

Jorge Calero, *Financiación de la educación superior en España: Sus implicaciones en el terreno de la equidad (The Funding of Higher Education in Spain: Its implications for the field of equity)*, Fundación BBV. Bilbao, 121 pp, 1996, ISBN 84-88562-63-2.

A substantial part of the current debate about the relationships between government and higher education is concerned with the impact of the funding of higher education on the distribution of income. This book describes the regressive effect of the Spanish method of funding, although the modifications introduced during the last decade have slightly reduced the regressivity of the system. The study by Calero begins with a theoretical and methodological outline of the main components of a thorough analysis on the redistributive effects of the funding of public higher education (Chapters 1 and 2). In these chapters, the author examines the specific nature of the analyses carried out from the area of the Economics of Education and the possible options between which the researcher can choose in undertaking a research of this type. Among these options, Calero examines the way families are classified, the treatment of taxes, the intergenerational transfer problem or the use of age group limitations with the purpose of identifying the potential users of higher education. The third chapter introduces the main traits and results of the analysis. Here, Calero confirms the regressivity of the current method of funding public higher education, showing that, during the past decade, there has been a slight decrease in the regressive effect. According to the author, the regressivity arises mainly from the lack of a private higher education sector in Spain, from the difficulties of access to higher education of lower income groups and from the limited effects of the grant system. In the nineties, however, there has been an improvement in the access of lower income families, but it has been accompanied by a greater participation of middle classes in public educational services. The author, then, demonstrates that his initial hypothesis, that there has been a growing use by the middle classes of educational services, has been supported by the evidence, and that the grant system has only slightly alleviated the regressivity of the method of funding. In that sense, the fact that the cover rate of the grant system is between 22% and 42% for the lower income groups and around 16% for the highest income classes suggests that there are problems with the design and application of the system, which interfere with the equity objective of making the distribution of income more equal.

In general, the regressive effects described in many studies carried out from the area of the Economics of Education have been accompanied by alternative proposals to change the current systems of funding, and specifically, to reduce public participation in the funding of higher education. Therefore, having

described the real redistributive effects, Calero analyses the impact of a set of proposals outlined by the Spanish University Council addressed to change the current system of funding, covering areas such as fees, grant policies, and loan programmes. By using regression-based techniques, Calero concludes that modifications in fees would have a limited but not irrelevant effect on the access to higher education of lower income families. Specifically, 2.45% of students coming from these groups would have less opportunity to enter higher education. In fact, major redistributive effects of the reforms analysed - grant policies and loan programmes included - would fall on the middle classes. For the author, this would happen as a consequence of the following factors: firstly, the impact of economic variables – changes in fees – on the access would only affect lower income groups; secondly, the current grant system and the modifications proposed by the Spanish University Council, mainly designed to increase the amount of resources, would not change the favourable impact of the system on the middle classes; and finally, the proposed loan programme – commercial loans, instead of income-related loans – would only affect these groups, making the participation of lower income families in higher education more difficult. In brief, the redistributive effects of the reforms analysed would fall on the middle classes, and, in a limited way, on the lower income classes. In the light of these results, Calero provides a number of recommendations for Spanish policy makers. For example, he proposes changes in the grant system in order to ensure that resources are directly addressed to lower income groups and considers the possibility of introducing income-related loans in the current system of funding. In general, Calero stresses the need to intensify the redistributive character of the Spanish system of funding. Unfortunately, the description and treatment of these proposals are brief and for that reason, most educational economists who read this book could feel that their appetite has been whetted but not satisfied. On the other hand, some other issues remain to be explored such as the growing importance of the private sector, which has reduced the participation in public institutions of higher income classes in recent years or the impact of pupil performance at the school before entering higher education as a variable to take into account in analyses of access.

The strength of the book lies in the meticulous treatment of alternative methods, the accuracy of the analysis and the novelty in the Spanish context of a study of income redistributive effects specifically focused on the educational field. In brief, Calero offers us a considerable amount of useful information and a conceptual framework that is very helpful in understanding the current complexities of government-higher education relationships.

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