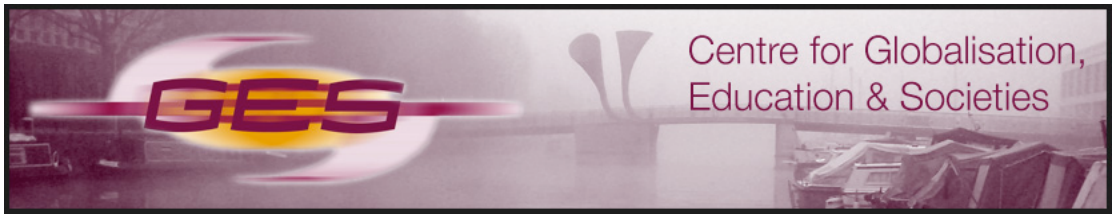

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Challenges Facing Universities in a Globalising World

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Abstract

Over the past thirty years, universities have faced with major challenges, and undergone major transformations, in the nature and scope of their mission, their governance as institutions, the knowledges they produce, the value of these knowledges, and their relations with the wider economy and society (Barnett, 2009). These transformations are part of a wider 'paradigmatic transition' facing all societies and universities around the world (Santos, 2010: 1). Whilst at present the defining and enduring features of this transition are unknown, some of its constituent elements, and politics, are visible, and are cause for major concern over what it means to talk about the university and critical knowledge production. An underlying thread in all of these challenges is the dominance of economic theories. I will argue that we need to develop social and political arguments around the value of higher education to ensure quality higher education in the future.

This paper places these challenges, and concerns, on the table. I begin by tracing out three key logics which have driven these developments. I then examine five key challenges which have followed: (i) widening access whilst managing aspirations and the loss of value of credentials given the positional good nature of higher education credentials; (ii) the pedagogical challenges inherent in massification, a focus on competencies, entrepreneurship, and relevance to industry, whilst ensuring the development of 'critical' future citizens; (iii) the pressure to engage in regionalising and globalising higher education projects as solutions to problems (internal governance issues; sustainability issues; global challenges) whilst ensuring local relevance, managing charges of imperialism and the valorisation of the regional and the global over the national interest; (iv) the rapidly growing role of the (transnational) for-profit sector in delivering components of higher education provision and issues of quality and accountability; (v) the changing role of the public intellectual and production of public knowledge in universities, in the face of increased private sector activity, the role universities in commercial activity (consultancy, IP, consumer led provision). I argue that we need to develop social and political arguments around the value of education to ensure quality higher education in the future.

Introduction

Over the past two to three decades, universities have faced with major challenges. These have resulted in significant transformations in the scope of their mission, governance, knowledge production and circulation, and relations with wider national, regional and global economies and societies (Barnett, 2009). These transformations are part of a wider 'paradigmatic transition' facing all societies and universities, around the world (Santos, 2010: 1).

Whilst at present what might be the enduring features of this transition are unknown, some of its constituent elements, and politics, are visible, and are cause for major concern. In essence these politics are changing what it means to talk about the university and critical knowledge production. A recent global survey by the International Universities Association (2010) on the state of global higher education, found that the most serious risks perceived by universities were the commodification and commercialisation of education programmes, particularly as a result of a growing number of so called 'degree mills' and low quality providers.

This paper places these challenges on the table. I begin by identifying and outlining the key logics at work. I then outline five key challenges at the heart of the contemporary university which are having an impact on quality: these are access and higher education as a positional good; pedagogy and the industrialisation of learning; new sectoral and institutional geographies of universities; the rise of for-profit firms engaged in all aspects of higher education governance; and the commercialisation of ideas, knowledge and education.

In speaking at a UK government seminar in 2009 entitled *'Universities in a Global Context: How is Globalisation Affecting Higher Education'* (Bone, 2009) a senior official remarked that the sector was now characterised by 'instability', and that this instability would give rise to a range of 'competitive' initiatives in the policy and regulatory environment. In the UK this process has already begun. Whilst assuring universities they have autonomy, and that this is respected by government, the UK minister responsible for universities pointedly reminded universities they have a crucial economic role to play by "…exploiting the intellectual property they generate…" through "…commercialising the fruits of their endeavour" whilst expanding the intake of full-fee-paying international students to ensure economic growth (Mendelson, 2009). Spin-out companies and international students, it seems, will save universities and the British economy! The social contract between the state, the public and the higher education sector is in free fall.

