

THE KOLDING KEY-NOTE, 29/4/16

© (2016) David Palfreyman, Bursar & Fellow, New College, University of Oxford; and Director, the Oxford Centre for Higher Education Policy Studies (at oxcheps.new.ox.ac.uk) bursar@new.ox.ac.uk

1. Sorry: there is need for a health warning – This is an unashamed Anglo-Saxon neoliberal perspective on the delivery of HE. See Palfreyman & Tapper (2014) *Reshaping the University: The Rise of the Regulated Market in Higher Education* (Oxford University Press) for background – seemingly the Minister's favourite book 2015!
2. So, you can ignore all this unpleasant stuff and assume it will never happen here in a civilised Nordic country... Or you might accept it is a train approaching but you will be safely retired by the time it hits!
3. Perhaps there is a fundamentally different basis for and concept of and approach to HE delivery in the UK, the USA, Australia, and

Canada (where the common law has universities as private corporations and the student in a contractual relationship, and academics are not civil servants) - compared to continental Europe (where the civil code and Napoleonic tradition has universities as public bodies and the student receiving a public good/service). See Farrington & Palfreyman (2012) *The Law of Higher Education* (Oxford University Press).

4. Hence in the UK there is the interesting application of the Consumer Rights Act 2015 to the B2C university-student contract-to-educate (teaching and examining); and also the increasing involvement of the Consumer Association ('Which?'). All rather sordid and grubby? – a sad descent from the acropolis to the agora! Or the welcome introduction of market competition and discipline as enhancing 'the student experience' and countering the risk of producer-capture within HE as a monolithic public-sector monopoly? Welcome to 'the politics of higher education' when the post-War corporatist and statist welfare consensus breaks down.
5. But, of course, there is indeed the danger of market failure (the US for-profits?) – hence the

question of the degree to which the HE market needs to be a 'regulated market' (the 2015 Green Paper and a proposed 'Teaching Excellence Framework' (cf the RAE/REF) as well as an 'Office for Students' leading to a Higher Education Bill 2016?). All as foreseen in P&T 2014!

6. Note: Tuition fees in England for UK/EU undergraduates: 1960s-1990s, £0; 2001, £1000pa; 2006, £3000pa; 2012, £9000pa – O/S UGs, £12.5-25k pa. Student now sees himself-herself as a consumer, and around a third do not view the teaching they get as value-for-money. A typical degree course is 3 years – but some are 4 years – and when loans for living-costs are added, the graduate can easily now emerge with a loans/fees debt of c£45k – probably more than the average graduate debt in the USA where the loans burden on the economy now exceeds \$1.25 trillion.
7. Thus, a long-term public policy perspective:
The ending of the Welfare State (over-funded?)
HE of the 1960s expansion by the mid-1970s
oil-price inflation (in 1976 UK seeks IMF bail-out!) and by the 1981 Thatcher cuts (15% average) – UofWarwick emerges as 'the entrepreneurial university' (Palfreyman, 1989).

And massification from the late-1980s halves the UofR by the 2000s – hence the introduction and rapid hiking of undergraduate tuition fees in England (not S&W) here illustrating the simple policy choice world-wide in that either the nation operates an over-crowded under-funded free mass HE provision or it moves along the cost-sharing trajectory (see Heller & Callender (2013) *Student Financing of Higher Education* in the OxCHEPS 25-volume comparative ‘International Studies in Higher Education’ (ISHE) series published by Routledge – full list at the OxCHEPS and Routledge websites). No country can now afford properly-funded modern mass HE? – not now Norway, not now the oil-states of the Middle East (but perhaps Switzerland?).

8. There is also the issue, as a matter of public policy and national pride, whether there is any wish to push into or to sustain within the global elite one or more of the nation’s universities - recognising, of course, the methodological short-comings of the rankings industry (Hazelkorn, 2016 forthcoming, ISHE) and also the massive cost of catching up with Manchester United, Real Madrid, Barcelona, Bayern Munich (aka Harvard, Stanford, Oxford,

Cambridge – all private corporations):

Palfreyman & Tapper (2009) *Structuring Mass Higher Education: The Role of Elite Institutions* in the ISHE series.

9. No train crash in Denmark? Really? Not yet even with? - ageing demographics, the problematical future of the statist EU (the EU innovation strategy 2010 now 2020! – and calls for ‘More Europe’!), the likely implosion of the Euro or the need for permanent North-to-South wealth transfers, the risk of a hard-landing in China and the impact on global economic growth (woe for German exports!), a bust European pensions model with central bank interest rates at 0.5% or less, the bad debt mountain inside German and Italian banks, the risk of another global financial crisis before we have deleveraged from the last one, the ending of the drivers of long-term economic growth, etc etc etc. See, for example, King (2015) *The End of Alchemy: Money, Banking and the Future of the Global Economy* (‘secular stagnation’) and Gordon (2016) *The Rise and Fall of American Growth* (‘gale-force headwinds’ and ‘a bleak future’).
10. The train crash in fact is already happening in slow motion? – 500 jobs at

UofCopenhagen, a 2016 6% cut in HE funding?

Welcome to UK HE in 1981!

11. HE and Baumol's Disease – time to wake-up and catch-up? Cost-control, cost-reduction, outsourcing, the slaughtering of a whole herd of sacred cows (*), the use of MOOCs and digital-learning to achieve the first productivity break-through since Guttenberg's idea caught on in HE, (better and more) teaching all year, the speeding-up of degrees, encouraging the entry of for-profit providers as a source of pedagogical innovation and price competition (Green Paper 2015 – and the HE Bill 2016?).

(*) A few of those sacred cows: A) Start to view and discuss modern mass skills & competencies vocational HE as in effect tertiary education – recognise the need to adjust the process to cater for a much wider cross-section of the population and hence for university professors to be teacher-trained? B) End the pretence (and cost of pretending) that all professors and all universities are credibly research-active? C) Accept there is no significant or demonstrable link between the professor being research-active and the quality of his/her undergraduate teaching?

12. For more, in the unlikely event it is desired, see: a) the OxCHEPS Occasional Paper No. 59, on 'The Great Higher Education Scam?'; and b) the 'London Review of Education' (IofEd at UCL) special issue (14.1, April 2016) on 'Higher education policymaking in an era of increasing marketization'. Note in the latter the stress: on the emerging segmentation of English universities into centralised, top-down managed, corporatist, teaching-only, student-focussed ('student as customer') institutions and into the (far fewer) traditional, collegial, research-orientated ones; on the creation of 'the business studies university' that turns HE into TE (training, 'capsule education', 'learnification', modules-collecting); on the HE as a public good/service debate; on the creation of a state-regulated HE/TE fees-based market where Government no longer finances universities but provides indirect funding via loans while taking on a consumer-protection role for the student now paying high fees. On the corporatist v collegial models for university governance see: Shattock (2014) *International Trends in*

University Governance: Autonomy, self-government and the distribution of authority (ISHE series); Tapper & Palfreyman (2010) *The Collegial Tradition in the Age of Mass Higher Education* (Springer); and Tapper & Palfreyman (2011) *Oxford, the Collegiate University: Conflict, Consensus and Continuity* (Springer).

THANK YOU! Q&A? Too angry/depressed?
– coffee instead!

(1252w)