Argentina's. Like access, success in higher education does not seem to be defined by tuition fee policies, and countries with free tuition can do very poorly.

What these examples show is that higher education access and success are not defined by tuition fee policies, and that countries sustaining free-tuition systems could be struggling in these areas, while countries with high fees shine. Additionally, an analysis of these three countries' socioeconomic surveys shows that access to, and success in, higher education are independent of an individual's economic background in Chile and Argentina, while access is highly dependent on this variable in Brazil. All countries, however, suffer from pronounced inequity based on individuals' cultural capital. This suggests that cost is not the only or even the main barrier to access and that implementing free higher education will not necessarily lead to improved access, thus defeating the main argument of its advocates.

The free-tuition movement has been spreading around the world: from the Chilean student movement of 2013, to the South African #FeesMustFall movement of 2016, and the 2017 decision to abolish tuition fees in the Philippines.

Implementing Free Tuition

Beyond impact, the realities behind the implementation of free tuition are essential to look at when considering such a policy move. Countries that recently decided to implement free tuition are facing critical issues. In Chile, the government is struggling to find the funds to implement its policy of free higher education for all in the public and private sectors. As a result, restrictions placed on who could get free tuition led to less than 18 percent of the student body getting free-tuition higher education in 2016. At the same time, the free-tuition law recently passed in the Philippines is already under criticism by the very same individuals who advocated for free tuition, as they argue that it will, in its current format, deepen inequity. Similarly, the government of Ecuador introduced an entrance exam when it abolished tuition and is now blamed for preventing the democratization of higher education. However, eliminating the entrance exam could create quality issues for a system that is not ready to absorb additional demand.

Implementing free-tuition policies is far from easy and these recent examples show that the limitations observed in Brazil and Argentina, two countries that have been sustaining free public higher education for decades, can become realities soon after the change is implemented. Beyond mere implementation, these policies need to be considered in the long-term since they are extremely hard to turn around, as embodied by Germany, which scrapped tuition fees in 2014 less than ten years after having introduced them, because of popular pressure.

The situation in countries that recently introduced tuition free policies should therefore be monitored to see how it evolves and if free-tuition approaches are successful. As of now, indicators seem to show otherwise.

Conclusion

Free-tuition higher education is a complex reality. To policy makers, it may seem like an easy move, since it is, after all, simply a budget decision, and definitely a strong political act. However, implementing free-tuition higher education is not only expensive and convoluted, but also does not guarantee improving access or success. This is mostly because free higher education is not a targeted policy; it impacts all individuals independently of whether they need it or not. While this policy is egalitarian, it can, and often does, create inequity.

Examples of free systems with equity issues abound globally, but politicians continue to push for free tuition as a miracle social policy. However, what are the chances that a policy will work in one system if it does not elsewhere? Should we not spend more energy setting up equitable ways to help students pay for higher education, rather than negate its cost?

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The Emergence (and Perils) of Income-Targeted Free Tuition

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There once were two broad streams of thought about tuition in public higher education. The first was simple enough: make it free. No charge at the point of service, no charge ever, just a universal benefit... for those lucky enough to be allowed in (on the whole, countries with "free" tuition tend to have fewer students because there is less money to accommodate them). The second stream of thought was to charge fees but provide a mix of loans and grants to those who needed help paying the bill, thus creating beneficial price discrimination: rich families pay more than poor families.

The problem with the latter approach to tuition is that it is complicated. Students and families see that there is a sticker price, but do not always know about, or understand, the offsetting subsidies. Sometimes these are very large. In Canada, for instance, the total value of bursaries and scholarships more or less equals the amount of tuition taken in from domestic students, yet many are still under the impression that tuition represents a major financial barrier. Free tuition may be wasteful in that it provides subsidies to those who would likely attend regardless, but it is much simpler to communicate.

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A New Approach

But now, a "third way" on tuition is emerging across the Western hemisphere: call it "income-targeted free tuition." This takes the clarity of the free tuition pitch but makes it income tested. It first appeared in the United Kingdom in the late 1990s, when tuition fees there were briefly income tested (from 1998 to 2005, students from families earning less than £20,000 paid no fees, while those earning from £20,000 to £30,000 paid half-fees). It is an approach that is now appearing in places as far away as Fredericton, New Brunswick and Santiago, Chile.

In Chile, this approach was accidental. President Bachelet came to office in 2012 promising free tuition for all Chilean university students, but the tax reform that was supposed to pay for it ended up yielding far less money than expected (falling copper prices played a role, too). In the end, there was only enough money to pay for "gratuidad" for students coming from the bottom six income deciles, or about a third of all students.

In Canada, it has been more deliberate. In early 2016, the government of Ontario, building on an improvement to the federal government's system of grants (in Canada, aid is provided by both levels of government working mostly in tandem), decided to "rejig" its own somewhat complicated system of loan forgiveness and tax credits into a "free tuition" guarantee for low- and middle-income undergraduate students. Institutions were not actually barred from charging tuition, which for most programs is around C$6,500; rather, the government committed to paying grants equal to average tuition in the province for everyone with family income under (roughly) C$50,000. Above that line, students still get grants but on a sliding scale, but they decline to about C$1,800 somewhere around C$100,000 and then disappear altogether at C$160,000. The government of New Brunswick has since followed suit with similar programs; it would not be a surprise in this year's round of provincial budgets to see others follow the same path.