Around the world, nations, emerging regions, and rising powers, are looking to their universities to lead *the race to the top* (as one of our recent reports – Sainsbury Review, 2007 was titled) by securing global talent, an increased share in the international fee-paying student market, and to steal the edge on their competitors as to the latest ideas, potential inventions, numbers of spin-out companies, and potential entrepreneurs. To steer this race forward is a vast, complex, and growing machinery (and industry) of ways of assessing university's performance—from *barometers* of graduate satisfaction, to global university *rankings*, innovation and competitiveness *scorecards*, knowledge economy and entrepreneurship *indexes*, university investment *ratings* by rating agencies such Standard and Poors—the list goes on. Today, academics and managers, their universities, cities, regions and nations, are measured, compared, rated, ranked, rejected, targeted for treatment, re-measured…in an intense process of performance, scrutiny and identity making. It is a story of flux, strategy, invention, frustration, imagination and anxiety. So how did we get here, what are the logics through which this paradigmatic transition is being propelled forward, what challenges are thrown up, and what are the consequences for the creation, distribution and consumption of knowledge as a *societal good*?

Competition in the New World Order

This new regime of higher education, to realise a new knowledge-based development model, is driven by three logics all anchored in what Streeck calls 'capitalism's animal spirit' - *competition* (Streeck, 2009: 242). Streeck describes competition as;

> …the institutionally protected possibility for enterprising individuals to pursue even higher profit from an innovative manner at the expense of other producers. The reason why competition is so effective as a mechanism of economic change is that where it is legitimate in principle, as it must be almost by definition in a capitalist economy, what is needed to mobilise the energy of innovative entrepreneurship is not collective deliberation or a majority vote but, ideally, just one player who, by deviating from the established way off 'doing things' can force all others to follow, at the ultimate penalty of extinction (ibid: 242-3).

The recent changes in a few college and university admissions policies in the US, Australia's rapid development as a highly sophisticated, intelligence-driven, export machinery in higher education, the emergence and expansion of Europe's Bologna Process to create a European Higher Education Area, are all cases in point. As Sassen (2006) observes, such innovative

entrepreneurship (almost unknowingly) sets in train a new way of doing things—or a new logic—so that it is impossible not to respond. In other words, new logics signal a change in the rules of the game. As you know ***competition*** (wrapped in the rhetoric of access, efficiency, effectiveness and quality), has been on the agenda of the international organisations and at the heart of government's higher education policy since the late 1980s. Competition, however, takes numerous forms – each with their own logic. Three are central to how universities function today.

A Tale of Three Logics

The first logic, corporatisation – is anchored in the New Public Management (Hood, 1991), and was popularised by highly influential writers such as Osborne and Gaebler (1991). New Public Management asks: *how can the values of business (competition, frugality, risk, choice, value for money, entrepreneurship) be used in the re/organisation of public services so as to enable those services to be delivered more efficiently and effectively.*

A second logic - 'comparative competitivism' - arises from the influential work of Michael Porter (2000). Comparative competitivism was mobilised by the developed economies as a response to the crisis of capitalism in early 1970s. Comparative competitivism asks: *what is it that what can we produce (trade, or gain a greater market share in), where we have an existing or potential advantage in relation to our competitors*? The answer, as we well know, is that public sectors, like higher education, were viewed as potential 'service sectors' by Treasury and Trade Departments of governments; as the new revenue generators for a new services-based economy. This view was supported by key interests in the services sector, including financial services.

A third logic: 'competitive comparison', asks: *how well does this unit (institution/ city/ nation/ region) do in relation to another*? This third logic uses hierarchical orderings (with their implied superior/inferior registers of difference) to generate a social identity (world class, 5*, enterprising). Comparison acts as a moral spur, giving direction to competitivism through insistence that if we *aspire* to improve (despite very different resources and positions in the global hierarchy), we will make it. These three competitiveness logics give direction, form, content and disciplinary power to neo-liberalism as a political and hegemonic project, as it mediated through higher education.

Logic 1: Corporatisation

Corporatisation was the outcome of the New Public Management (NPM) which emerged in the 1980s and 1990s as a way of describing a family of changes in public administration (Hood, 1991; Osborne and Gaebler, 1991). These changes were designed to slow down, or reverse, growth in government spending and staffing. Driven by the 'crowding out' thesis – the view that removing government from key areas of activity will enable the private sector to emerge and stimulate growth and efficiencies, this involved the privatisatisation of a range of university activities, including catering services, cleaning, technology contracts, publishing, recruiting international students, and so on. NPM had a major impact on the way in which universities delivered their core mission of teaching and research through the deployment of indicators and targets, the use of explicit standards and measures of performance, and parsimony in the use of resources. A key cultural shift for universities was the emulation of the core values and practices of business both in the way the university was governed, and the way in which the university itself governed its academic and non-academic faculty (Olssen and Peters, 2005). NPM was to dramatically alter the vision, and mission of the university, away from that Newmans Idea of a University which had stood as an anchor for more than a century (Newman, 1910).

