

ECONOMIC CHALLENGES IN HIGHER EDUCATION AND THE PUBLIC GOOD-PRIVATE GOOD DEBATE

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ABSTRACT

Higher education is increasingly viewed as a major engine of economic development. Finding ways to sustain quality provision of higher education, with appropriate access for qualified students, will require careful planning that attends to both short and long-term needs. Government tax revenues are not keeping pace with rapidly rising costs of higher education. The expansion of student numbers has presented a major challenge for systems where the tradition has been to provide access to free or highly subsidized tertiary education. In financial terms, this has become an unsustainable model, placing pressure on systems to fundamentally restructure the "social contract" between higher education and society at large. The study was carried out with the aim of examining the problems of public goods in higher education. The paper will explore possible approach to the problem, which uses a comparative method, and consider global public goods.

Key words: *higher education, private good, public good*