Clotfelter (Charles T.), Ehrenberg (Ronald G.), Getz (Malcom), Siegfried (John J.) *Economic Challenges in Higher Education*, Chicago/London, The University of Chicago Press, 1991, 422 pp. ISBN 0-226-1150-8

This volume comprises three contributions concerning factors which troubled the university community in the United States at the end of the 1980s. The American university, which often served as a model for other countries, aroused an important series of doubts and questions regarding three new problems facing higher education establishments: the fall in the number of young people which might have brought registrations to a standstill; the loss of interest in certain long-term studies which risked provoking a deficit in qualified teaching staff; and an increase in the running costs which reflected on the registration fees. These three problems lend themselves particularly well to an economic analysis that the authors have undertaken to present in depth, studying in turn the demands of higher education, the offer of qualified personnel, and the defining of costs in the universities and colleges.

Charles T. Clotfelter, tackling the demand of education for 'undergraduate' studies examines the evolution of the main factors involved in this demand, the increase of expected revenue, study costs and systems of aid to students. The progression of the number of students, despite the fall in the number of young people in the 1980s, may be attributed to the rise of output of higher studies, that is to say, the profits which represent and add to the revenue that higher studies provide after deduction of costs. With the exception of the most select private universities, for which the costs seem to have no bearing on registrations, it appears that high cost increases have had a dissuasive effect. The decrease in the public financial commitments in favour of students and the preference given to loans rather than scholarships might have been created by a change in the social structure of the student population, to the detriment of the less favoured groups. There is a necessity, in Clotfelter's opinion, for a redefinition of student aid policies.

In the five chapters devoted to the offers of academic work, Ronald G. Ehrenberg reviews the provisions which foresee in United States higher education a deficit of academic staff holding doctorates. He presents a model of university job offers, taking into account the available supply of teachers and the flood of incoming and outgoing teachers. This pattern attempts to explain the reduction of interest in doctorates among American students due to various tendencies, such as the increase in the duration of studies and the growing appeal of training in law and management careers. He then examines the distribution of doctorate-holders between higher education and other sectors and, within education, between the different types of institutions. Finally, he takes up the demographic development of the academic staff, in particular, the problems of retirement, and that of the composition of the academic body, feminization and ethnic minorities.

The third part of the volume, by Malcom Getz and John J. Siegfried, refers to the costs of higher education, its structure and development. The contributors begin by pointing out the contrast in variation of the total number of students in the 1980s between the different types of institutions (research universities, pluridisciplinary universities, colleges), and according to their size. They then present different possible explanations for the continuous rise in costs: the constant improvements of services available to students which have become very competitive; the lack of qualified staff which puts pressure on salaries; the impossibility of substituting for the staff other labour inputs for which the approximate costs are increasing; the specific power structures within the university which permit staff to receive pensions to the detriment of the students; the deterioration in the quality of university management; and the growing burdens that the local community places on the institutions, because of regulations and public service constraints. The contributors go on by presenting an analysis of costs by major categories of expenditure for the different types of institutions (according to the Carnegie classification), making a distinction according to their size and public or private status. Costs per student have increased regularly with greater speed in the private than public institutions due in particular to the increase of student services and scholarships financed by the institutions themselves to maintain enrolment numbers, despite the considerable rise in registration fees. The rigidity of salary costs explains the differentiation of average costs between the smaller institutions where the costs increase, and the expanding institutions where the costs decrease. This analysis evolves into a reflection on the economic scales and optimal size of the institutions, as much as to their productivity.

These studies constitute a complete panorama of American research on these three domains within the economy of higher education. The mass of information is considerable and is presented in a clear and accessible manner. Each part opens up the research possibilities which are the most useful and the most promising. The volume will be most useful to those who, outside the United States, are involved in long-term development of higher education systems and their financing, and who question the appropriateness of solutions founded on the pre-eminence of market mechanisms.

Translated from French

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