Logic 2: Comparative Competitivism

Whilst not exhaustive, the *key* forms that **comparative competitivism** has taken in higher education include: (i) access; (ii) exporting education services (recruitment of international students, branch campuses); (iii) teaching in English; (iv) the recruitment of talented students for research and development; (v) the recruitment of world class staff, and developing world class facilities to attract staff and student; and (vi) innovations on curricular and governance. These initiatives have generated a raft of monitoring tools that provide the nation, the institution, the student, the industry and a raft of associations, with key information about the sector. At the same time these activities are constitutive of the sector itself. It alters what they do, and how they see, and assess, what they do. I will make some brief remarks on several of these.

Access

In many countries the corporatisation of the university coincided with the expansion of new places within the university as part of the drive to create knowledge-based economies and secure a competitive advantage as a high-skill/high-value knowledge production economy (Marginson and Considine, 2000). A university-level education was thus regarded as a critical investment in the kind of human capital that would stimulate a knowledge economy.

Over the course of three decades, many countries have moved from educating a small elite (4-6%), to educating up to 50% or more of their eligible population in universities, or some form of higher education. UNESCO figures chart this expansion; from around 13 million in 1960 to about 100 million in 2000. Ringer (2004) notes that within Europe, higher education systems enrolled 1% at the turn of the 20th C; at the turn of the 21stC, the figure was averaged at 51%. This expansion has been promoted by the idea of a 'graduate premium'; that is, that students undertaking university level studies will, over their life-time, significantly improve their earnings (Goastellec, 2010) and therefore a route to social mobility. For individuals, then, their competitive comparative advantage is in a university-level education as a positional good. When they have this qualification, it enables them to secure advantages in the labour market that would otherwise be unavailable to them.

Transborder student mobility

For countries like the UK, Australia, and New Zealand, sectors like higher education have been increasingly re-imagined as belonging to the services sector, where they have a **comparative competitive**. Before long, these entrepreneurial innovators aided by key international organisations (OECD, WB, WTO)—came to view higher education institutions as producers of commodities that could be given an economic value, and then bought and sold in the international marketplace (Kelsey, 2009). By the late 1980s, *aid* programmes which had enabled scholars from low-income countries to study abroad were being replaced with *trade* programmes, targetted at the aspiring middle classes in countries such as China, Malaysia, Singapore, and more recently in Eastern Europe, India and Latin America. A new set of firms also emerged in the higher education sector, from to firms who 'test' the health of the system by gathering the views of graduates and selling the data back to universities, to professional recruiters of international students, and university 'rankers' who argue international students make choices on the basis of the ranking of the university – with universities perceived to operate in a global marketplace.

These developments were legitimated by a powerful new imaginary; that higher education was to give birth to a 'knowledge-based economy'. A higher education services sector began to materialise, made up of transborder activity, branch campuses, new forms of financing students, recruiting agencies, testing agencies, and so on. The most visible form of this has been 'transborder' activity. The expansion in numbers of students enrolled in HE outside of their country of citizenship since 1975 has been phenomenal.

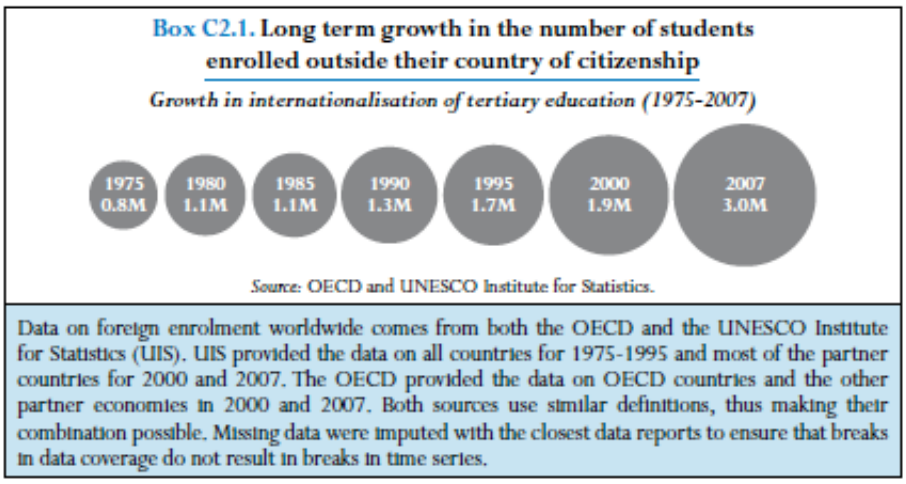


Figure 1: Long Term Growth in the Number of Students Enrolled Outside of their Country of Citizenship (OECD, 2009)

The Atlas of Social Mobility (2009) reports on the distribution of international students globally. Despite the small percentage of international students enrolled in US universities in relation to the total population of university students (3.7% come from overseas), the US dominates the overall share with 20%, however this declining. This is followed by the UK with 12% (and declining figure), France (8%), Germany (8%), Australia (7%), China (7%) and Canada (5%). The declining share of international students amongst the largest players (US and UK) has stimulated these countries to review their policies, and try to diversify their markets.

