Carnoy et al., 2014), social, ideological and demographic one as well. It is posited here that access, equity, and quality are, at least partly, the function of funding and financing, though money is not a panacea to all the challenges that the sector faces. Enhancing access and advancing equity are enormously intricate to achieve, even with ample resources as they also depend on other disparate factors such as geographical dynamics (rural vs urban), social capital and cultural context, among others.

### 2.1. Access as a function of funding

Access to higher education is strongly, though not exclusively, a function of funding. Countries with advanced economies have the highest rate of access to tertiary education. On the account of Trow’s (1973) enrolment taxonomy, these countries exhibit universal access—which intimates more than 50 per cent enrolment rate of the age cohort in the sector. Most emerging and developing countries, on the other hand, are yet to move from the elite and mass access. For instance, enrolment rates in Africa still hover under 10 per cent, with some countries in Sub-Saharan Africa experiencing rates as low as 4 per cent.

The last decade has seen huge expansion of the higher education sector — in virtually all countries in the world, especially developing and emerging countries. For instance, in two decades enrolments in Ethiopia has exploded from some 50,000 to over a million (MOSHE, n.d.); in Brazil total enrolment has seen growth from 2.7 million students at the undergraduate level in 2000 trebling to 8 million in 2015 (INEP, 2000, 2015 in Balbachevsky and Sampaio, (2017); by 1965, India enrolled 1.9 million students; in 2014-15, it reported 35 million (Agarwal, 2017). Both public and private resources have been deployed to finance the expanding sector.

Coping with the staggering demand certainly requires sustained financial efforts that in most cases come from a combination of public and private sources. However, if higher education is to be treated as a universal human right and a public good, States should be responsible for enforcing the right to higher education (Gayardon, 2019). Following that line of thought, in the public domain, national, regional, and local governments have earmarked massive funding to cater to the expansion. They disburse resources generated from national and external sources to public institutions based on prevailing public policies governing funding higher education. In countries like Colombia, India, Brazil, and the US, they also cater to private institutions by extending or guaranteeing student loans or paying tuition fees through national scholarships or further financial mechanisms. The extent of resources of governments to expand access — both publicly as well as privately — remains largely contingent upon the extent of the revenue base at their disposal.

On the other hand, in many countries private provision of higher learning has been largely sustained through funding generated by non-state actors — typically students and parents. Governments have also played an important role either directly through loan provision or indirectly through loan guaranteeing the sector. These private institutions account, on average, some 20 per cent of enrolment in Africa (Tamrat and Teferra, 2018), 42 per cent in Asia (Bothwell, 2018) and 50 per cent in Latin America and the Caribbean (Ferreira et al., 2017) with great disparity between countries.

Africa, Asia, and Latin America have experienced a significant growth of the private HED sector since the funding allocated to the public system could no longer meet an exploding demand. The expansion of the private pro-
providers took a ride on the back of the liberalization of the global economy. Nonetheless, it must be stressed that these liberalization policies carried significant market failures leading to a negative impact in terms of equity and the quality of the higher education service (Moreno et al., 2020). Therefore, many countries have established regulations and quality assurance mechanisms to ensuring minimum quality standards for an expanding sector while preventing scamming practices contrary to the conceptualization of higher education as a fundamental human right (Pedró, 2022).

Box 1. Financing access in Latin America and the Caribbean

In many countries in the region including Argentina, Bolivia, Brazil, Ecuador, and Uruguay public HED institutions are tuition free but great differences exist. In Brazil, Ecuador and El Salvador free tuition, scholarships and accommodation are awarded selectively on the account of high performance, low-income, and/or social marginality (economic hardship, disability) among others. In the rest of the countries in the region public institutions do charge tuition but they have implemented a wide range of public financial mechanisms to ensure the right to higher education. For example, the path towards universal access, has been stressed in the latest higher education reforms of countries like Chile (2018) and Mexico (2022). Although the implementation of the reform remains to be seen in the Mexican case, Chile established a national policy to finance tuition fees of 60 per cent of students from households with the lowest economic income, which covered a total of 440,000 students during 2021 (Subsecretaría de Educación Superior de Chile, 2021).

Further financial mechanisms such as student loans have a highly heterogeneous adoption among the different countries across the region. For instance, Argentina, Bolivia, Guatemala, Mexico, Paraguay and Uruguay do not provide any kind of student loans targeting public HEIs. However, in Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador and Peru, student loans to both public and private HEIs are available with favorable terms and dedicated to those in the marginal income groups and other criteria and guaranteed by the government. It is interesting to note that the interest on loans is required to be paid while studying in the case of Dominican Republic, whereas other countries expect the repayment after the completion of studies.
2.2. Equity as a function of funding

In large parts of the world, inequities in HED are deeply entrenched. There is no illusion that expansion on and by itself would immediately lead to providing HED access to different underrepresented social groups, less so a good quality one. These inequities based on race, ethnicity, gender, social class, disability, and religion, are rampant around the world with social, cultural, educational, and economic implications and manifestations on HED. Unless catered to, inequities in HED have a cascading effect on sustaining social and economic disparities in society.

Despite the massive enrolment growth, Africa still registers a gross enrolment ratio of less than 10 per cent of the cohort age group which effectively makes it an elite system, according to Trow’s (1973) taxonomy. HED systems in Africa are not only unequal across countries and sub-regions, but also massively inequitable (Darvas et al., 2014). The main areas of inequities are associated with economic status, gender, and origin (urban/rural). Furthermore, students from the wealthiest households occupy over 50 per cent of tertiary education spaces in 3/4 of African countries, while young from the top two wealth quintiles fill nearly 80 per cent of tertiary spaces. Individuals from the poorest households are five times less likely than those from the wealthiest households to have access to university education. As a result, in most African countries, the total Gross Enrolment Ratio (GER) in postsecondary education is heavily influenced by the GER of the highest income quintile.

