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Globalising UK Higher Education

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Globalising UK Higher Education

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Abstract

This paper examines the changing form and scope of higher education in the United Kingdom (UK) with a specific focus on contemporary 'globalising' developments within the sector. Situated within an analysis of transformations under way within the wider global political economy, I explore the way the higher education sector in the UK is being progressively transformed following the insertion of a new set of, albeit contradictory, logics - of competitiveness, corporatisation, commercialisation and social cohesion - all aimed at realising the state's economic and social development agendas. These logics are creating the conditions for the transformation of the sector (the result of the rapid growth in international students, the development of branch campuses, the emergence of new commercial transnational firms operating in the sector, the role of the university in city regional regeneration), including the nature and valuing of knowledges that are produced. The recent change of government in May 2010, from Labour to a Liberal-Conservative coalition, has not altered the defining features of these trends. Indeed, spurred on by the global financial crisis and reductions in public sector expenditure, current government initiatives would appear to be reinforcing this model.

> …What is really imperative about being globalised? How much is it in fact optional, or, at a time of economic crisis, perhaps undesirable? …We need to ask not so much "how global do we want to be?", but "what is it, educationally, that we are trying to produce"? (Gilles 2009: 4-5)

Introduction

This paper critically examines the changing form and scope of Higher Education (HE) in the United Kingdom (UK), with a specific focus on contemporary 'globalising' developments within the sector. Like Gilles above, I ask: *what is really imperative about higher education being globalised?* However, unlike Gilles, whose question implies that a degree of choice is still possible on such matters, I will argue that, over the past decade, the HE sector has been globalising in significant ways (for example, rapid expansion of 'human capital' formation for the global knowledge economy, the rapid growth in international students, the development of branch campuses, the commercialisation of knowledge as a mechanism of global competitiveness, the emergence of new commercial transnational firms operating in the sector, and so on), and that the policies of UK governments – both recently past and current – are reinforcing this model (Mandelson, 2009; DBIS, 2009; Cable, 2010). Present developments currently outpace efforts to understand and regulate the sector. They also residualise wider societal and cohesion objectives that are being pursued through higher education, particularly via policies aimed at addressing widening access, particular forms of city-regional development and regeneration. At stake is the stability and perceived 'fairness' of UK higher education in the face of declining public funds, questions of public accountability, the nature of academic autonomy, the instrumentalisation of knowledge, ring-fenced funding for the sciences giving rise to the narrowing of publicly-funded research, and the devaluing of higher education as a societal good.

The structure of this paper will follow its main arguments. I begin by locating the paper conceptually and politically. I look back briefly at the crucial turning point for western capitalist economies: the collapse of the Fordist settlement by the late 1960s and the search for a new solution to the problem of on-going capital accumulation; at the opening up of economies around the globe to new, decisive, neo-liberal interventions which transformed the

state-economy-civil society relation; the promotion of knowledge and the idea of a knowledge-based services economy as a new economic model; and the advance of discourses on skills, labour flexibility, competitiveness and entrepreneurship as a rationale for this ongoing transformation. I then trace the unfolding temporal and spatial nature of the UK's higher education project over two distinct periods (see Appendix 1: Table 1, for an outline of key higher education initiatives/events that have been launched since the early 1980s). The overall consequence of these developments has been to insert UK higher education more closely into the circuits of global capital. It has also altered the very nature of the university, the knowledge it produces, and categories such as public and private. I conclude by arguing that changing geo-strategic conditions, when coupled with the financial crisis that has engulfed the UK, are creating a set of conditions in UK higher education that have far reaching consequences for the sector and the UK economy.[1]

Critical Political Economy of Higher Education: An Approach

Many contemporary studies of UK higher education by HE researchers tend to focus upon the university as an organisation and its transformation, with varying entry points, such as quality, 'new managerialism', 'super-complexity', access, widening participation, student learning, research rankings (for instance, see Deem, 1998; Scott, 2000; Barnett, 2000; Brennan, 2007; Lucas, 2006; Eggins, 2010). These selective examples are significant contributions to our knowledge on the changing nature of the contemporary university. However, I'll be arguing that in order to understand the globalising of higher education, it is particularly important to locate higher education in wider processes tied to changes in the nature of contemporary capitalism, and national and world orders.

Enders (2004: 373) argues that much research on higher education has a selective concern with domestic policies, with an accompanying tendency to focus on the dynamics within, as opposed to beyond, the nation state The problem here is that, aside from the work on trans-border student mobility, little attention is paid to the dramatic changes that are taking place in the higher education landscape that now operate at multiple scales.

[1] Many of the examples in this paper generally refer to policy directed at England (e.g. HEIF is an English funding stream through HEFCE). The general arguments in the paper apply, however, across the UK.
[2] The total tuition cost to complete a 2 year degree is £17,130 for a UK undergraduate, and £28,050 for a non-EU student.

In analyses of HE that do take on a broader framing, there is a tendency for arguments to be trapped inside a debate as to whether the processes at work are those of internationalisation *or* globalisation. I am not suggesting this distinction is unimportant. It is, however, only in so far as it sheds light on the ways in which, in the HE sector, discourses of 'internationalisation' and 'globalisation' are themselves sliding signifiers charged with carrying multiple meanings for different purposes. For universities, it is often a strategic decision; 'internationalisation' is not only less pejorative than globalisation, it has greater resonance with the historic mission of the university (as in Newman's [1910] idea of the 'Studium Generale' – in other words, the place for sharing universal knowledges).

When HE research does focus on the global, much of it tends to privilege phenomena and outcomes that are the self-evidently 'out-there' forms of global rather than the many ways in which the global is *also* transforming the 'in-here' within the national territory, and with it, national sovereignty. As Sassen observes, entry into global space, '…is predicated on – and in turn further strengthens – particular forms of denationalisation'. Both processes – 'the self-evidently global and [the] denationalizing dynamics' – 'destabilise existing meanings and systems' (Sassen, 2006: 2).

What is crucial is that analyses of the globalising of UK HE take a relational view of 'horizons of action' to reveal the (albeit uneven) inward and outward flows of projects and programmes and their materialisation and institutionalisation. These developments need to be mapped and understood. They also demand new analytic tools and methodologies (Robertson and Dale, 2008). To this end, this paper broadly draws upon a 'critical theory' approach (see Cox, 1996) to examine the globalisation of UK higher education. Critical theory insists that to understand projects, policies, and institutional change, we need to place our objects of analysis within accounts of transformations and struggles taking place in the wider cultural sphere and political economy. However the question of how particular kinds of social structures and social relations emerge requires more than the insistence that ideas, structures and material capabilities matter. We also need a theory of change. Here I will draw on Jessop's *Strategic Relational Approach* (SRA) (2002, 2005). SRA highlights the co-constitution of subjects and objects, is concerned with the structural properties and dynamics that result from material interactions, is attentive to the 'ecological dominance' of capitalism

whilst highlighting the contingent and tendential nature of structural constraints, and assigns an important role to the cultural dimensions of social life (reflexivity, semiosis).