Branch campuses

Many universities have also began to establish branch campuses in other parts of the world. Branch campuses are 'off-shore' operations where the unit is operated by the source institution (though can be in a joint venture with a host institution) and where the student is awarded the degree of the source institution. In a major report for the OBHE released in September 2009,

Becker notes that since 2006, there has been a 43% increase in international branch campuses, with more host and source countries involved. The number of host countries has also increased since 2006, from 36 to now 51 in 2009.

Among the host countries, the Arab Emirates is the leader (Becker, 2009: 7) hosting 40 international branch campuses (though Dubai is in free fall with 2 US branch campuses in major trouble). These initiatives are part of the Arab region's strategy; to develop a knowledge-based economy, and to be a provider of education services within the Arab region. Second is China with 15 campuses.

A new pattern is emerging worth noting. Where higher education capability is built through the establishment of branch campuses, in select cases, these initiatives are then incorporated into, organised around, a new set of metaphors which are driving these developments, such as hubs, and hotspots (cf. Singapore, Malaysia, Hong Kong). Once established and embedded, these hubs in act as regional suppliers of education services, generating new regional capacity in higher education. These developments challenge existing patterns of geo-strategic interest as the new regional players seek to gain a competitive comparative advantage in the global distribution of education markets.

The growth in transborder mobility gives rise to all kinds of claims by governments as the value of the higher education sector to export earnings. For instance, recent data released by the governments of Canada, the UK and Australia all point to similarly striking figures. In Canada the Department of Foreign Affairs and International Trade noted that international students generated 83,000 jobs, C$291m (£166m) in government revenue, and contributed C$6.5bn (£3.7bn) to the Canadian economy. The last figure is higher than Canada's earnings for coniferous lumber ($5bn/£2.8) and coal ($6bn/£3.4bn). In 2007, the British Council estimated the value of education and training exports to the UK economy at nearly £28bn, which is more than the automotive or financial services industries. Recently NAFSA, the US-based Association of International Educators, noted that international students and their dependants contributed approximately $17.6bn (£10.5bn) to the US economy in the 2008-09 academic year.

Whatever we might think about the veracity of these figures (what gets measured and how), and the capability to generate such analyses (largely consultants), it is clear these numbers are being debated in the context of an ideological transition – one that increasingly enables views to emerge of higher education as a driver of economic versus cultural-political change. A decade or

two ago, it would have been impossible to imagine measuring education against 'scrap plastics', 'chemical woodpulp' and 'coal'.

Anglaise

The English language, as a medium of instruction and a dominant form of dissemination of research, has been a key lever for advancing a comparative advantage. More recently, a range of countries, including continental Europe, the Scandinavian countries, and in 2009 - Japan (where 30 universities began some teaching in English), have responded to the challenge offered by the innovators in this field, by developing their higher education systems into more attractive destinations. The US, Australia, and the USA's competitive advantage is thus eroding as other competitor nations begin to teach in English. For instance international students represent around 36% of graduate students in French universities; many of these are from China. The relatively low cost of living and tuition, and the increased use of English in France, makes it a particularly desirable destination. Similarly the Netherlands, Denmark and Finland also teach graduate programmes in English in order to be attractive to international students and staff. However the 'low' to 'no fees', coupled with teaching in English, has stimulated debates in countries like France and Finland, about student fees and public subsidies for international students. English has also gained particular prominence as the language of the research community because of it role in scientific dissemination and the largest shaped language of the research community. However, the use of English generates huge debates about the loss of local knowledges and cultures.

Talented students – R & D

The global competition for (fee-paying) international students is nuanced by the global competition for 'talented' students. It is this dimension, too, which has differentiated the USAs approach to international students in comparison to the Australian approach, but this is changing, in both directions (US are now looking for full foreign fee-paying undergraduates *and* talented graduates). After being stagnant for several years, it would seem that figures for international graduate students are increasing again. Like the large, research intensive, universities in Canada, USA has a particular advantage in this area – with large R&D budgets able to attract STEM students, and sufficiently flexible immigration packages that enable very large numbers to stay on. Indeed as Douglass and Edelstein (2009) note, these students have been instrumental in enabled the US to build a highly skilled workforce in this area. More recently Canada, 'Europe'

and Australia have also sought to secure a share of the talented 'graduate market, with lures like immigration points and residence permits, and organised scholarship programmes, like the Erasmus Mundus scheme in Europe, used to make the offer more attractive. Europe is particularly nervous of its long term capacity to secure a competitive advantage in R&D because of its changing demographic. Whilst this is not the case in the US, there would need to be a change in levels of participation in US higher education, particularly the sciences, for the US to secure its future from within its nationals as opposed to those who come from Asia.

