

## Markets and the Promotional University

The “promotional university” is the logical and inevitable outcome of the attempts by governments in many countries to undertake market-based reforms in higher education. A marketised system is one where institutions have a high degree of legal, financial and operational autonomy; where there is a significant amount of competition for students, so that students have a genuine choice about what and where to study; where tuition fees exist and represent an important share of teaching costs; and where private support for these costs represents a major part of institutions’ income. Research is typically provided on quasi-market (Le Grand and Bartlett, 1993) lines, where the state acts as a monopoly purchaser to reduce costs and raise quality.

These reforms are motivated partly by pragmatism – the imperative to manage claims on the tax base as higher education systems expand – and partly by ideology – the belief that ultimately higher education is a commodity like any other and should be supplied and priced accordingly. The present Government’s HE “reforms” are a case in point, going well beyond what is needed to deal with the public (actually, private) debt crisis, and in fact likely to add to it.

There is little doubt that some degree of market competition increases the efficiency with which resources are used: institutions would otherwise be unable to survive, be competitive or obtain the resources needed for their activities. It makes the publicly allocated resources go further whilst stimulating institutions to increase their funding from private sources. Market competition also makes universities and colleges more responsive to external stakeholders, especially students and prospective students and their families, but also employers, public bodies and funding agencies. It may also make them more innovative and entrepreneurial. But it also reduces institutional diversity and increases institutional and social stratification.

In discussing the application of market theory to higher education, economists usually refer to externalities and public goods. However the main limitation, and the main reason for these negative impacts, is the difficulty – in reality, the impossibility – of obtaining timely and suitable information about product quality. Higher education is what Weimer and Vining (1992) termed a “post-experience” good, the outcomes of which may not be apparent (if at all) for many years, and which may not be traceable to any particular educational experience. Moreover, what actually happens depends not only on the “facilities” that are provided by the institution but on what the student/researcher her/himself puts in (McCulloch, 2009). (Together, these incidentally mean that the efforts currently being devoted to student information are an almost total waste of money).

Because markets cannot function without consumer information about product quality, what therefore happens is that consumers seek, and institutions try to provide, symbolic indicators of quality which often relate to promotional activity. The ones usually chosen – resources and reputation – in turn reinforce higher education’s traditional role of allocating status through the granting and validation of credentials. This has become of even greater importance as the number of top-level positions in society fails to increase as much as the number of those qualified to occupy them, in what Robert Frank has termed the “winner-takes-all” society (Frank and Cook, 1997). It should be noted that important factors in both enhanced stratification and reduced diversity are the power exercised by the faculty in the longer

established institutions, and the greater esteem accorded to research in systems where universities research as well as teach.

The detriments that flow from this can be seen both within the university and in the university's relationship with society. Internally, marketisation leads to a damaging differentiation of activities, structures and personnel, weakening collegiality and any sense of the university as an organisation separate from the interests of its individual members. Externally, marketisation threatens our "compact" with society through which universities have a good deal of freedom in return for producing valued public goods: if universities behave like commercial companies, why should they benefit from autonomy, tax breaks and other privileges? This in turn weakens our ability to play our crucial role of testing knowledge claims and "holding a mirror up to society".

The irony is that any attempt to introduce serious competition in higher education is actually doomed on its own terms. If there is any justification for marketisation it is to provide greater "value for money" for "consumers". Yet both the scholarly literature and institutional experience in the US, Australia and Britain point to a host of ways in which, if carried very far, marketisation leads to a serious loss of quality. These include a reduction in the amount of learning due to a reduction of the "size" of the curriculum, a shorter academic year, less contact with academic staff, heavier staff workloads, larger teaching groups, higher student-staff ratios, more students working in term-time etc.; lower rates of progression, retention and graduation); increasing reports of students less well prepared for degree level study; greater pressure on pass rates and grade inflation, especially at the more prestigious institutions; more plagiarism and other forms of cheating; declining levels of trust between students and staff seen not only in increasing student complaints but also in misbehaviour in the form of violence, harassment, public humiliation and rudeness as well as accusations of unfairness and lack of professionalism; increasing resort to temporary and part-time lecturers and tutors, including graduate students; a growing tendency for programmes and awards to be valued for their "exchange" value, particularly in the labour market, rather than for their "use" value, to the student ("commodification"); students adopting a more "instrumental" approach to their studies, focusing their work on what will gain them good marks; and, last but by no means least, a diversion of resources away from teaching and learning towards marketing and promotion that have only a remote relationship to educational quality (Brown, 2011).

Marketisation has both benefits and costs for society as a whole. But it may be terminal for higher education. Let the "promotional university" be a warning to us all.

## References

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