Similar inequity patterns are also evident in Latin America and the Caribbean where efforts to promote equity — by advancing indigenous communities through HED — have been recorded. In this region, the decade beginning in 2000 was characterized by the creation of institutions and programmes of HED aimed at equity deserving groups, particularly indigenous populations. They were justified by the fact that these populations have been historically marginalized from the higher education systems and usually combine the lack of education with deficits in average access to all other services of social wellbeing. A central innovation in the sub-continent consisted of opening institutions and programmes of HED aimed at vulnerable populations due to insufficient income, restricted access to welfare services and/or ethnic origin (Aupetit, 2015). These equity-driven policies are reflected in the creation of intercultural universities in countries like Colombia and Mexico, which tend to integrate factors such as the cultural legacy of the indigenous communities and their native language into the curriculum (Mato, 2018). Further efforts to democratize access to equity deserving groups include the approval of quotas in Brazil (Balán, 2017) or the Colombian national scholarship schemes based on public funding and focused on equity deserving groups (León and Holguín, 2004).

Similarly, in Asia, socially marginalized communities are recognized by governments which make efforts to cater to their needs. In India for instance, the Dalits caste, who are at the lowest rung of the social class in the nation, are officially recognized and the government has accordingly put in place policies and measures to address inequities, among others through affirmative actions, reserving seats in public institutions. In Philippines, which also grapples with similar social inequities, Talue (2014) notes the interest to advance equity as the government wrestles with maintaining excellence within the confines of existing funding schemes for the sector, further establishing the implications of funding for equity.

It is often noted that one of the best ways of addressing social inequities is by empowering such members of society through the provision of HED as it is widely credited for social advancement. But this requires strategic and sustained interventions to redress existing inequities through directed and dedicated programmes for these groups. The provision of meaningful access to underrepresented social groups or socially excluded groups
demands a robust funding public policy to support and sustain it. Among the key provisions, free tuition, free accommodation, free medical care, free meals, and other amenities are imperative. Even then, such provisions may not even be sufficient for these students, as they may still need further support academically (through mediation programmes), financially (transport, clothing), and emotionally (induction and enculturation). However, such provisions have been progressively curtailed in many countries with increasing shift of costs and expenses towards students and parents as well as imposition of tuition and other fees. These developments have a chilling effect not simply on these well identified socially and economically marginalized classes but even the middle class as witnessed in China, for instance.

Therefore, expanding access through sustained equity advancement — in race, ethnicity, gender, social class, disability, and others — deems necessary a robust and favourable policy with heavy financial State commitments. That is why advancing and sustaining equity in HED is a function of funding.

Access and equity may not mean much without quality, and quality of HED is a function of, and dependent on, the extent and nature of funding. Much of the world has seen huge growth of the HED sector without the appropriate resources and commensurate funding. In Africa, where phenomenal growth has been recorded and expansion of access has been hailed as a success, the grim realities of its quality cloud these achievements. In this massive growth, classrooms, labs, libraries, and dormitories designed and developed for a few have been subjected to accommodate hundreds — and in some cases thousands — of students. Growth and expansion without quality concerns and the requisite human and infrastructure facilities (Mohamedbhai, 2014; Shabani, Okebukola and Oyewole, 2014).

Academic and professional staff recruitment have not kept pace — and in fact, with largely unattractive and increasingly relatively meagre salaries, academics turned into moonlighting or many either fully or partially abandoned academia altogether or simply migrated — draining talent from the system (Oanda and Obonyo, 2021; Teferra, 2013). As enrolments in the system have grown exponentially, the quality of delivery — and reception — in teaching and learning has suffered precipitously. Massive expansion meant that class sizes ballooned, academics overstretched, resources (for labs, libraries) declined, activities trimmed, and facilities deteriorated — creating a perfect storm for quality crisis (Teferra, 2015).

In Asia as well, several countries have recorded massive enrolment growth. China and India, the two countries with the highest enrolments in HED in the world, hugely contribute to this growth. For instance, in China, the HED sector faced tension between finance and quality in adequately responding to the huge demand for HED from individuals and society (Fengliang, 2012). The situation is no different in India. The rapid growth of the HED system in the country (Agarwal 2017; University Grants Commission, 2012), has raised concerns about the quality of education offered by the nation’s institutions. These and other reports document issues of quality that have accompanied the rapid growth and the insufficient quality of the majority of institutions, according to Daugherty, Miller, Dossani, and Clifford (2013) and Varghese (2004).

Countries in Southeast Asia are also grappling with HED massification. Middle-income countries — such as Indonesia, Malaysia, and Thailand — have expressed concerns about providing quality education in all, or at least more, institutions. In low-income countries in this sub-continent, questions related to massification are even more focused on quality control (Songkao and Yeong, 2016).
Therefore, expanding access through sustained equity advancement — in race, ethnicity, gender, social class, disability, and others — deems necessary a robust and favourable policy with heavy financial State commitments. That is why advancing and sustaining equity in HED is a function of funding.

In sum, massive enrolment in the world, without commensurate public investment, has not come without impacting quality. And yet, even more growth in many parts of the world, especially developing and emerging countries, is anticipated. These regions, which are already struggling to fund HED, and yet anticipating huge growth, may face even more serious quality issues. The commitment to quality HED necessitates innovative arrangements to financing the burgeoning sector while States struggle to become stronger fiscally and financially. These innovations may include developing inclusive funding policies as well as advancing new technological and relevant pedagogical deliveries for expanding access while striving to enhancing quality. And yet, they have to be considered as transitional measures on the road towards more State involvement in HED funding.
03.