Jessop pays particular attention to the *semiotic* in social action, and the constitutive role of 'imaginaries' in economic and political life, such as ways of thinking about, and representing, societies, their economies and polities, as in the 'green-economy', 'knowledge-based economy', 'learning society', and so on. He argues:

> Imagined economies are discursively constituted and materially reproduced on many sites and scales, in different spatio-temporal contexts, and over various spatio-temporal horizons. They extend from one-off transactions through stable economic organizations, networks, and clusters to 'macro-economic' regimes (Jessop, 2004: 4).

Jessop goes on:

> …stable semiotic orders, discursive selectivities, social learning, path dependencies, power relations, patterned complementarities, and material selectivities all become more significant, the more material interdependencies and/or issues of spatial and intertemporal articulation increase within and across diverse functional systems and lifeworld (ibid).

However, complex stable social orders are difficult to reproduce over the long term because capitalism itself is crisis prone, and because societies are never able to perfectly reproduce themselves. In other words, social systems are characterised by contingency and variety, repetition and routine. The state plays an important part in managing crises in social formations. Ruptures in the economy, the advance of new political projects, and so on, break existing path dependencies and power relations, and open up spaces for contestation and new alternatives. As we shall see shortly in this paper, from the 1980s onward in the UK, following the launch of Thatcher's neo-liberal project, higher education faced successive waves of policies which structurally and selectively altered the patterning of the higher education sector.

Jessop has developed an innovative approach to *structure and agency*, as *selectively and strategically formed*. In his words;

> …structures are thereby treated analytically as strategically selective in their form, content and operation; and actions are likewise treated as structurally constrained, more or less context sensitive, and structuring. To treat structures as *strategically selective*

> involves examining how a given structure may privilege some actors, some identities, some strategies, some spatial and temporal horizons, some actions over others. Likewise, to treat actions as *structurally constrained* requires exploring the ways, if any, in which actors (individual and/or collective) take account of this different privileging through strategic context analysis when undertaking a course of action…In short, the SRA is concerned with the relations between structurally inscribed strategic selectivities and (differentially reflexive) structurally-oriented strategic calculation (Jessop, 2005: 48).

Jessop places particular importance on structures and actors having distinctive *spatio-temporal selectivities*. For example, the state's neoliberal policies in higher education have enabled the advance of particular actors in the sector; those who can mobilise social, political and economic resources enabling them to strategically and selectively act *beyond* (e.g. non-protectionists, globalising universities setting up branch campuses) and *below* (e.g. regional development agencies) those boundaries which had defined the national state's historic governance of higher education in the post-war period. In other words, space and time are also crucial forms of selectivity constitutive of forms of agency and structure.

Jessop emphasizes the *relational* dimension of structure and strategy. That is, particular structures have meaning *in relation to* specific agents in particular contexts or 'fields' pursuing specific strategies. For instance, the importance of the state's policy on increases in university fees has particular meanings to those families seeking to access higher education, each with differential access to resources, calculations around risk, and so on. We can also see in this example that changes in the nature of the boundary between the state and the household in funding higher education matter. For example, when students living in households with limited access to economic resources decide to stay at home to study to offset the overall cost of higher education, this can reproduce geographically inscribed patterns of social class (Davies et al, 2008).

In summary, Jessop's Strategic Relational Approach helps us 'see' higher education in the UK at any particular juncture as the outcome of a specific patterning of strategically-selected social relations constituted through economic and political imaginaries, with actors having differential capacities to selectively engage in, and reorganise, structures and strategies over different spatio-temporal horizons.

Power, Production and Changing World Orders

As has been well rehearsed elsewhere, a crucial turning point for economies around the world was fuelled by a combination of events that in turn generated a fundamental crisis of capitalism, its mode of regulation (Harvey, 1989; 2005; 2006; Hobsbawm, 1994), and the dominant societal paradigm – modernity – which privileged progress and science (Santos, 2004). This marked the end of more than three decades of continuous growth which had, up until this point, been driven by the strength of the US economy. It also shattered the prevailing view that the roller coaster days of capitalism and crisis were over (Dickin, 1992: 16).

The story of the post-war accumulation strategy and its eventual exhaustion tends to begin with the 1970's crisis and following recession. However, the post-World War II settlement had shown sign of serious problems as early as the 1960s with rising commodity prices, declining profits, accelerating labour costs and the movement of industries to less developed countries, particularly in Asia (Dickin, 1992: 16-17). As Harvey (1989: 141-2) wrote of the time, and which I quote at length:

> By then, the West European and Japanese recoveries were complete; their internal markets saturated, and the drive to create export markets for their surplus output had to begin. And this occurred at the very moment when the success of Fordist rationalising meant the relative displacement of more and more workers from manufacturing. The consequent slackening of effective demand was offset in the United States by the war on poverty and the war in Vietnam. But declining corporate productivity and profitability after 1966 meant the beginnings of a fiscal problem in the United States that would not go away except at the price of an acceleration in inflation which began to undermine the role of the dollar as a stable international reserve currency.

The net result was that, when the US moved to a floating exchange rate in 1971, and other countries followed, the Bretton Woods system – a central pillar of the post-war international order – collapsed.

The declining position of the US and the UK is evident in the overall share of global GDP. By 1973, the US's share of output had fallen by 10 percentage points from 1950, and its share of exports had fallen to less than the combined total of Germany and Japan (Michie and Smith, 1995: 25-26). The UK's share of global exports continued to decline in the period

1950-70 (11.1% in 1950 to 7.9% in 1973) (ibid: 24). This can be compared with the rapid increase of Japan's economy between 1950 and1970, which was driven by growth in manufacturing (Dickin, 1992: 23).

These events in the global economy opened up the terrain to new struggles between social forces in the heartlands of the developed economies – in this case between neo-liberals and (ethical liberal) Keynesians. Even before the crash, 'a minority of ultra-liberal economic theologians' (Hobsbawm, 1994: 409) had attacked the domination of Keynesian thinking, promoting instead the unrestricted free market as the model of economic development. The attack was also directed at what was regarded as increasingly unruly labour, protected by the institutionalised interests of unions.

By 1974, neo-liberals were on the offensive (Marchak, 1991: 93), though they did not come to dominate government policy until the 1980s. While seemingly a spontaneous emergence, intellectuals like the Viennese economist, Hayek, and Chicago-based Milton Friedman had spent a considerable amount of time since 1947 critiquing welfare-based democracies. As Hobsbawm (1994: 409) observes:

> The battle between Keynesians and neo-liberals was neither a purely technical confrontation between professional economists, nor a search for ways of dealing with novel and troubling economic problems … It was a war of incompatible ideologies, both sides put forward economic arguments. The Keynesians claimed that high wages, full employment and the Welfare State created the consumer demand that had fuelled expansion, and that pumping more demand into the economy was the best way to deal with economic depressions. The neo-liberals argued that Golden Age economics and politics prevented the control of inflation and the cutting of costs in both government and private business, thus allowing profits, the real motor of economic growth in a capitalist economy, to rise. In any case, they held, that Adam Smith's 'hidden hand' of the free market was bound to produce the greatest growth of the 'Wealth of Nations' and the best sustainable distribution of wealth and income within it; a claim which the Keynesians denied.