In the short-term, the economic downturn in India, China and Korea will test the willingness or capability of families to fund their child into graduate programmes, particularly if scholarships and the like in the US diminish because of the poor rates of interest in investments. However there is a more serious problem on the horizon, and that is China and the Arab region are themselves both positioning themselves as destinations for talent, and are seeking to recruit talented students with the lure of generous scholarships.

Recruitment of World Class Staff/World Class Infrastructures

There is almost no country around the world that does not declare itself as seeking to develop a globally-competitive knowledge-based economy. Not all countries are in a position to financially (or culturally and politically) realise this ambition. Several have, however, advanced imaginative metaphors for the development of world-class infrastructures, including the Singapore Global Schoolhouse, EduCity in Qatar, KAUST in Saudi Arabia. In other words, the competitive comparative advantage has been to think in imaginative ways as to how to become a world class education hub by buying in world class brands, world class academics, creating world class architectures, and in the case of KAUST's US$12 billion investment, throwing what was a world class party to launch itself in October 2009 at the cost of US$61 million. This is a highly controversial initiative in Saudi, not least because it offers a university education to bright students recruited from around the world under a set of conditions that does not reflect the wider culture. Co-education, for instance, has been regard by the conservative clerics as western contamination.

Two brief examples here are worth noting. First the Bologna Process which has been rolled out across Europe now includes 46 countries, more than 16 million students. The creation of a European Higher Education area was advanced in order to make Europe a more competitive region through the development of a common degree architecture. This would enable greater labour mobility across Europe, whilst also breaking down existing national practices that were regarded as inefficient (5 year degrees, for example, in Germany).

So successful and significant has this innovation become that other nations and their regions have also considered developing their own regional strategy in order to create a more competitive higher education sector. For instance here in Brasil, three new universities have been launched to promote regional integration, and inter-regionalism. Similarly, in Latin America, the ALBA region has been developing based on the political project of Simon Bolivar. As yet it is unclear the form that they are taking, except that in the Latin American cases the advantage promoted is to be seen to be anti-West, anti-US, anti-competitive, and anti-neo-liberal.

Logic 3: 'Competitive comparison'

Logic 3's competitiveness works in a rather different way. In asking: *how well is one unit doing in relation to another* it assumes a continuum can be developed with labels at each end registering a location on a *telos* of development. Placing units into a hierarchical ordering along this axis, so that comparison can take place, between units, allocates social identities (world class, 5*). This move gives rise to registers of difference, such as developed/under-developed, superior/inferior. Those doing the assessing, or offering their services to determine our progress, have the power to set and reset the rules of the game sufficiently to ensure a spur to action. This is a moral and status economy, whose symbolic power is the elevation to a space close to god, or the humiliation of the 'shadow lands'.

James Ferguson' (2006) work here on how these two hierarchies, of unfolding development (modernisation) and ranking along a continuum that so a hierarchy could determine our position in the world order (developing, transition, developed) is instructive for our purposes, as similar processes are in train. As he notes

> With the world understood as a collection of national societies, global inequalities could be read as the result of the fact that some nations were further along than others on a track to a unitary 'modernity'. In this way, the narrative of development mapped history against hierarchy, developmental time against political economic status.
> …if backward nations were not modern, in this picture, it was because they were not yet modern. …
> …The effect of this powerful narrative was to transform a spatialised global hierarchy into a temporalised historical sequence.

We can see similar patterns at work here. Universities are to deliver the KBE, Each are at different stages of doing that, depending on their imagined status as economic engines (measured by R&D, patents, citations, international students, and so on). This reinforces the development trajectory, and inserts its disciplinary mechanisms into it, as we will see with how assessment tools are used.

The KAM

A powerful example of the way in which indexes, generated out of a myriad of indicators and other indexes, are used to allocate an identity as a result of comparison, which in turn stimulates activity in the direction of an imagined future is the KAM. The World Bank's KAM (*Knowledge Assessment Methodology)* is a powerful instrument developed to help realise a knowledge based economy. The KAM is an interactive, diagnostic and benchmarking tool that provides a preliminary assessment of countries and regions 'readiness for the knowledge economy' (World Bank, 2007). The World Bank's programme of indicators is based on four pillars:

1. An economic and institutional regime that provides incentives for the efficient use of existing and new knowledge and the flourishing of entrepreneurship.
2. An educated and skilled population that can create, share, and use knowledge well.
3. An efficient innovation system of firms, research centres, universities, think-tanks, consultants, and other organizations who can tap into the growing stock of global knowledge, assimilate and adapt it to local needs, and create new technology.
4. Information and Communication Technologies (ICT) that can facilitate the effective communication, dissemination, and processing of information.

The KAM enables countries from around the world to benchmark themselves with neighbours, competitors, or other countries they wish to learn from on the four pillars of the knowledge economy. It is therefore a tool aimed at promoting 'learning' amongst both developing and developed countries about the elements that constitute the Bank's version of a knowledge economy.