Models of higher education funding
Underlying social, political, ideological, economic, demographic, and historical realities explain why countries have so many different policy approaches to higher education financing. A wide range of models and formulae exist but almost all national systems rely on a combination of funding coming from state and nonstate sources. All models involving both private and public participation have nuances and intrinsic challenges to be considered, which is why no international consensus regarding an ideal balance has been reached. The following paragraphs summarize the key features of these models.

### 3.1. Public funding

Having the right to higher education as a guiding principle, 81 nations worldwide offer free tuition to higher education in publicly funded institutions, whereas only five countries, namely Norway, Finland, Germany, Argentina, and Cuba guarantee universal access (Gayardon, 2019). As the demand for accessing higher education explodes, the costs of maintaining a tuition free system increase proportionally. Often, HED expenditures supported by heavy taxation systems or have selective entry barriers due to the limited places available that cannot fully accommodate a staggering student demand (Usher and Burroughs, 2018). Yet it is without dispute that, under those circumstances, students coming from disadvantaged socioeconomic backgrounds lack the same opportunities of access due to their often comparatively lower academic preparation (if, for example, the well-off students can afford extracurricular activities such as additional language courses or private tutors), reducing their chances to capitalize the benefits of a free tuition system (Gayardon, 2019).

Besides the abolition of tuition, public funding mechanisms traditionally range from policies offering tax incentives to a combination of grants and loans provided based on equity and merit (UNESCO IESALC, 2021). Tackling the financial constraints associated with entry barriers represents an essential step towards ensuring the right to higher education, but by no means guarantees it (Gayardon, 2019). Further financial efforts are necessary to ensure student success through complementary services like psycho-pedagogical support and optional levelling courses to reduce the risk of dropout (Suárez-Montes, 2015).

Some recent developments in countries with a primarily public provision of higher education, where universities have stable public funding, include elements of competition for additional funding, typically linked to research projects, and conditional funding based on compliance with institutional quality benchmarks or reforms. For example, France’s program ‘Investing for the Future’, a system of public calls for institutional excellence projects highly selective in their budget allocation, whose main goal is to contribute to the international competitiveness of French universities (Suárez-Montes & Díaz-Subieta, 2015).

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1. Programme d’investissements d’avenir (PIA).
3.2. Private funding

On the other side of the spectrum, the increasing burden on national budgets over the last decades has led to a global trend aimed at diversifying the revenue sources of HEIs as a strategic priority, leading to a higher degree of privatization and higher tuition fees (Altbach et al., 2021). In the private sector, the sources of funding span from cost-sharing mechanisms involving non-state actors (students and parents) and faith-based organizations to governments extending tuition fees in public institutions and offering loans to partly shift the cost of HED to non-state actors.

The manifestations and the practices of cost sharing have taken multiple forms around the world, tuition fees being the most prevalent. Yet, as tuition fees rise, so does the opportunity cost for students who acquire traditional student loans that in practice secure access to the higher education system but also lead to disproportionally indebted graduates; perhaps the prominent case of student debt acquisition is in the US where student graduated debt reached on average USD 40,000 in 2020 to finance a college education (Gravely, 2021) while the average in the OECD countries varies between USD 2,000 to over USD 15,000 (OECD, 2018). Therefore, the trend of increasing cost-sharing adoption to cope with the burgeoning demand may arguably lead to deepening inequalities and the perpetuation of rivalry and exclusion in higher education.

3.3. Mixed funding systems

As higher education evolves and demand increases, it is rare to find nations with a higher education funding system purely based on private or public sources, since most rely on a mixed model for their provision (Altbach et al., 2021). While new trends such as the role of private participation are growing, innovative financial mechanisms focused on supporting the principle of leaving no one behind are emerging. Although these mechanisms contribute towards more equitable, diverse, and affordable systems (UNESCO, 2017) they do not guarantee the right to higher education, which is a pillar moving forward, and should therefore be regarded as transitory mechanism towards more public investment in the sector. The following section presents a compilation of some of these newly established funding mechanisms.

**Tax incentives.** In some European countries such as France and Belgium, tax benefits for families with children enrolled in higher education are leveraged by the governments as an economic incentive to increase the participation of youth in the sector (European Commission, EACEA and Eurydice, 2014). Usually, these financial mechanisms tend to be conditional to the income level of each household and place age restrictions to promote a rapid transition from the secondary education level to higher education.

**Loans contingent on future income.** As a measure to provide access in higher education systems with high tuition fees without generating unaffordable debt to students, countries such as Australia and the United States have implemented lines of credit repayable after graduation and contingent upon a share of future earnings. In Colombia, the Ministry of Education through the ICTEX programme provides various forms of financing during and after studies considering different interest rates and considering employment status. Similarly, the government of Thailand offers a contingent loan with a flat repayment rate burdening 3 per cent of men and 5 per cent of women’s future monthly salaries, which is lower than the 8-15 per cent global average (UNESCO, 2017).
**Income targeted free tuition.** This financial mechanism was first implemented in the United Kingdom in the late 90’s, and then implemented in Canada and Chile. It provides free tuition to students from low and middle-income groups. Income targeted free tuition arises as a cost-effective alternative to universal access, which may place an unfeasible financial burden over some national budgets (Usher, 2017).

One final perspective worth considering when analysing public higher education funding is their political sustainability. Although at first sight targeted measures (benefiting only those of lower income, for example) would be expected to contribute to equity more than universal measures (benefiting both haves and have nots), authors like Korpi and Palme (1998) have argued that there is a ‘redistribution paradox’ by which countries with universal public services end up being more redistributive than those functioning on a means testing basis. This would be due to a higher buy in by the middle class, who would see those universal services as benefiting them as well, and not only as a transfer from their taxes to someone else, being therefore more willing to support the higher taxation levels that the system requires. Furthermore, universal systems can benefit from three key efficiency factors: economies of scale (from procurement to admissions management, for example), reduced administrative costs (particularly in tuition fees management and on reduced incentives for high marketing budgets) and common salary scales (when government guidelines establish the framework of academic and non-academic personnel’s salary, therefore preventing – or at least moderating – any bidding competition for in-demand professionals).