International business elites supported and advanced this agenda through institutions like the Trilateral Commission, formed in 1973, to secure a liberal integrated world economic system secure from protectionist disputation and domestic upheaval (Brown and Lauder, 2001: 124). From the 1980s onward, there was a purge of Keynesian policy by the international organisations, lending agencies and national governments (Chile, USA, UK, Australia, New Zealand, Canada) in what Tickell and Peck (2003: 174) term 'roll back' neo-liberalism. As

they note: ‘In its own terms, neo-liberalism’s roll-back phase was a phenomenal success. Markets and institutions were transformed as the politically legitimate remit of state intervention was redrawn’ (ibid).

Three key ideas featured in most models of restructuring: deregulation, competitiveness and privatisation (Cox, 1996: 31). Deregulation referred to the removal of the state from a substantive role in the economy, except as a guarantor of the free movement of capital and profits. Competitiveness policies justified the erasure of protectionist policies, and the dismantling of procedural state bureaucracies and range of welfare provision that were built up in the post war period. Privatisation described the sale of government businesses, agencies or services to private owners, where accountability for efficiency is to profit-oriented shareholders. These principles, implemented with the slogan – ‘there is no alternative’ – were sold as short-term pain for long-term gain (Kelsey, 1995: 10).

Three further developments must be noted here because of their centrality to the overall argument in this paper. The first is that the organisation of the public sector was to receive considerable attention: ‘Neo-liberals argued that the public sector, unlike the market, lacked comparable mechanisms of economic efficiency to guide the utilisation or allocation of resources’ (Olssen et al, 2004: 153). Furthermore, bureaucrats and government officials were viewed as self-interested and opportunistic, and that their conflicting loyalties mitigated against them pursuing the public versus their own private interests. Public Choice Theory, with its view of human nature as economically driven, was thus deployed across the public sector in the interests of making them subject to similar disciplines like the market (costs, benefits and so on).

The second emerged from a combination of the prominence of an economic rationality in social policy as a result of neo-liberal theory, the growing power of international agencies (particularly the OECD and World Bank), and the search for a new model of accumulation for the developed economies as a result of the changing global division of production and labour. Increasingly influential here was the work of intellectuals like Robert Reich (1991), and his argument that the economic nationalism of the post-war period had collapsed. Building on Bell’s (1973) arguments, that we were witnessing a shift from an industrial and goods-based to a post-industrial services-based economy, Reich argued that ‘…the skills of the nation’s workforce, and the quality of its infrastructure are what make it unique, and

uniquely attractive in the world economy' (Reich, 1991: 264). To Reich, the world was bifurcating into high-value production regions (North) on the one hand, and high volume production regions (South) on the other. As a high value producer, the North needed to invest heavily in the development of highly skilled problem solvers, problem-identifiers and strategic brokers (symbolic analysts). These workers were viewed as the most vital intangible resource for competitive enterprise organisations. Reich (1991: 206) argued that there was a direct link between the level of education attained and income. He also maintained that a solid education was central to enabling high value workers to continuously test the frontiers of knowledge. These ideas had considerable currency in government circles in the UK, particularly higher education policymaking. For instance, the Dearing Report (National Committee of Inquiry into Higher Education, 1997), *Higher Education in the Learning Society*, argued that economically successful nations in the 21st century would be those committed to effective education, training, and lifelong learning, in turn enabling them to compete at the leading edge of economic activity.

The third was the strengthening view throughout the 1980s and 1990s that sectors like higher education could, and should, be bought into the global trading system, and that this system should be regulated like other goods and services (Robertson et al, 2002). Verger (2010: 22-23) argues that discussions on opening up the services sector began as early as the 1970s when the OECD invited a group of experts to study the long term prospects for trade in the new industrial structures. At this point, however, discussions were vague, and higher education was not explicitly mentioned. However, in the 1980s, key service industries in the US began to show an interest in developing a global trading agreement in those services areas where it had a clear comparative advantage. This agenda was taken up by US Trade Representatives in subsequent rounds of negotiations, receiving backing from the OECD and think tanks such as the Trade Policy Research Centre.

In 1995, following the completion of the Uruguay Round, a new trading body, the World Trade Organization (WTO), was launched, along with a new agreement, the General Agreement in Trade in Services (GATS), with Higher Education as a key sector to be opened to global trade. Whilst WTO signatories must negotiate the extent of the liberalisation of their higher education sectors around four modes (cross border supply, commercial presence, presence of natural persons, foreign consumption), and national actors will have different capacities to negotiate, the emergence and presence of the WTO and GATS highlight the

radical transformations taking place in the global arena, and the place and role of higher education in these agendas. At the same time, I do not want to suggest that the expansion of HE markets were being driven by the WTO alone; far from it. Rather, these initiatives have been driven by key interests within economies like the US, Australia and New Zealand, which have sought to advance their interests in those arenas where they see themselves as having a competitive, comparative advantage – such as 'exporting' education services. The purpose of the GATS negotiations was to advance negotiations in these arenas, and lock in agreements that would enable a longer-term economic strategy to be pursued.

It is against this backdrop that I now turn to an examination of the challenges to, and transformations of, HE in the UK over two distinct phases of development; firstly, from 1980-1997 under a Conservative Party administration, the introduction of New Public Management which advanced the internal reorganisation of universities, and policies to rapidly expand access to HE. This was followed by a second period under New Labour 1997-2010. Here competitiveness (for example entrepreneurship, innovation, business-university relations) and commercialisation policies and projects (for instance recruiting international students, the development of Intellectual Property, creation of university spin-out companies, for-profit firms delivering education provision, branch campuses) were being advanced and enabled. Taken together, these initiatives have transformed existing boundaries around the sector and the nation. I will also argue that throughout these periods, the role of universities in local regeneration and widening access to realise social cohesion and social equity goals has been a continuing policy orientation. However, it has been further and further residualised in relation to the dominant discourses of corporatisation, competition, and commercialisation.

The Beginnings of the Revolution: Making UK Higher Education More Competitive (1980-1997)

Jessop argues that 'Crises encourage semiotic and strategic innovation' (Jessop, 2004: 9). The crisis of the Keynesian Welfare State opened up the state to new social forces and their claims. Within higher education, as with other public service sectors, it unleashed the beginnings of a revolution that would set into place new structural selectivities (Marginson and Considine, 2000: 3). A key instrument in Thatcher's political project was the reinvention

of government and its institutions guided by what Hood (1991) would come to call, *New Public Management* (NPM). Higher Education was accused of harbouring wasteful 'dead wood', of lacking public accountability, and suffering from 'managerial weaknesses' (Land, 2006: 106).

This 'discourse of derision' (Ball, 1990) culminated in the Jarratt Report (1985) with its recommendation to reform the institutional and financial management of higher education institutions (HEIs) along the lines of the corporate sector (Silver, 2003: 227). HEIs were charged with having to: generate greater operating efficiencies, be more accountable, significantly expand student numbers, ensure quality, and subordinate their disciplinary (or 'tribal') interests to the overall health of the university.

The first Research Assessment Exercise (RAE), introduced in 1986, placed institutions in competition with each other for 'research active' academic labour, and for a place in league tables. However as Silver notes:

> …the system, as it took shape, did not eliminate institutional autonomy or diversity. It directed, and in many respects seriously diminished, the former, but in the latter case it did make serious inroads into the pattern of diversity without basically undermining the diversity based on historical characteristics (Silver, 2003: 227).