American Initiatives

In the United States, too, the idea is catching on. During the 2016 election campaign, Hillary Clinton proposed a Chilean-like system, wherein the federal government would provide funds to state higher education systems if they agree to stop charging tuition fees to students from families below $125,000 in income (or, roughly, 80 percent of the student population). That idea was always a little bit "pie in the sky" from a federalism point of view: as many pointed out, it was never entirely clear how a set of federal subsidies could guarantee certain tuition levels when these are controlled by state government. But though Clinton's proposal died the moment Pennsylvania declared for Trump on November 8th, the idea continues to resonate at the state level, most importantly in New York, where Governor Cuomo has proposed a form of "free tuition" for anyone attending the City University of New York (CUNY) or the State University of New York (SUNY), and whose family earns less than $125,000.

Governor Cuomo's offer is not quite the same as Secretary Clinton's—it resembles the Ontario plan more than the Santiago plan. Basically, he is going to offer students from families below the $125,000 threshold whatever amount of grants it takes to equal the amount they pay in tuition. This payment, to be known as an "Excelsior Scholarship," will thus be equivalent to tuition minus any grants the student is already receiving from the federal or state governments via the Pell grant system.

While all of these initiatives have a common thread, their distributional consequences are quite dissimilar. In the Canadian cases, the gains accrue to students from families under $60,000; families making over $100,000 are somewhat worse off because of the elimination of tax credits used to pay for the increase in grants. Similarly, in Chile, the benefits accrue nearly entirely to students from below-average income (though, here too, it is not a 100 percent gain because there are offsetting losses from reduced bursary funding). But, in New York, the benefits of the additional funding go almost entirely to families between $80,000 and $125,000 in family income, because below that tuition is already to some degree covered through grants. So the majority of the funding goes to an income class which has never had a great deal of trouble affording higher education (at public institutions, anyway) in the first place.

Policy Lessons

The key to making income-targeted free tuition both effective and efficient is not to make the threshold too high. Even the Chilean government, once very keen on "gratuidad" for all, has belatedly come around to this realization. For budgetary reasons, the government was forced to limit its recent introduction of "free" tuition to students from families in the bottom six deciles of income. This summer, the Chilean Treasury Department published cost estimates for expansion of the program. In its present state, the cost of the fully phased program will be 607 billion pesos (about US$950M). Adding the next four deciles raises the price by about 350 billion, or 58 percent for each decile. That is to say, free tuition for everyone would cost over 2 trillion pesos, or over three times as much as it costs for the bottom six deciles. This difference is equal to 1.5 percent of GDP. And for what? The very fact that it costs so much is a reflection of the reality that participation from these groups is already so high that they do not need government help.

In short, while targeted free tuition makes lots of sense, it really does need to be targeted. If targeting weakens, the program becomes more expensive and less effective. New York's plan, clearly, suffers from insufficient targeting. The Canadian and—unintentionally—the Chilean plans have it mostly right. As more jurisdictions experiment with targeted free tuition, it will be important to grasp these lessons.

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Public Universities and Budget Cuts in Malaysia

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Malaysia invests heavily in education. The tertiary sector commands the largest share of the education budget. Public funding is directly disbursed to 20 public universities in the country. In 2007, 90 percent of the universities' operating budgets came from the government, while the remaining 10 percent was derived from tuition fees and other self-generated income. Public funds were also allocated indirectly through scholarships, student loans, and annual stipends for individual students to purchase books, reference materials, and broadband subscriptions.

Since 2007, the Malaysian government has reduced funding for higher education. The allocation to public universities is at present reduced to 70 percent, with 30 percent of the budget covered through self-generated income. The cuts have been particularly drastic the past two years: in 2017, public universities received a total allocation of RM 6.12 billion, which represents a 19.23 percent drop from the RM 7.57 billion allocation received in 2016.

These massive cuts have not been well received among Malaysia's academic community. Multiple calls were made for the government to reconsider the budget cuts, not only by vice-chancellors of public universities, but also by the public, which is concerned with the quality of higher education delivered in an environment with limited resources.

Rationales

It is rather convenient to use economic volatility as a justification for the current austerity measures. Fluctuating oil prices and the depreciation of the local currency, the ringgit, have reduced overall revenues and taxes, shrinking the amount of public funds available to the sector. It should be noted here that other sectors have not been spared: the healthcare sector, for example, has also experienced reduced funding in recent years.

The gradual reduction of public funding to higher education is necessary. Malaysia ranks 11th out of 50 countries for resources allocated for higher education, under the Universitas 21 ranking of national higher education systems. However, the country is 39th in terms of output and impact on research, institutional excellence, and graduate employability. For a sector that receives significant public funding, returns do not meet expectations. Citing outcome-based budgeting, the government rationalizes its funding allocation to public universities, prompting them to be more efficient in their operations.

The fact remains that the Malaysian higher education sector has expanded immensely. In 2012, there were 1.2 million students undertaking postsecondary studies, and this figure is expected to increase to 2.5 million by 2025. With a twofold expansion anticipated in the next decade, increasing public funding to support the sector is not a sustainable solution. The budget cuts come at a critical and timely moment, and public universities have to adjust to the new norm.

Adjustments

Before the budget cuts, public universities were in a com-