**Box 2. The shift towards increasing private participation and cost sharing in Africa**

Until two decades ago, African HE had been a fully public enterprise with free tuition, free accommodation, grants, and full scholarships to all—owing to the small size of the sector. In the last decade, African countries have committed enormous amounts of public resources to meet the massive enrolment growth that the sector entertained. New institutions have been built from scratch; in most cases, existing ones had to be expanded, refurbished, and refitted.

However, over the years, and more so with the “massification” of the system, many countries have shifted away from the generous provisions that had characterized the sector. In several countries grants and unqualified scholarships as well as free tuition have been curtailed or scrapped altogether. In many countries, tuition fees have been introduced typically with exemptions based on academic merit and other social parameters.

Furthermore, the escalating cost of HE and the simultaneous decline of public support per capita to keep up with growth have been such that numerous initiatives to mobilize resources — both externally and internally — have been pursued. For instance, in Nigeria and Ghana HED trust funds have been established that are fuelled by corporate and common taxes. The Cadetship Scheme in Zimbabwe, a funding model for students in need, is another modality worthy of mention.

In the private sector, in virtually all countries in Africa, governments do not extend subsidies in tuition fees or student loans to those students in these institutions. Government subsidized, guaranteed or bank sanctioned student loans for those studying in private institutions are a rarity.
04.

What are the main trends in higher education investment in the world regions?
Categorizing the various funding models can aid in identifying commonalities and comparing policies; nevertheless, even among countries with comparable funding structures, political and socioeconomic situations can lead to significant variances. To illustrate this variation, the following graphs show how a global sample of countries can be compared using two measures of higher education funding accessible across regions: initial government and household expenditure per tertiary education student (in constant price buy parity dollars), and government expenditure in higher education as a share of GDP. From 2015 through 2020, all countries with at least one year of data were included.

The following figure shows the cost of higher education for government and students in different countries, colour coded by world regions. We can appreciate a lack of clear trends, as countries within the same region vary widely in the weight given to public and private contributors to the funding of the higher education system. However, in most countries in this figure, the government provides greater funds than the families of the students. Only in Albania, El Salvador, Nepal and Peru the families spend a greater amount per student than the government. By contrast, in countries like Belgium the government spends 33 times more than the households, way above the global average of 7.8 times more. This average varies considerably across regions, from 10.6 in Europe and North America to 1.9 in Latin America and the Caribbean and 2.1 in Asia (where only five territories had comparable recent data). Furthermore, even within regions we can see wide differences, which we can link to the respective funding models. For example, the United States and Australia have 1.6 and 1.9 times more government funding while for Canada and New Zealand this ratio raises to 6 and 16.1 times respectively.

Figure 1. Government and household funding per tertiary education student, in constant PPP$ (most recent year per country)

Source. UNESCO Institute for Statistics.

Note. The data for each country corresponds to the most recent year within the period 2015-2020, with data for both indicators. No Arab country and only two countries from Sub-Saharan Africa had available data.

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2. For the countries with available data, which do not represent the different world regions proportionally (Europe is overrepresented, for example).
The variation within and between regions of the weight that the government expenditure on tertiary education has in the national GDP can be appreciated in the following figure. The box plot shows how, for the 115 countries and territories with available information, Asia has the lowest average relative public investment in tertiary education\(^3\), while Europe and North America have the highest.

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3. For the Pacific region, Australia and New Zealand's shares are closer to those of European countries.
Additionally, some key indicators can help us contextualize the efforts that countries are making in higher education funding relative to their economy, population and student population. If we take the ratio between government expenditure in tertiary education per student (PPPS) and GDP per capita (PPP constant 2011 international $), we obtain a measure of the public investment on the average student compared to the economic activity attributed to the average citizen. The following figure illustrates how, in a clear contrast with the previous one, we can observe that African governments are investing in each higher education student a considerably higher share of the country’s wealth per capita. Interestingly, there are even some African countries (i.e., Niger, Burkina Faso, Mali, Senegal) in which the investment per student is higher than the GDP per capita, which means that on average it would take the wealth of several citizens to fund one student’s higher education, an illustrative example of the financial challenges that lower income countries face in their path towards universal access and the unfortunate scenario in much of Africa where those from higher income bracket dominate the public sector. All other regions had reasonably similar ratios on this aspect.

We can also obtain the same ratio but this time using household expenditure instead of government expenditure. As already explained in figure 1, figure 4 shows how government expenditure per student is higher than that of households for most countries. Comparing regions, Europe and North America have a clearly higher distance between both expenditures, with the household one being the lowest of all regions in Europe and North America, which has also the highest average enrolment ratio. It is worth noting that this region achieves its higher enrolment with only a moderately higher government expenditure and significantly lower household expenditure than Latin America and the Caribbean and Asia-Pacific.

**Figure 4. Ratio between government expenditure in tertiary education per student and GDP per capita. Gross enrolment ratio in tertiary education (2015-2020 average for all variables)**

Source. UNESCO Institute for Statistics.

