

# Tuition Fees in Higher Education: Issues, Limitations and Perspectives

Léonard Moulin, University Paris 13  
CIRIEC  
Edgard Milhaux Prize

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## Research question

What are the effects of tuition fees on students' access, trajectories and success in higher education?

- ▶ Context : hot topic at international and national level.
- ▶ A question of political economy: rich literature on the effects of tuition fees on access to higher education but with several limitations.
- ▶ Methodology: theoretical and empirical approaches.

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## Part I : Tuition fees and their effects : a theoretical analysis

Chapter 1 : Economic incentives to the introduction of tuition fees

Chapter 2 : Access to higher education and decision biases

# Chapter 1 : Economic incentives to the introduction of tuition fees

## Research question

What motivates the introduction of tuition fees or their raise?

## Methodology

Critical and multidisciplinary review of literature.

## Results

Tuition fees did not guarantee an equitable, efficient and effective (in terms of funding) higher education model.

Motivations	Limitations
Redistributive effect	Require progressive contribution and sufficient financial compensation Polarization of higher education
Incentive effect	Limited rationality of students Effect of the debt burden on student's behaviors
Contributory effect	State tends to disengage when tuition fees increase High monitoring mechanisms costs

## Chapter 2 : Access to higher education and decision biases

### Research question

Can we identify theoretical conditions that make the establishment of tuition fees desirable, even if there are different social classes with distinct behaviors?

### Methodology

Modelization of decision biases with prospect theory.

### Results

The implementation of decreasing tuition fees, even if it can be a fair solution of a purely theoretical point of view, raises other problems.

## Part II : Tuition fees and their effects : an empirical analysis

Chapter 3 : Tuition fees : what can we learn from national experiences?

Chapters 4 & 5 : Introducing tuition fees accentuates the social segregation phenomenon... without increasing academic success

Chapter 6 : Can we generalize the results obtained for the University Paris 9-Dauphine to other universities?

# Chapter 3 : Tuition fees : what can we learn from national experiences?

## Research question

Tuition fees : what can we learn from national experiences?

## Methodology

Definition of the notion of institution in order to analyse the higher education system and to draw up a typology of the different institutional regimes using welfare state regimes of Esping-Andersen.

## Results

Characteristics / Regimes	Social-democrat	Conservative	Liberal
Explanatory variables			
Tuition fees Relative share of public/private financing Scholarships  Student loans Other support mechanisms	Inexistent High  Universal or based on residencial mode Moderate No	Low Intermediate  On social and economic criteria  Quasi-inexistent Yes	High Low  On social or economic criteria  High Quasi-inexistent
Explained variables			
Rate of access Rate of succes Viability of the model	Relatively high Relatively high Relatively stable	Relatively low Relatively low Raise questions	Relatively high Relatively high Relatively stable

# Chapters 4 & 5 : Introducing tuition fees accentuates the social segregation phenomenon... without increasing academic success

## Research question

What are the effects of the introduction of tuition fees at Dauphine on:

1. student's pathways selection ;
2. student's achievement.

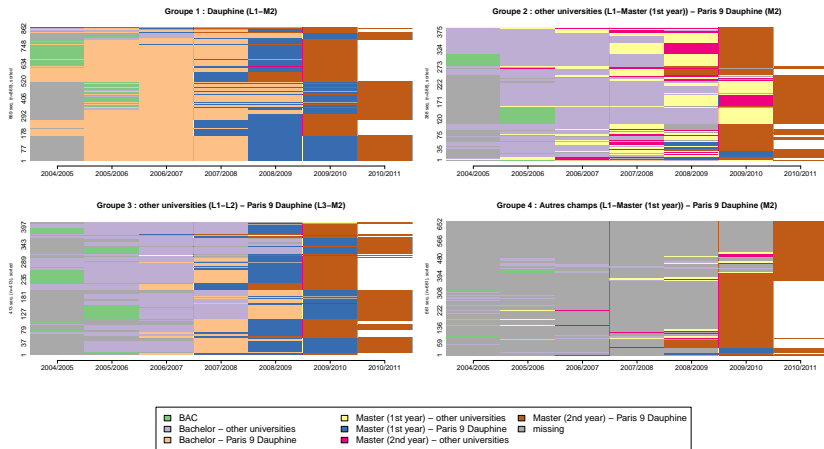
## Methodology

1. Optimal matching to construct a typology of student's trajectories in higher education.
2. Multinomial logit model to assess the effect of tuition fees on the academic pathways selected by this university.
3. Difference-in-differences in a non-linear model.

## Results

1. Segregation effects on pathways of students selected...
2. ... without any effects on graduation rates.

Figure: Typical pathways of students in Master 2 at Dauphine



Source: Calculations based on the databases SISE universities (enrolments and results) & AGLAE - MESR (extracted on 15 March 2013). Field of study: 2,331 students enrolled in the Master 2 economics-management at Dauphine in 2009/2010 and 2010/2011.

# Chapter 6 : Can we generalize the results obtained for the University Paris 9-Dauphine to other universities?

## Research question

Can we generalize our results to other universities?

## Methodology

Optimal matching methods and discrepancy analysis of state sequences.

## Results

1. Dauphine has a particularly favoured recruitment pool.
  2. The trajectories of the student of Dauphine differ significantly from those of other students.
  3. The pathways of students from other universities are more strongly influenced by parents' social classes, being holder of a scholarship, citizenship and type of baccalaureate.
- ⇒ The cumulative mechanisms related to the introduction of tuition fees will be more important in all other universities than at Dauphine.

Part III : A system of higher education without tuition fees is it possible and desirable?

Chapter 7 : Contributory scheme in higher education : theoretical foundations and empirical estimates

## Chapter 7 : Contributory scheme in higher education : theoretical foundations and empirical estimates

### Research question

While the liberal institutional regime seems unable to guarantee neither equity nor efficiency, nor even the funding of higher education, is it possible to consider a better suited model?

### Methodology

Set the foundations of a contributory scheme in France (characterized by free access to higher education, a universal autonomy allowance for students and an increase in ressources allocated to universities), discut its strengths and limits, built a costing of this scheme, propose a funding way and study his effects on family income.

### Results

- ▶ Total cost : 5 billion euros to increase the funding needs of universities and 19 billion euros for the allocation of autonomy.
- ▶ Financing arrangements : using the income tax (7% increase on each income tax brackets) and increasing in contributions of the family branch of social security (increase of 3.1 points).
- ▶ Effects on households : excepted for the wealthiest families, this system favoured a large part of the population during their life cycle.

Thank you for your attention