During this period important other changes were under way over the institutional make-up of the sector. Notable was that in 1983, a new 'private' university, the University of Buckingham, was established (though in 2008 its student population was no more than 1000, it operates as an expensive, selective, boutique HEI).[2] This was the first break in the UK with the governance model that had dominated university funding in the post-war period.

However, it was not until early 1992, following the decision of the then Conservative Secretary of State for Education, Kenneth Baker, to overnight double the proportion of young people going to 'university' by re-labelling the former polytechnics, that the overall funding environment for higher education changed in more dramatic ways.[3] Ryan (2005: 93) notes two pressures followed from this:

[2] The total tuition cost to complete a 2 year degree is £17,130 for a UK undergraduate, and £28,050 for a non-EU student.

[3] The former polytechnics and colleges of higher education emerged from a rather more bureaucratic and hence more hierarchical and rule-bound local authority tradition than their more collegiate competitors. Nevertheless, in the 1980s and before, the polytechnics had a range of employment conditions and practices which afforded academic staff at least some

> … one came from Treasury ... to reduce the unit of resource down to the level that reflected the price at which the cheapest supplier of a course would supply it. The other came from the HEIs themselves, which were ready to expand their intakes at a very low cost. The post-1992 institutions had done this throughout the 1980s, and over a decade had reduced their funding per student to some 75% of what it had been in the 1980s. The 'old' universities had contrived to hold the line, and were no worse off at the end of the 1980s than at the beginning. Between 1990 and 2002 however, the combined sector lost 35% of the unit of resource it had enjoyed in 1990.

Growing numbers of enrolled students in universities, along with annual 1% efficiency cuts in real terms imposed by the Conservatives (and continued under Labour from 1997), resulting in pressures on higher education institutions to defer programmes, such as building maintenance.

Established under the Conservative government in 1996 and delivered under Labour in 1997, the National Committee of Inquiry into Higher Education, chaired by Sir Ron Dearing, was charged with reviewing the state of HE in the face of a gathering funding crisis and expanding student numbers coming into HE (from 1-in-17 attending university in the early 1970s to 1-in-3 in the early 1990s). Dearing's Report, *Higher Education in the Learning Society*, was consistent with 'new managerialism' with its emphasis on a compliance culture for university staff, national frameworks for degree work and academic standards, and measurable student learning and research outcomes (Trowler, 1998: 26). An important, though second order, residual, and some might argue legitimating, discourse was '*access'* and *'lifelong learning'* (see Watson and Taylor, 1998).

Dearing's greatest break with the past was the establishment of student fees equal to around 25% of the average cost of a degree course, to be paid up-front, and a system of maintenance loans available to students. However, there was no loan to cover the cost of fees. Whilst Dearing was keen that fee income be directed back to universities, Ryan (2005: 91) notes that the Treasury cut funding for higher education by almost exactly the sums raised by the tuition fees. Under pressure to find new sources of funds, universities strategically calculated their own futures and the likely moves that would secure this future. For those HEIs willing to

professional autonomy, trust and discretion. In England, these conditions and practices were swept away first by the removal of the polytechnics and colleges from local authority control in 1989 and then in 1992 when polytechnics were permitted to use the title of university (Deem, 1998: 49).

chart new waters, this meant looking beyond the borders of the national state to new kinds of activities, including the establishment of branch campuses, franchising programmes, increasing the enrolment of international students, and developing networks and other kinds of alliances that would enhance access to resources.

Building a Globally-Competitive, Knowledge-Based Economy and Higher Education Services Sector (1997-2010)

The election of New Labour in 1997 marked an important turning point for higher education in the UK, not so much in the overall direction of policy, but in widening, extending and deepening the globalising of the higher education sector. Labour's arrival was accompanied by a powerful new mantra; 'education, education, education'. Its accompanying chorus line could just have easily been 'competition, competition, competition'.

Labour's 'competitiveness' strategy articulated with projects being advanced more broadly, including by other domestic economies, key international agencies and regionalising coalitions. As Cammack remarked, this was a '…universal project aimed at maximising the level of competitiveness throughout the global capitalist economy…promoted principally by and through the international organisations' (2009: 3). However, as will become clear, national governments, like the UK government, were also active in advancing this new competitiveness project.

Within months, New Labour had released the White Paper, *Our Competitive Future: Building the Knowledge Driven Economy* (DTI, 1998). This agenda for change, to be realised over the next decade, placed *competition* at its heart: '… the sharpest spur to improve productivity and the best guarantee of reward for talent and innovation' (DTI, 1998: 8). Universities were now enrolled as central engines in building this new knowledge-driven economy. However, Labour replaced the emphasis on an integrated national training strategy with a more regionally and locally-differentiated conception (Hay, 1999). New funding streams were made available to promote the commercialisation of university research (DTI, 1998: 6), while funds were allocated to the English Regional Development Agencies (RDAs) to promote strategies that built on 'regional know-how' in turn linking universities to their regional economies (ibid: 7).

These initiatives were under-pinned by a fundamental commitment to open markets, including the removal of barriers to international trade (ibid: 8), to innovation and entrepreneurship. This agenda was reinforced in a raft of policies that ensued: *The Future of Higher Education* (DfES, 2003); the Lambert *Review of Business-University Collaboration* (Lambert, 2003); the Sainsbury Review of Science and Innovation, *The Race to the Top* (Sainsbury, 2007); and the report from the Department for Business, Innovation and Skills (DBIS) entitled: *Higher Ambitions* (2009). The latter argues:

> As a developed country we are operating at the knowledge frontier. We no longer have the choice in this globalised world to compete on low wages and low skills. We compete on knowledge – its creation, its acquisition, and its transformation into commercially successful uses (DBIS, 2009: 3).

Before looking in detail at more than a decade of New Labour policies within the UK, it is important to note that this vision articulated with HE initiatives unfolding at the regional European level, and amongst the international agencies. Within Europe, the Bologna Process (begun in 1999), aimed at transforming the architecture of HE across Europe, the Lisbon Agenda (initiated in 2000), committed to developing a globally-competitive, knowledge-based economy in Europe, and the European Research Area (also started in 2000), were all launched. Together these initiatives sought to increase access to higher education, enable researcher mobility, and increase investment in research and development (Robertson, 2006; 2009).

Amongst the international agencies, the OECD in particular continued to advance its knowledge-based economy and competitiveness projects, arguing that, '…higher education drives and is driven by globalisation. It trains the highly skilled workers and contributes to the research base and capacity for innovation that determine competitiveness in the knowledge-based global economy' (Vincent-Lancrin and Kärkkäinen, 2009: 13). The OECD, World Bank and WTO also argued that trade in HE services could be deployed to help low-income countries build their HE capacities (Robertson et al, 2002; Robertson, 2009).

Within the UK, Labour's agenda aligned itself with this emerging set of structures and their strategic and spatio-temporal selectivities oriented to advancing 'a knowledge-based economy'. This, of course, meant that universities should see new opportunities for the

expansion of HE markets, particularly in those parts of the world where there was an emerging middle class with aspirations for social mobility through education. Whilst, in reality, such policies, particularly if they target low-income countries, have attracted criticism because of the potential to 'drain' skilled labour away from poorer regions, HE institutions in the UK have been encouraged to recruit global talent, either as academics or as students into graduate programmes.