**Note.** A total of 99 countries and territories had available data for government expenditure and enrolment ratio (with between 15 and 44 countries per region), though only 45 had it for household expenditure (with only two in Africa). Arab countries were not included as a region since only one country had available data.
05. Optimizing public investment in HED
While the availability of funding to be committed to higher education and its outcomes (effectiveness) was discussed in the preceding section, another major subject in higher education funding is the efficiency with which these outcomes are attained. However, depending on what function of higher education funding a country intends to optimize; in other words, what is the outcome that the funding formula should maximize, this theme is treated in a variety of ways. Countries that aim to ‘optimize’ their higher education system by focusing solely on access risk overlooking quality, and vice versa. As a result, equity can be seen as a necessary component of both other aims, such as truly universal access to higher education, and the defining of excellence at the sector level. An approach to policy formulation and implementation based on human rights might serve as a unifying benchmark for these overlapping components of higher education (UNSDG, 2003, 2019, n.d.). The degree to which higher education finance optimization can permit the effective exercise of human rights can thus be represented. Human rights can and should be quantified, starting with the immediate right to education and progressing to the extent that education facilitates access to other rights, such as access to economic opportunities or training (OHCHR, 2012).

However, optimizing public investments in higher education can only be as effective as the metrics used to fine-tune them. Thus, when we speak about maximizing the contribution of higher education to the practice of other human rights, we want indicators. However, the most frequently used indicators are frequently limited to the inputs, access, and immediate outputs of higher education (financial and human resources, enrolment, and graduation), occasionally disaggregated to account for inequalities, and occasionally supplemented with process indicators such as progression and dropout rates, or coverage by quality assurance mechanisms. While all of these are critical indicators, many countries lack systematic impact indicators, such as graduates’ employment status (unemployment, overqualification, underqualification, informal economy employment, entrepreneurship, etc.), average income, or inclusion and active participation in society. According to a UNESCO-IESALC research published in 2022, only 25 of 66 countries surveyed used impact indicators as a standard for higher education policy planning. While this does not preclude the existence of comparable indicators in other sectoral publications, it does demonstrate which benchmarks are considered in the high-level planning agenda and which are missing.

After establishing proper impact indicators that correlate with the successful exercise of human rights, we can begin calculating the efficiency of higher education funding. For example, if two countries spend the same amount of money per capita (in purchasing power parity terms), have comparable high school graduation rates, and other macroeconomic and demographic indicators, but one has a higher rate of graduates from higher education, we can conclude that its higher education system is more efficient in providing education, but not necessarily in providing the right to education. According to Article 26.1 of the Universal Declaration of Human Rights, ‘higher education shall be equally available to all on the basis of merit,’ where the core of the right is its availability for all in equitable conditions, not the actual enrolment of all or most.

Thus, a country interested in quantifying this right may wish to survey high school students and inquire whether they are considering enrolling in higher education and, if not, why not. If a significant per centage of students are unable to attend due to financial, legal, or cultural constraints, for example, their right to higher education is jeopardized, regardless of whether the country has a high or low total enrolment rate. The consequences for a rights-based funding strategy could include overcoming financial hurdles to enrolment for people who wish to join but are unable to, regardless of any gross enrolment rate targets. Even in the absence of surveys, substantial discrepancies in enrolment rates for specific demographic groups reveal comparable constraints (by gender, ethnicity, income level, etc.). For instance, if 80 out of 100 high school graduates wish to enrol in higher education but only 20 do so due to financial constraints and another 20 drop out for similar reasons, we would have a 50 per cent effective coverage of the right to higher education.
In addition, the contribution of higher education to other rights, such as the right to work, can be quantified using the idea of educational relevance. If 10 per cent of those who enrol in a given country do not complete their studies and their partial completion is not recognized by the labour market, 10 per cent are unemployed after graduation, and 10 per cent end up working in fields unrelated to their degree or that did not require a degree to begin with, 30 per cent of the investment in higher education teaching would have been inefficient (leaving aside the research and community engagement functions of the sector). That is not to argue that the benefits would have been negligible for those who got the same degree of education and used it to pursue economic and personal development opportunities. For instance, Spain’s National Institute of Statistics (INE, 2019) polled recent tertiary education graduates (2013–2014) regarding their work position, disaggregating the responses by program. While 86.1 per cent of respondents were employed at the time (not unemployed or inactive), 14.2 per cent worked in unrelated fields and 10.3 per cent worked in jobs that did not require any studies, resulting in an effective 65 per cent of tertiary education graduates finding work at least partially because of their studies. This number varied significantly by field of study, ranging from 82 per cent in health sciences to 42 per cent in arts and humanities, with variances much greater when comparing programs. In general, programs with a high unemployment rate also had a higher proportion of graduates working in unrelated industries, implying that these job transitions were, on average, more directly related to a lack of options than to a change in personal preferences. Another interesting example of relevant data collection which could be used for prioritizing public funding in higher education is Australia’s Longitudinal Survey of Australian Youth, managed by the National Centre for Vocational Education Research. It identified several ‘future-focused clusters’, fields of employment that were associated with faster transitions into full time employment and a projected lower impact of automation. It also identified by how much certain concrete skills (from communication or team work to job application skills) would increase the average time needed to find full time work (FYA, 2018).
While having the appropriate indicators permits more accurate evaluation, it does not guarantee optimal investment in higher education. Human capital development needs compete with other development goals for political attention and funding, and higher education institutions compete between them – even within the public sector – for students and funding. This can lead to misalignments between demand and supply of higher education, lowering the long-term impact potential of the sector for a nation’s development (Becker, 1960, 1962, 1964).

As established in the preceding section, the right to education – which includes the right to higher education – translates into a mandate for every government to ensure its implementation. However, progress has historically been constrained, among other things, by two critical finance constraints: insufficient public money and unequal distribution of private funding. The first has frequently been justified by the government’s inability to provide adequate income; the second, by being a question of human choice ((Usher & Burroughs, 2018). Nonetheless, the State should have the ability to overcome both constraints.