The KAM currently consists of 81 structural and qualitative variables for 132 countries to measure their performance on the four Knowledge Economy (KE) pillars: Economic Incentive and Institutional Regime, Education, Innovation, and Information and Communications Technologies. Variables are normalized on a scale of zero to ten relative to other countries in the comparison group. The KAM also derives a country's overall *Knowledge Economy Index* (KEI) and *Knowledge Index* (KI) based on an aggregation of the 14 key variables. At the heart of this version of the 'knowledge economy' is the idea that knowledge has economic ***value*** and forms the basis of a services economy.

Education at a Glance

Education at a Glance is a statistical representation of higher education around the globe by the OECD. First produced in 2000, the OECD has collected more and more material on the sector, and uses these representations and implicit comparisons to enable countries to 'learn' about their system and their performance in relation to other systems. The problem with this kind of representation, however, is that as Adelman (2009) notes in his recent paper on *The Spaces Between Numbers: Getting International Data on Higher Education Straight*. Using graduation rates in the US to make his point, he shows how the OECD report assumes that universities in the US are the only ones producing higher education graduates. As a result, the numbers are represented as small in comparison to other OECD countries. This of course feeds a crisis mentality in the US. As he further notes: Indicators are the means for fulfilling the challenges of variability in any comparison of multinational inputs: out of complexity, they seek to tell a common story. They find ways to reconcile vastly different systems of accounting, cultural definitions, traditional national reference points, idiosyncrasies of institutions, and nuances of behavior through common templates (Adelman, 2009: p. 36).

Quality Assurance

Quality assurance mechanisms are directed at teaching, research, and institutional management. In relation to research, governments have become increasingly interested in research output and the development of measures of quality. I will use the UK as an example here because that is what I know best. The key foci in the UK's research endeavour has been on how to count it as a share of the world research output, and how to determine the underlying basis of what is counted, so as to cast a favourable light on the UK and its 'global' institutions. The Research Assessment Exercise (RAE) in the UK has been copied in a range of countries. Leaving aside the 'not unimportant' fact that the RAE has consumed vast quantities of staff energy and finance, and shaped the recruitment of staff and their academic labour in very significant ways, it has also privileged the idea of 'international' in what counts as quality research. This means that publication outlets that cannot easily lay claim to being 'international', or institutional and individual reputations that have been established locally and nationally, are not rewarded in the same way.

In the UK the RAE has also deepened the divisions within and between the different kinds of higher education providers around teaching and research through the establishment of RAE-based League Tables. Here global media and other publishing interests have become increasingly active in the development of technologies that provide citation data which can, in turn be compared (such as the 5 biggest splashes in 2009). The emergence of the REF in the UK will bring in a completely new dimension to the research quality debate. While still being trialled, the focus on the impactfulness of research—particularly in industry and policy circles, are regarded as crucial indicators.

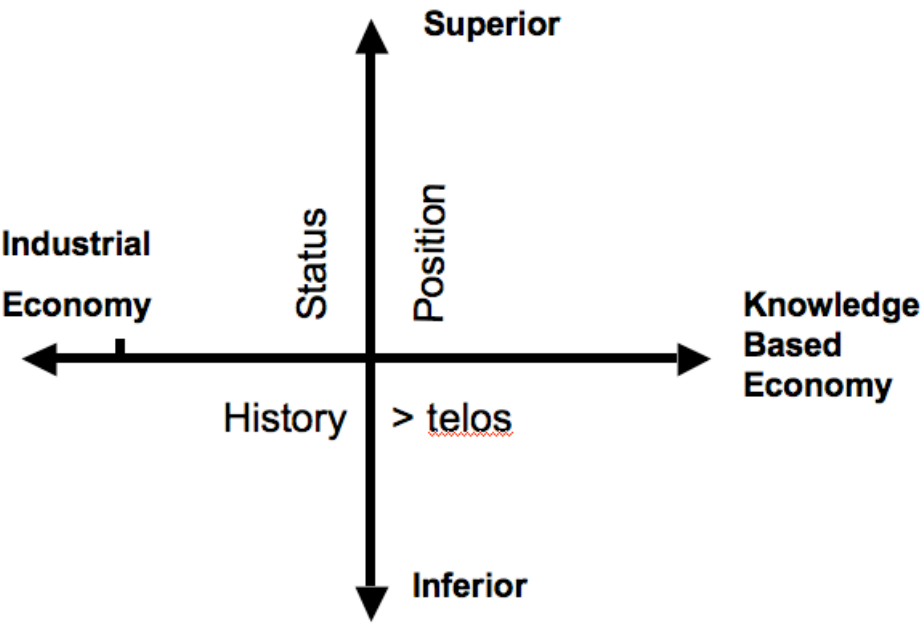
World University Rankings

Since 2003 global league tables, such as the Shanghai Jiao Tong, QS, and the recently revamped Times Higher have provided policymakers and universities with a new language and set of tools to advance the idea of a 'global' university. As you are likely aware, The Shanghai Jiao Tong privileges a particular form of knowledge and how it is circulated; this includes disciplines such as science, mathematics and technology, Nobel Prize holders, the presence of international students, and citations.