Within the UK, the globalising of HE has followed the two core missions of the university – 'teaching' and 'research' – though increasingly a 'third stream' mission has been identified tied to innovation and commercial enterprise. These three domains - teaching research and third stream - are shaped by the dominant logics of competitiveness and commercialisation. Cohesion via access and ideas that universities should play a role in city and regional regeneration has been a continuing, though residualised, orientation to HE policymaking.

Expanding access

Following the advice of Dearing in 1997, university education was promoted as a prerequisite and foundation for a knowledge-based economy. In 1997, 921,000 students were enrolled in higher education; by 2009 it was 1.1 million (see Fig: 1). Whilst overall numbers have risen as a result of international students, the most dramatic increases have been the result of national enrolling in HE. Following election in 1997, the Labour Government's policy did not veer from the assumption that a higher proportion of young people attending HE institutions was vital for economic productivity and global competitiveness. Such participation was also viewed as the foundation of social justice and social cohesion, though, as observers pointed out, from the early 1990s Labour had revised its conception of education and training as a primary responsibility of the state, instead placing more emphasis on individuals being responsible for availing themselves of opportunities, and thus ensuring social inclusion (Hay, 1999: 114). In relation to economic productivity, a prime motivation for New Labour's wish for continued growth in HE was to secure economic competitiveness. The UK's HE participation rate is noted as having slipped from 7th to 15th amongst the OECD countries.

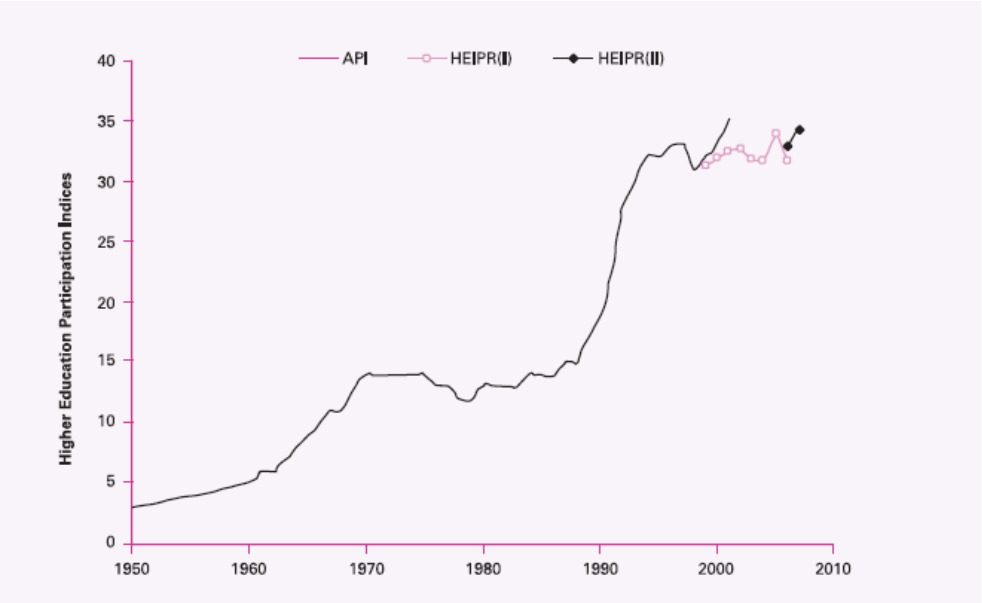

Figure 1: Higher Education Participation Rates in the UK 1950-2010

New Labour continued to promote the view that investment in a university education improved an individual's access to the global employment market, and also ensured social mobility. In the introduction to the government's 2009 framework for higher education, Peter Mandelson, then Secretary of State for Business, Innovation and Skills, argued: 'A university education can be an entry ticket to the best paid employment and a preparation for a globalised world of work' (Mandelson, 2009, p. 24). However, conflating widening participation and access, as if they are one in the same thing, conceals issues of stratification and selectivity at work in the HE sector in the UK. Whereas widening participation is a sector wide issue, access is one that concerns individual institutions (Bekhradnia, 2003: 2).

Given that HE institutions in the UK are highly stratified, the issue of access is also an issue of (i) 'who is doing the accessing?', and (ii) 'what is being accessed?' While participation rates in HE have gone up in the UK, Bekhradnia argues that the gap between children from poorer homes versus from better-off homes accessing higher education has widened rather than decreased between 1970 and 2000. The level of participation in higher education by children from poorer homes is clearly influenced by level of participation in schooling. However, Archer (2003) reports that young people from poorer backgrounds strongly believed that 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. Given the relationship between social class and 'good institutions' with some universities having nearly 50% of students from working class backgrounds whilst others having less than 5%, these young people are right. 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 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.

Despite this, the UK government has continued to promote the graduate premium argument drawing on Reich's (1991) human capital argument (more education higher wages) to justify the expansion of HE access/participation, and more recently to argue for an increase in the tariff on university fees and amount available for student loans (see Wolf, 2002, for a critique of simplistic economic arguments applied to education). However, it is also important to see participation in higher education, with a growing proportion funded by households (via loans, savings), through the prism of the sector as an emerging 'industry' made up of a myriad of old and new actors: buyers, sellers, systems of credit and a complex range of allied services. HE is also increasingly part of a global supply chain, that includes broadcasters, software developers, publishing houses, speculative investors, established public and private universities, and so on, with the 'services suppliers' occupying different levels of a highly stratified international market (Kelsey, 2008: 242).

Global competence

From the beginning of 2000, the government increased its interest in the idea of acquiring *global competences* through teaching and learning in universities. Interest in the idea of global competences had, in part, been shaped by lively debates within the academy on cosmopolitanism; as one response to the erosion of the national scale as the fundamental container of identities and social relations (cf. Ulrich Beck, 2002). Within state policy circles, its take-up was more economic in its objective. In 2004, Charles Clarke, then Secretary of State at the Department for Education and Skills (DfES) launched the report, *Putting the World into World Class Education*, for schools and universities. The vision for this initiative is highly revealing. The report states:

> … people of the UK should have the knowledge, skills and understanding they need to fulfil themselves, to live in and contribute effectively to a global society, and to work in a competitive global economy … This means understanding different societies, their values and their cultures so that we can do business. It means measuring ourselves, and our performance, against those others who also aspire to, and who claim, world-class status. It also means partnering with others so as to pass on knowledge about how their systems might be reformed (DfES, 2004: 1).

The instrumental as opposed to the emancipatory nature of the goals and strategies in this policy, are evident. Partnerships (Goal 2) are about expanding UK markets overseas (Goal 3), making the UK a leader in IT, promoting the role of UK universities as international hubs, and equipping young people with global awareness through the acquisition of languages to enable global business transactions (Goal 1). This is entirely in line with the view of the view of international organisations, such as the OECD and those of key agencies in the US (see also US versions of this – GAO [2009] fuelling US student mobility to China). According to the OECD, what explains the globalisation of higher education is the demand for more globally competent workers and citizens. For instance, in their (2009) *Education at the Glance* report, they note:

> The general trend towards freely circulating capital, goods and services, coupled with changes in the openness of labour markets, has translated into growing demands for an international dimension of education and training. Indeed, as world economies become increasingly inter-connected, international skills have grown in importance for operating on a global scale. Globally oriented firms seek internationally competent workers versed in foreign languages and having mastered basic inter-cultural skills to successfully interact with international partners. Governments as well as individuals are looking to higher education to play a role in broadening student's horizons and allowing them to develop a deeper understanding of the world's languages, cultures and business methods. One way for students to expand their knowledge of other societies and languages, and hence leverage their labour market prospects, is to study in tertiary educational institutions in countries other than their own (OECD, 2009: 310).