To begin, short-term fiscal constraints on government spending are frequently regarded as current expenditures rather than as investments. While this is a current expense from an accounting standpoint and within the context of annual budgetary planning, it fails to project the additional economic activity generated by expanded human capital, as well as the greater revenue generated by it. While these estimates are always vulnerable to inaccuracy, decades of progress across continents have provided sufficient information to validate the investment strategy. And, conversely, the cost of opportunity associated with not meeting all demand for higher education with an appropriate offer may and should be assessed as a reduction in future development and the related loss of revenue for the State (Altbach, 2009). For decades, investment in primary and secondary education has been prioritized appropriately in the developing world; however, higher education has frequently been relegated to individual investment choices, ignoring its critical role in training the very professionals who will enable all other aspects of development to be possible, from primary and secondary school to healthcare and the economic growth necessary to fund those services.

Another significant impediment to optimizing higher education spending is a lack of coordinated strategic planning. Individual and institutional rational choice do not result in an efficient match of supply and demand, as evidenced by a private sector-led massification of higher education in various nations. Not only wealthy countries, but also middle-income countries, have a large offer of programs with insufficient demand in the labour market, while other degrees have insufficient graduates to meet national demands. This can be attributed to a variety of factors, depending on national
contexts, ranging from cultural perceptions of the status associated with specific programs to insufficient studies and career counselling in high school, and, perhaps more systematically, the trend among many higher education institutions – particularly private for-profit institutions, though not exclusively – to prioritize programs that are easier and less expensive to provide, such as social sciences and humanities.

While all investments in higher education are favourable in general, this does not mean that each investment will yield the same results for the person and society. In an environment of competing financial objectives and opportunity costs, the state's role in organizing the nation's resources toward optimizing higher education investment is critical. This can and does take a variety of forms, depending on the national context, ranging from direct provision through public universities to subsidized scholarships or soft credits to help students pay for tuition at private institutions, as well as a variety of hybrid arrangements. In either instance, the state is always capable of manipulating programs whether they are in greater demand on the labour market or are expected to play a critical part in the country's growth goals for strategic reasons. Of course, no labour market estimate or forecast is ever perfect, but financing decisions based on limited forecasting are always preferable to those made without forecasting at all.
06.
The role of international development partnerships in higher education
While the funding options for higher education are diverse and the formula for financing higher education is defined by each country's unique context and structural demands, securing the right to higher education requires persistent financial commitments. However, in the case of least developed countries, a lack of human capital, corporate capital, infrastructure, natural capital, and public institutional capital may make it more difficult to acquire adequate cash domestically (Sachs, 2005). International aid can supplement national budgets as an external financial injection to finance development projects within recipient nations exactly in cases where internal funding is insufficient. International development partnerships can supplement national budgets as an external financial injection to finance development projects within partner/needy nations exactly in cases where internal funding is insufficient.

Integrating higher education into the global agenda discourse is critical for fostering collaboration and establishing a consensus on the critical nature of viewing higher education as a public benefit. Accomplishing the SDG Agenda will require large financial resources, and in the past, Official Development Assistance (ODA) has been regarded as a policy tool used by the international community to provide money for development in Global South countries (Deaton, 2013). Thus, given its ability to act as a catalyst for economic and human growth, ODA has been a vital component of the contemporary international development narrative. In the context of education, ODA is typically directed toward expanding access, promoting lifelong learning, and ensuring equal opportunity for everyone through financial support for programs that would not be performed otherwise due to budget restrictions (Michaelowa and Weber, 2007).

ODA focused on education aims to expand access, opportunity for everybody, and lifelong learning (Michaelowa and Weber, 2007; Fredriksen, 2010), furthermore, ODA could contribute to develop human and business capital, infrastructure, public institutional capital, to confront structural hurdles. Over the last decades, the total amount of external funds flowing into the education systems of developing economies has experienced a substantial increase, almost tripling from USD 4.86 billion in 2002 to its historic 2019 peak of USD 14.34 billion. A breakdown of those figures by the different education levels shows that the support to higher education is being prioritized since its current share accounts for 37 per cent (USD 5.28 billion) of the total resources given to the aggregated education sector. In terms of the distribution of financial resources, higher education is currently followed by the primary education level (26 per cent) and upper-secondary with 14 per cent.

Following an equity and social justice approach, most of the international aid funds should, in theory, flow to nations with the most significant human development needs and the largest structural constraints to raise capital from domestic sources (Guillamont, 2008). However, data shows important nuances in this regard. Although the financial resources allocated to the higher education systems of low-income countries (LICs) doubled within the 2014-2019 period, the allocation of international aid is skewed towards lower-middle income (LMIC) and upper-middle income (UMIC) countries that receive over 70 per cent of all the HED funds disbursed in 2019. Such a trend reflects a disconnect with the fundamental mission of leaving no one behind, as well as the concept of ODA as a development catalyst and a policy tool to equalize opportunities worldwide.

The regional analysis of the financial flows also reveals a similar trend. Although the African region has the lowest human development indicators and is experiencing massive population growth that will heavily influence the demand for higher education access during the next decades, share of HED aid received by these countries has been stagnant since 2008 at around 28 per cent. Yet, Asia has been the top recipient since 2003 with an historic
Despite the surgical role of ODA in the higher education subsector, the debate among sector stakeholders has remained on the periphery of the international cooperation agenda. According to the OECD’s Credit Reporting System (CRS), higher education aid is mostly used to fund scholarships in donor nations (tuition fees and training) and imputed student costs (living costs and expenses). This means that the aid that enters the receiving country, at the very least in the form of scholarships, is received in the form of human capital that benefits from the internationalization of higher education if the student completes the program and returns home.