There is considerable concern over the use of the Shanghai Jiao Tong for it significantly privileges US universities – with only 2 UK universities in the top 10 (Oxford and Cambridge) in 2008. Nevertheless, governments and individual institutions have used these ranking 'technologies' to advance their own projects and interests; such as leveraging funding, branding their institutions, departments and star performers, as a means of marketing, recruiting staff and students, disciplining staff, and so on. For instance the UK announced that in 2007-2008 it has a 12% share of scientific citations (BIS, 2009).

Corporatisation, comparative competitivism and competitive comparison – three logics at work

I have argued that these three logics have a mutually reinforcing role in creating competitive economies, institutions and individuals. Its three-pronged epistemology, of (i) creating an organisational infrastructure and orientation that emulates the private sector, of (ii) securing an advantage through innovatively using territorial intelligence, material capabilities and new forms of institutionalisation, and (iii) using comparison as the tool for enrolling an otherwise ignorant, or reluctant subject in the project of economic and social progress, gives these tools power because of their reach.



HIGHER EDUCATION DEVELOPMENT MODEL

These logics are changing higher education institutions; they are not only a site of human capital formation but a business, best organised using the disciplinary values and principles of competitivism and progress. Together, these two planes, offer a **limited** range of social identities for institutions. Its moral economy is punitive in that while difference becomes the basis on which social identities are allocated, there is little scope for diversity.

Its development trajectory, of progress away from a relatively autonomous, institution whose social relations are decommodified, toward one where the knowledge value is in the form of commodities within a knowledge economy, highlights not only the narrowing of what knowledge counts to economically valuable tradeable knowledge, but the closing down of knowledge that is produced.

In the face of global issues of sustainability, and the sustainability of the model based on enrolling international students (not sustainable) and a patent-driven economy, it is time that we call for a new social contract in higher education. Education must be seen as a societal good.

Five Challenges

Challenge 1. Access and higher education as a positional good

Currently higher education is promoted as a form of social mobility, and as the means for securing a return on the investment in student fees. However it is increasingly clear that returns are beginning to decrease as more students access higher education. The positional good nature of a higher education is thus increasingly dependant on the kind of university, and the nature of the discipline studied. It is thus important to ask: 'who is doing the accessing', and 'access to what'. In the UK, for instance, the gap between children from poorer homes versus from better-off homes accessing higher education has widened rather than decreased between 1970 and 2000. Archer (2003) reports that young people from poorer backgrounds strongly believed that the economic rewards they would be able to secure from higher education depended on the institution they went to, and that they believed they would not get into a sufficiently good enough one. More than this, in a report to government, PriceWaterhouseCoopers (2007) point out that the high status occupations, such as medicine, law and dentistry (all linked to high status

institutions and accessed by the middle and upper classes), return a very high premium that distorts the average. Working class males accessing courses in Arts subjects are likely, for example, to earn negative values in relation to their investment. Already we can see that higher education/participation/social mobility arguments are losing traction amongst those social classes who have quite rightly made a judgement that higher education is a poor economic investment given the link between social class/status institutions/ labour market/wages. The flip side of this coin is the increased competition for jobs amongst an oversupply of graduates. This generates not only issues about selection, but leads to new forms of professional closure. A key challenge here will be on how universities deal with the growing awareness that higher education may not be a good economic investment. My own view is that universities must promote the social, political and intellectual aspects of higher education. That is, higher education is part of a learning trajectory that has value in and of its own sake, and not for the economy.

Challenge 2. Pedagogy and the industrialisation of learning

Universities have expanded their intakes right across the spectrum of qualifications (undergraduate to doctoral studies). The Bologna Process, for example, has sought to reduce the differences between countries and institutions in Europe in the degree cycle, so that there is flexibility of movement for students across Europe, and reduced frictions in the movement of students through the system (Robertson, 2006).

Expansion in the numbers of places in higher education have been enabled by the increase in both local and international students, with the latter mostly paying a high fee, and increasingly local students being expected to contribute to their higher education. This has created a different relationship between students and the institution; a customer-based one driven by arguments such as choice, value for money, and so on. However, at the same time, universities have high expectations of their academics regarding contributions to research profiles and outputs. A key challenge here for universities is on ensuring that students experience a stimulating and high quality learning experience, not because they are a 'customer' but because they represent a critical opportunity to create a new, next generation of citizens whose approaches to problems will be decisive.