This framing of global competence is hardly emancipatory. Rather, here too the notion of personal and social competence is becoming firmly rooted in a market model of global competitiveness.

Transnational student mobility

Foreign fee-paying students, primarily from Asia, have been a key means of augmenting changing per capita and funding streams into higher education following the rapid expansion

of HE. Vickers and Bekhradnia (2007) estimate that, in 2004/5, the total international income to UK HE institutions from EU and non-EU student fees was £1.49 billion, and that the UK economy as a whole gained £5.5 billion from students' living expenses.

Early recruiting of full-fee paying students in the UK was driven by individual HEIs. After taking office, New Labour launched in 1999 the *Prime Minister's Initiative for International Education* (PMI1), a conscious branding effort (Education UK),[4] and followed up with the *Prime Minister's Initiative for International Education* (PMI2) in 2003.

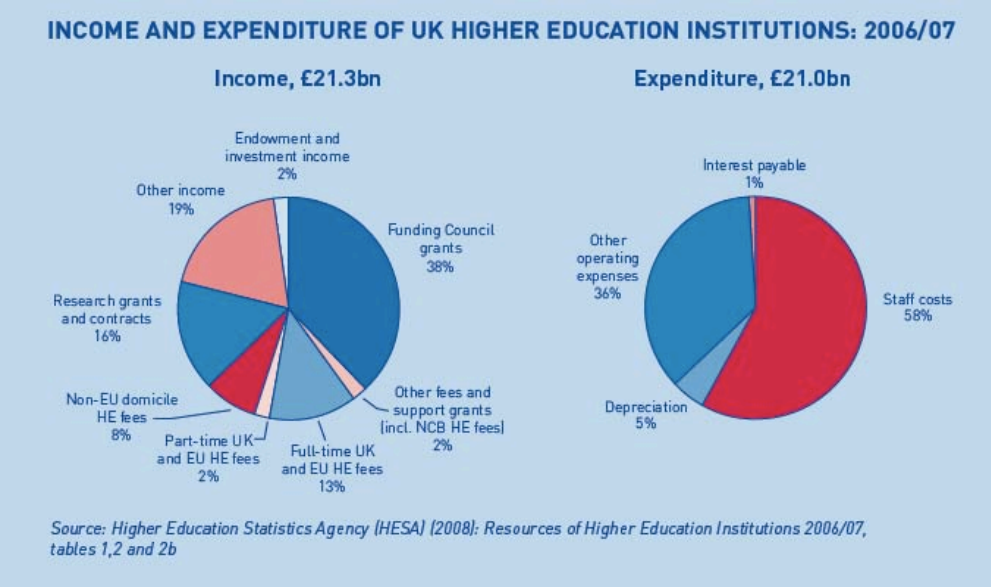

Figure 2: Income and Expenditure of UK Higher Education Institutions - 2006/7 (HESA, 2008).

These all rehearsed the importance and value of 'international education' to the UK economy in the face of a threat of a declining share of this market (as there is in the USA) as new suppliers (previous importers like Malaysia, Singapore and China) positioned themselves as exporters the market. In the UK, non-EU international student income now contributes 8% (£1.5 billion) (HESA, 2008) of overall income (HESA, 2009), whilst EU student fees contribute 2% (see Figure 2). With the severe decline in rates of return on interest from endowments and investments with the current financial crisis, and a decline in funding from

[4] According to the British Council website in charge of the Education UK brand (see http://www.britishcouncil.org/eumd-educationuk-brand-what-is.htm [accessed 8.10.2010]): 'The Education UK brand was developed in 1999 to create a powerful and coherent way of encouraging students who are considering overseas study to choose the UK. It is a success story, generating increased demand for UK education by reinforcing and developing perceptions – and challenging negative perceptions. The Education UK brand is now used by the British Council in over 85 countries. 370 universities, colleges and schools in the UK have a licence to use the Education UK logo'.

Funding Councils, there is now pressure on HE institutions in the UK to further exploit the international student market (DBIS, 2009).

Globally, the expansion in numbers of students enrolled in higher education outside their country of citizenship since 1975 has been phenomenal (see Figure 3). The latest OECD (2009: 309) figures show high numbers of full-fee-paying international students in the UK as part of the overall composition of students. The UK (15%) lags only behind Australia (20%) in terms of international student enrolments. The USA has only 3.7% of international students studying at US universities.

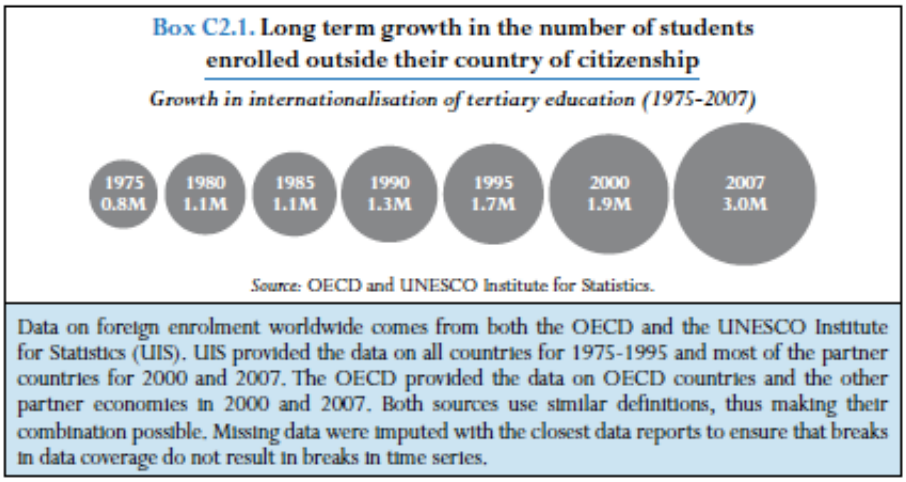

Figure 3: Long Term Growth in the Number of Students Enrolled Outside of their Country of Citizenship (OECD, 2009)

The *Atlas of Student Mobility* (2009) reports on the distribution of international students globally. Despite the small percentage of international students in US universities in relation to the total student population enrolled, the US nevertheless has the largest share of international students (20%, though declining); this is followed by the UK (12% and declining); France (8%); Germany (8%); Australia (7%); and China (7% – increasing by 20% per year, and an increasingly popular destination for US students on study abroad programmes).

What total growth of international students there is in the UK is the result of an overall increase in the number of global international students worldwide (Lasanowski, 2009: 10). And while acquisition of English continues to be a major point of attraction for international

students to the UK, the drift to teaching English in other countries (Continental Europe, Singapore, Malaysia, Gulf States) is eroding the advantage the UK held in this regard (Lasanowski, 2009: 11).