Target 4b falls under SDG 4, ‘ensure inclusive and quality education for all and promote lifelong learning’. ODA in higher education could contribute to enrolment figures and the developing world by ensuring equal access to affordable, high-quality higher education for women and men, as well as equity-deserving groups (under-served students).

Despite this potential, many have questioned how affluent countries have failed to adequately fund higher education assistance programs in countries that could meaningfully benefit from such initiatives (Thornton, 2015). It is critical to maintain enhanced support for higher education. Nonetheless, collaboration amongst states (donors, recipients, and stakeholders) to promote finance as a lever for equitable improvement has been patchy. Multiplying chances for the poorest and most vulnerable involves multilateral cooperation at various and multiple levels, fostering North-South, South-South, and East-West cooperation, and adopting a student-centred strategy rather than a country-centred approach (Balfour, 2016; Thornton, 2015).

6.2. With an eye toward 2030 and beyond, ODA can be used to increase equity

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4. Target 4.b. By 2020, substantially expand globally the number of scholarships available to developing countries, least developed countries, small island developing States and African countries, for enrolment in higher education, including vocational training and information and communications technology, technical, engineering, and scientific programmes, in developed countries and other developing countries.
Within the vast ocean of existing scholarship awarding mechanisms, ODA-related programs seek to optimize the following objectives: (i) to contribute to national public diplomacy and influence; ii) to foster collaboration not only within the education sector but also in trade, politics, and the economy; iii) to consolidate the donor’s position as a centre of excellence for higher education; iii) to strengthen national capability through scholar exchange; and iv) to foster the development of human capital in developing countries (Norrag, 2011).

These objectives demonstrate that aid to higher education creates significant returns for donor countries, generating the chance that aid concentrates in countries that serve the donors’ private interests (Balfour, 2016) and the promotion and of the donor country’s soft power since they invest in future leaders (Hart, 2016) and contributes towards recipient nations' human capital development.

To keep private interests separate from those of donor countries and to increase participation rates while maintaining equity, and in accordance with globally agreed development principles, such as the Paris Declaration on Aid Effectiveness (in 2005), the Accra Agenda for Action (in 2008), and the Addis Ababa Action Agenda (in 2015), as well as development goals, such as the Sustainable Development Goals (in 2015), this document calls for the establishment of an international fund that can address funding shortfalls in developing countries, with emphasis on those mentioned in the target 4b: least developed countries, small island developing States, African countries and low-income countries.

Numerous funding mechanisms have been mentioned throughout the conversation. The proposed scheme seeks to reduce political interest in donor countries and potential means to integrate recipients’ needs and leverage medium- and long-term programmatic interventions, restoring the imbalances at an international and local level.

From a social justice standpoint, the scheme envisions its operation as student-centred, in contrast to the present pattern of international aid, which places a premium on the number of recipients rather than the money flows available for scholarships. This fund’s aim will be to provide scholarships to students from nations that meet particular criteria for their higher education system.

Already, the international community relies on effective mechanisms for collecting donations for certain target populations. UNHCR and UNICEF rely on a variety of financing sources, including voluntary contributions from countries, multilateral organizations, foundations, the commercial sector, and individuals. A similar strategy might be used to operate a scholarship fund to ensure access to higher education, focusing a major source of cash to support the right to higher education in nations with the greatest human development needs.
The United Nations High Commissioner for Refugees (UNHCR) administers a scholarship program for refugees. The Albert Einstein German Academic Refugee Initiative (DAFI) provides opportunities for academically bright young refugees to pursue a university degree or higher education. By 2020, the program's attrition rate was expected to be less than 2 per cent. The program covers tuition and related costs (housing, transport, and food). According to UNHCR (2022), the average annual cost of a scholarship was USD 3200. International funding for higher education specifically designated for scholarships was USD 3.72 billion; based on the UNHCR's average cost, this equates to 1.185.000 benefiting students.

However, it is well established that international help in higher education, in addition to scholarships, comprises project-based intervention and technical assistance, which includes short- to medium-term projects with recipient nations and the exchange of scholars. Considering the current distribution of international aid to higher education, one could wonder how the remaining 28 per cent of ODA could be absorbed into this new arrangement. Competitive funds promoting North-South, South-South, and East-West collaboration may be considered for financing for this purpose. Institutions of higher education may submit competitive grant proposals on a variety of themes or topics that contribute to the strengthening of their higher education systems.

This approach surely raises a slew of issues; among the big unknowns is how to channel global efforts toward standardizing the criteria and identifying the kind of activities suitable for earmarking. A weighting system may be designed for this purpose to examine resource allocation according to several variables, such as population, the size of the higher education system, or the Gini index, while also taking the local environment into account. This discussion must inevitably include the question of whether a quota system between countries is more ideal than a competitive allocation between beneficiaries, taking social justice into account.

Additionally, given the diversity of higher education institutions and the strain on already overburdened public services, the solution chosen may favour the private sector. In this situation, context analysis will be critical for determining the government's involvement and its ability to meet the supply side of earmarking via voucher grants. Each scenario will require a context analysis tailored to the student's needs.

Another potential effect of this idea is to weaken donor countries' incentives to donate to such a fund. Donor countries may be about to redirect cash to higher-yielding subsectors. Evaluation of assistance efficacy and promotion of novel forms of partnership may serve to attract rather than repel donors. However, given donor countries' incentives to reduce aid, it is worth noting that the pandemic's most significant lesson is probably the importance of international cooperation and global collaboration as the most viable means of addressing complex situations and developing comprehensive responses (Castiello-Gutiérrez et al., 2022). Sharing ideas, experiences, pooling capacities, and resources are critical elements that the international community can undertake. (Castiello-Gutiérrez et al., 2022).
As the demand for higher education continues to grow worldwide, countries have adopted a range of funding mechanisms for higher education. Models used in nations with limited resources and high levels of inequality differ greatly from those used in countries with more resources and low levels of inequality, being impacted by history, economics, politics, ideology, demographics, culture, and international relations. All these elements combine to make funding for higher education a very contentious but topical topic issue.