Challenge 3. New sectoral and institutional geographies of universities

There is considerable pressure on universities to engage in regionalising and globalising higher education projects as solutions to problems (internal governance issues; sustainability issues; global challenges; marketing and branding) whilst ensuring local relevance, managing charges of imperialism, and the valorisation of the regional and the global over the national interest. There are a number of important challenges here for universities. One is that current opportunities to develop branch campuses and other relationships can be quickly withdrawn, dependent upon changes in government, new taxation regimes, the regulation of poor practice, and so on.

There is also clear movement of students from West to East beginning to take place that will not only generate important financial fallouts but also have direct and indirect long-term affects on global academic and wider, labour market.

When the implications of the changing demography of China (in 2011 the long term effect of China's one child policy will result in a decline in the overall number of 18 year olds), together with that of Europe more generally (from 2014 there is a decline in the numbers of 18 year olds) take hold, universities will be confronted with a potential declining student population at the national, EU, and key source country levels. Again this will present important long-term financial viability issues for HEs, particularly those dependent on international students. Branch campuses embedded in education hubs, like those developing in the Middle East (five hubs), are intended to provide an education 'in the region' rather than students having to carry the burden of 'living' costs, as well as 'education' costs. This will reduce the financial returns those countries dependent on these populations.

Challenge 4. The rise of for-profit firms in all aspects of higher education governance

There has been a very rapid growth in the role of the (transnational) for-profit sector in delivering components of higher education provision. This raises important issues of quality and accountability. In the USA, for profit firms are the fastest growing component of higher education, with around a 10% share of the total student population enrolled in higher education and a growth rate of 200% per year. These for-profit firms have benefited from the expansion of access to higher education, and the ability of students to use federal student loans pay fees. However, currently some of the for-profit firms are under investigation because of their high

pressure 'selling' tactics to students who are not likely to be in a position to secure jobs sufficiently well paid to pay back their loans.

The for profit firms have also begun to bi-pass the trade negotiations established under the WTO, and sought to advance their interests through strategic partnerships in national settings and regulatory claims to key bodies within those national settings. In 2007, the Privy Council awarded BPP Holdings (BPP), Europe's leading provider of professional education, degree-awarding powers. This is the first for-profit private sector company to have been awarded such powers. It is clear, however the regulatory frameworks in the higher education sector is not keeping up with the rapid changes taking place, leaving many developments to go un-noticed and unaccountable. As a result, the issues that surround these developments are also not well enough understood or sufficiently debated. Is the growth of the for-profit sector a threat or an opportunity for publicly-funded universities, particularly if these firms are seeking their own degree awarding powers, or if partnerships falter as the current lucrative markets become less competitive? Do recent government policies risk intensifying a trend that is not well understood and well regulated?

Challenge 5. Changing role of the public intellectual and the commercialisation of ideas and knowledge

Finally, how does the commercialisation and commodification of knowledge within the university change the nature of knowledge that is produced, and the role of the public intellectual in this? Does the range of knowledges being funded and disseminated become limited by what is of potential immediate commercial value, and does this kind of trajectory tend to focus on easily evidenced outcomes, as opposed to foundational knowledges that might require considerable funding before any return, financial or not, are in evidence. Who is valued in the university as knowledge producers, and how are the cultural, social and political dimensions of critical knowledge production catered for in a highly commercially-oriented approach to knowledge? For the moment there is a great romance of the Silicon Valley, venture capital model of the relationship between the university and the regional economy. This model has been taken up and circulates around the globe. However it is clear that not only does this IP-led approach rest on highly suspect evidence, but that it distorts the overall mission of the university.

Conclusions (by way of strong questions in need of strong anwers)

Santos (2010) recently argued that what confronts the modern university, and indeed places the modern university at a crossroads, is that it has tended to answer strong questions with weak answers. Weak answers are technical answers. They are anwsers that focus on the problem as if it were disconnected from wider social and political phenomena. Answers to strong questions, such as those posed above, must not only have a strong awareness of the context, but have a strong theory about that context as well. Strong answers not only see the importance, and the enormity of the task at hand, but see that it is our responsibility to map, make sense of, and advance an agenda that seeks to change the current state of affairs. To some extent this also means posing questions that might offer a new ways of thinking about the role of the university in modern life. What might be the indicators that would register a different way of operating on, and acting in, the world. I leave you, then, with a series of questions which we might use to advance a different agenda for the modern university. It is a challenge, but I hope you will agree, that it is a critical one.

- Can we (how?) reconstruct the missions of our universities (in the current environment) to include social, political and not just (narrow) economic ends?
- Is it possible to have a progressive form of competition? What might it look like if translated into the kinds of tools we use to assess our activities?
- What can we learn from others (comparison) that enables us to reject the narrowness of current models on offer?

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