The Government's PMI2 in 2003 was aimed at turning around the UK's stalling position in share of the higher education market. Whilst launched as a 5-year strategy to '…build positive relationships with people around the world, share ideas and knowledge, and further our capacity for innovation and creativity' (British Council, 2010), in reality it is aimed at increasing the number of international students in the HE sector (100,000 new non-EU students by 2011 in universities [70,000] and further education [30,000]). PMI2 aims to:

(i) promote the benefits of a UK education to international students
(ii) ensure international students have a positive UK experience
(iii) help the UK and international education providers to build strategic alliances and partnerships, and demonstrate the value of the UK as a partner in education policy and delivery; and
(iv) to diversify and consolidate markets

The majority of the UK's international students come from a small number of countries. In 1998/99, five countries provided 36% of all international students.

Country	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
China	4,017	6,310	12,095	20,710	35,155	47,740	52,675	50,755	49,595	45,355
India	3,498	3,760	4,875	7,750	12,465	14,625	16,885	19,205	23,835	25,905
Ireland	15,144	13,930	13,510	13,235	13,460	14,715	16,345	16,790	16,255	15,260
US	10,981	11,470	9,425	9,985	11,630	13,380	14,385	14,755	15,955	13,905
Germany	13,568	13,750	11,370	10,960	11,785	12,095	12,555	13,265	14,010	13,625
France	13,254	12,910	9,950	9,940	10,560	11,295	11,685	12,455	13,070	12,685
Greece	28,605	29,580	31,150	28,585	26,005	22,825	19,685	17,675	16,050	12,625
Nigeria	1,902	2,120	2,650	3,340	4,585	5,940	8,145	9,605	11,135	11,785
Malaysia	12,632	10,140	10,005	10,680	11,780	11,805	11,475	11,450	11,810	11,730
Hong Kong	8,829	8,380	8,335	8,870	10,105	10,575	10,780	9,455	9,640	9,700
Italy	5,748	6,080	5,415	5,170	5,440	5,215	5,315	5,460	5,990	5,605
Japan	5,686	6,150	6,470	6,355	6,300	6,395	6,180	6,200	5,705	4,465

Shaded areas indicate country was outside top 10 for indicated year

Figure 4: Top Source Countries for the UK (Lasanowski, 2009: 10).

By 2003/04, this proportion had increased to 47%. China, India and Nigeria now dominate as source countries with significant year on year growth, whilst numbers of students from Malaysia, Japan and Hong Kong have declined (see Figure 4).

By way of contrast, the number of Indian students studying in the UK had risen from 3,500 in 1999 to 25,900 in 2008 – an increase of 680%. PMI2 is therefore aimed at diversifying the number of priority countries with which the UK HE sector engages (British Council, 2010). The new official target countries include Australia, Bangladesh, Brazil, Canada, China, Ghana, Hong Kong, India, Japan, Korea, Malaysia, Mexico, Nigeria, Pakistan, Russia, Saudi Arabia, Singapore, Sri Lanka, Taiwan, Thailand, Turkey, United Arab Emirates, USA and Vietnam.

One objective of recruiting international students to the UK is to boost the 'talent' available to the labour market following the students' graduations, though it is unknown at present what the level of retention of international graduates is in the labour market. The retention of skilled graduates also sits uneasily alongside international aid development policies oriented to capacity building, particularly in the African region. The primary focus of such policies is on China and India, as the new markets, rising superpowers, and the dominant labour-power behind key regional innovations (cf. Silicon Valley, Silicon Bangalore) have attracted policymakers' attention (Saxenian, 2006). India and China have been singled out for partnership funding by the UK under the PMI2 scheme. The aim of these initiatives is to foster science and technology links between the UK and China, and UK and India.

In 2008, the UK Border Agency was given new powers following significant changes to immigration rules. Students were now required to demonstrate their ability to fund their studies, whilst a points-based, 2-Step, system of immigration was introduced. Students enrolled in full-time (full-fee-paying) studies are able to gain work and are given enhanced immigration status in the UK following their studies. This model emulates that of Australia and Canada. Both have sought new ways of attracting 'talent' to their HE institutions and from there, to retain them in their economies. Whilst students have been recruited to the UK from India and China, there is also an increasing view that more UK students need to spend time in India and China, to develop global competencies.

For-profit providers of higher education services

One of the more significant and potentially controversial changes in the UK higher education sector is in the growth of the private sector (see Ball, 2007 for a more general account of this in the compulsory sector of education in the UK), and the role of for-profit firms (many of

whom are transnational) in the delivery of HE services (excluding the development of infrastructures, financing and contracted-out services, such as accommodation).

The growth of for-profit firms parallels developments in the US and Australia (Kinser and Levy, 2005). Kinser (2009) argues that in the US, for-profit firms have 10% of the total HE enrolment; they also represent the fastest growing segment within the HE sector. These firms have identified the high return-low investment stream of university activity. Within the US, these firms receive a large proportion of their income from students who are entitled to student loans. They are also highly profitable with student numbers growing; the Apollo Group has over 400,000 students worldwide, and currently generates earnings that are at least 20% of its education turnover.

To date there has been little systematic investigation of this developments in the UK, in part because of the lack of routine data collected, and because the regulatory environment has not kept up with developments. Nor do private providers need to make annual monitoring and other reviews public (unlike audits of publicly-funded institutions) unless they have degree awarding powers. In many cases, however, the awards offered by private firms are either through a partnership with a public university, or with awards validated by a publicly funded university. In both cases the for-profit firm slips out of range in relation to public monitoring and public scrutiny. A recent report commissioned by Universities UK (2010) is an important contribution to what we know, in what is a rapidly changing scene.

A first mapping of these changes is enlightening, particularly in relation to the innovative practices that are emerging (and which therefore poses challenges in terms of categories and typologies). Universities UK (2010: 4) note that there is wide range of private sector forms of provision, delivering both content and awards, which does not fit neatly under the categories through which we have come to understand HE (see Figure 5 below). For instance, some private transnational providers have their own UK degree awarding powers, such as BPP Holdings, now owned by the Apollo Group (which itself is also partly owned by the Carlisle Group, a private equity firm based in the US).[5] Some private education providers award their own overseas-accredited awards, whilst others offer an award that is validated by a UK

[5] In 2010 BPP Ltd enrolled around 5,500 students in business and law studies, nearly all students from the UK. Programmes cost between £6,800 and £14,700, depending on the kind of studies.

university – the University of Wales being the most active in this regard[6]. 'Validating' is also an important funding stream for the University of Wales. A further category is made up of private providers who work in a joint venture with a university to deliver particular kinds of content, but where the award is from the partner university.[7]

Function	Sub function
1. Delivery of academic content	Offering own degree (using UK degree awarding powers)
	Offering own non-UK degree (with accreditation overseas)
	Offering own award in partnership with a UK institution
	Offering an award from a UK partner institution
	Offering own certificated module within (or alongside) a partner university's degree programme
	Offering own (overseas) online awards (with no UK face-to-face support)
	Partnership in online course delivery
2. Academic support for international students in the UK	English language and study skills training
	Foundation year programmes
	First year programmes
	Pre-Master's programmes
3. Partnerships in providing content	Production of course materials under subcontract
	Provision of online learning modules to fit within an institution's virtual learning environment
4. Other types of relationship	Partnership with the private sector in continuing professional development design and delivery for third party clients
	Contracted tutorial support in the UK and overseas.
	Educational testing and assessment services in specialist fields
	Granting of accreditation or quality assurance services in professional or technical fields
	Agreed articulation into a university's degree programmes from qualifications awarded by a private provider

Figure 5: Typology of for profit providers, Universities UK, 2010.