Although funding is regarded from both ends - public versus private – the truth is that ‘pure state and nonstate institutions are uncommon in the twenty-first century setting’ (Altbach et al., 2021, p. 6), i.e., the coexistence of both models is a part of higher education’s reality. However, a broad dispute continues over whether higher education should be free or whether, given the public and personal advantages generated, a mixed formula should be adopted in which both the state and individuals share the costs.

Numerous nations have shifted to a cost-sharing model in recent years, with families or students paying for higher education through loans typically paid after graduation. Despite these efforts, most students worldwide live in countries where disparities continue and resources are inadequate; a scenario in which inequality prevails, jeopardizing progress toward equal opportunities and the realization of the right to higher education throughout one’s life.

Expanding access, increasing equity, sustaining quality in higher education are all functions — and manifestations — of funding, as is ensuring equal opportunity and the right to higher education. Attaining these various — and frequently conflicting — objectives in higher education — with a balanced tripartite mission of teaching, research, and community service — will continue to be a challenge for governments worldwide. To achieve full social justice, all students should have access to a free higher education. Recognizing that dismantling this systemic barrier may take time, states and HEIs may first target equity-deserving groups to ensure they receive free higher education.

How to pave the way for financing higher education from a rights-based perspective? The following policy recommendations are offered in this respect:

1. **Regardless of the funding mechanism used, public funding must be examined in the light of guaranteeing the right to higher education from a lifelong learning perspective.** States should generate the mechanisms to ensure the fulfilment of the right to higher education based on the globally agreed principles of development regimes, such as the Paris Declaration on Aid Effectiveness (in 2005), the Accra Agenda for Action (in 2008), the Addis Ababa Action Agenda (in 2015), as well as SDGs (in 2015).

2. **The provision of HED as a public good requires optimizing public spending, strengthening tax systems, and transparency.** These approaches have high financial costs but with yield almost immediate effects to address inequalities and guarantee the right to higher education. However, not every expenditure in higher education yields the same effects on these goals, which calls for policymakers to gather and pay close attention to impact indicators, or drop-out and completion rates, among others: the percentage of students from each program that end up finding their degrees useful for finding relevant work, or the percentage of students who drop-out from tertiary education or require additional years to complete their degrees due to insufficient level of academic readiness obtained at the secondary level, or lack of means.
for sustaining themselves and pay for tuition fees. Beyond expenditure, how the taxes that pay for it are collected also affects whether a system of public higher education is regressive or progressive.

- **Transformations of the funding model and the mechanisms for state support to higher education are time-consuming processes that can benefit from intermediate transition policies.** Shifting towards state support will require new ways of financing, participation, innovation, engagement, coalition building, and political agreements. Canada and Chile are examples of transitions policies, developing selective tuition-free policies under certain circumstances, assuming family and individual costs. This will require progressive changes over generations cushioning the fiscal impact.

- **Adopting appropriate policy measures to improve the quality of education for all types of learners will help to expand the education pipeline, which is currently restricted to those deemed to possess sufficient 'merit' to enter higher education.** This can be supplemented by policies that favour students from equity-deserving groups, such as quotas, standardized testing, and contextualized admissions, which governments and HEIs should adopt. Additionally, HEIs should strengthen policies and procedures to support these students, including through personalized support services, culturally appropriate courses and remedial curriculum materials, and institutional leadership that is committed to social justice.

- **The application of income-contingent policies in countries with limited resources and high levels of inequality acts as a barrier to realizing the right to higher education.** Free higher education is a much more easily communicated policy; but the implementation of this type of policy requires robust fiscal systems and information and data on students and their families, which can also be strengthened in conjunction with transition policies.

- **Integrating higher education into the international agenda dialogue is essential to foster cooperation and create a consensus about the importance of approaching higher education as a public good.** International regimes in the form of ODA can play a significant role in supporting states to transition policies, generating financial mechanism that helps to ensure the right to higher education. International funds have already shown successful structures to serve different target populations, strengthening this type of solution will require international collaboration and the commitment of donor countries to reach the 0.7 per cent of their gross national product (GNP) in the form of ODA as established in the Addis Ababa Action Agenda (2015).

- **Countries in the Global South also need to enrich the resource bases.** A State cannot unfold equity and quality policies in higher education without a robust taxation system. For the sector of higher education, specific mechanisms such as corporate taxes and trust funds may also be extremely useful.

- **All in all, UNESCO Member States are called to invest more in higher education.** There is a need to ensure that developing countries invest 1% of their GDP towards higher education, research and development. Yet, most countries are yet to do that. Nations need to be urged to pursue this long-advanced endorsement.
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Organized by UNESCO in collaboration with the Government of Spain, the 3rd World Higher Education Conference (WHEC2022) aims at breaking away from the traditional models of higher education and opening doors to new, innovative, creative, and visionary conceptions that not only serve current agendas for sustainable development, but also pave the way for future learning communities that overcome barriers, speak to all and are inclusive of all lifelong learners.

The WHEC2022 promotes a global conversation nurtured by diverse narratives on higher education through various activities: generation and dissemination of knowledge; formulation of updated policy recommendations; identification and sharing of innovative practices; networking and strengthening of partnerships; broad participation of stakeholders at local and international levels (within and outside higher education systems: professors, researchers, youth, managers, authorities, policy makers, experts, entrepreneurs, social leaders, etc.); and development of renewed paths framed by the 2030 Agenda for Sustainable Development and looking at the Futures of Education.

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