The largest category of for-profit-providers in the UK is a group of small private colleges who target international students, but who are accredited by a UK university. Many of these providers offer these qualifications at a fee well below that of the awarding institution (Universities UK, 2010: 5). At present the total number of international, EU, or domestic students in these colleges is unknown. In 2008 the UK Border Agency required all higher education providers offering services to international students to register with the Agency as a licensed sponsor under tier 4 of the points-based immigration system. This has significantly reduced the number of colleges.[8] When arriving in the UK international students must now present a letter of offer from a registered provider. These changes should enable the UK Border Agency collect data sufficient to understand the size of the sector, and the scale of the threat their presence might pose to the traditional providers.

A second area of rapid growth amongst private providers is in the delivery of foundation, language and study skills courses to international students on campus but under partnership

[6] The University of Wales validates awards for 32 UK-based providers, 10 on-line providers, and many overseas clients (Universities UK, 2010: 21).

[7] An international student at EThames Graduate School will pay £6,945 for an MBA awarded by a UK university, compared with £10,750 which would be payable if the student enrolled at that university.

[8] By August 2009, 1,869 organisations had been licensed under tier 4 – down from 4,000.

with a host university (Universities UK, 2010: 5). Five companies are involved: Cambridge Education Group and INTO (UK-based); Kaplan (USA based); and Navitas and StudyGroup (Australian-based). These firms specialise in recruiting international students using a large network of agents in target countries around the globe. They have also developed economies of scale through globalising.

INTO, a specialist in recruiting and offering preparation for university courses, was established in 2006. Its year-on-year growth has been phenomenal. In its first 18 months of operation, it had three joint venture (50:50) partnerships with UK universities: East Anglia; Exeter; and Newcastle. In May 2008, two further joint ventures were added: City College Manchester (running a range of pathways that included The University of Manchester Foundation); and Glasgow Caledonian University. In 2009/10, two new US partnerships were added, one with Oregon State University, and the other with the University of South Florida. By 2010, INTO had launched 10 joint-venture INTO centres with nine universities, enrolling 4,750 students; a 54% increase in student numbers from the previous year. These students are enrolled in around 50 INTO programmes and have progressed into 250 undergraduate and graduate degrees across their partner institutions. In essence, INTO enables the expansion of its partner universities' international student recruitment missions. In focusing on recruitment, using its 20 regional offices around the globe, and preparation for undergraduate or graduate studies in its partner universities through language and academic foundation preparation, INTO claims to offer 'fast, effective and assured progression to university degree courses' (INTO website [www.intohigher.com]).

Similarly, Kaplan International Colleges, part of USA-based Kaplan Inc. and owned by The Washington Post Company, specialises in academic preparation programmes for international students in a partnership with select UK universities. Kaplan also has partnerships that lead to the award of a degree. Each partnership is different. For instance, Glasgow International College (GIC), which opened in 2007, is a joint venture between Kaplan and the University of Glasgow. GIC's Foundation Certificate in Business is equivalent to Year 1 of an undergraduate degree course at the University of Glasgow. Upon successful completion of the Foundation Certificate, Business and Engineering students progress to the Diploma programme and then into the third year of a four-year undergraduate degree offered by the University of Glasgow. This initiative offers fast track progression through the undergraduate engineering and business course.

Kaplan Open Learning, on the other hand, is an affiliate college of the University of Essex, but specialises in on-line learning. It provides university level education through on-line distance learning in areas such as business management, entrepreneurship, sales management and internet marketing. It also offers Foundation and BA degrees in business management, criminal justice and financial services. Finally, Kaplan owns the London-based Holborn College. Holborn College offers undergraduate and graduate business and law degrees to around 1500 students (almost all of whom are international), with the city sold as part of a 'London experience'. Fees are £7000 per year. The degree is awarded by its partners – Liverpool John Moores University, the University of Wales, the University of Huddersfield and the University of London – though the longer term ambition of Kaplan is to award its own degrees. As we can see, partnerships not only open up a new avenue for recruiting students, but these firms are able to access university facilities – such a library and other e-facilities. In return, these universities get either a share of the profit, or an annual dividend.

The developments outlined above are in no way comprehensive; rather they provide an indication that the sector itself is undergoing a dramatic transformation. Many activities blur existing boundaries around the sector with the result that it is both more diverse, more flexible, and in a number of cases, less accountable. These developments reveal the extent of the commercialisation that is under way as a result of the way in which the players, themselves increasingly global as they search out new investments, have become sophisticated at identifying different markets, offering different pricing structures, advancing new marketing strategies (such as acceleration of progress), and branding.

Branch campuses

A further form of globalising UK higher education is through the development of branch campuses. Branch campuses refer to 'off-shore' operations in higher education 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 Observatory on Borderless Higher Education (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 (see Figure 6).

Institution	Country	Branch Location	Year Opened	Level	Subjects Offered
University College London	UK	Australia	2009	Master's and Executive	Energy management
Manchester Business School (a small centre)	UK	China (Hong Kong SAR)	1992	Master's and Doctoral	Business administration
Manchester Business School (a small centre)	UK	China (Shanghai)	2008	Master's and Doctoral	Business administration
University of Nottingham	UK	China	2004	Bachelor's and Master's	Multidisciplinary
Newcastle University	UK	Malaysia	2011	Bachelor's (Master's to follow)	Medicine and biomedical science
University of Nottingham	UK	Malaysia	2000	Bachelor's and Master's	Multidisciplinary
Manchester Business School (a small centre)	UK	Singapore	1999	Master's and Doctoral	Business administration
Queen Margareth University, Edinburgh	UK	Singapore	2008	Bachelor's and Master's	Hospitality, events and business management (finance and healthcare management to follow)
Heriot-Watt University	UK	UAE, Dubai International Academic City	2005	Bachelor's and Master's	Business, engineering, management and IT
Manchester Business School (a small centre)	UK	UAE, Dubai International Academic City	2006	Master's	Business Administration
Middlesex University	UK	UAE, Dubai International Academic City	2005	Bachelor's and Master's	Multidisciplinary
University of Exeter (a small centre)	UK	UAE, Dubai International Academic City	2006	Doctoral	Teaching of English to speakers of other languages
University of Bolton	UK	UAE, Ras Al Khaimah	2008	Foundation, Bachelor's and Master's	Multidisciplinary

Figure 6: ***International Branch Campuses: Strategies and Trends*** **(source: Becker, 2009)**

The US dominates these developments (Becker lists 78 US universities [48% of total share], compared with 14 for Australia and 13 for the UK – out of a total of 162)[9]. The US's share is shaped by its longer experience in establishing branch campuses (since the 1970s), and because 'world class' US universities are targeted (e.g. Carnegie Mellon, Johns Hopkins, Chicago etc). The number of host countries has also increased from 36 in 2006 to 51 in 2009. Among the host countries, the United Arab Emirates is the leader (Becker, 2009: 7), hosting 40 international branch campuses. These initiatives are part of the UAE strategy to develop a knowledge-based economy, and to be a provider of education services within the Arab region. Second on the list is China, with 15 international branch campuses.

Becker (2009) reports that the UK operates a number of branch campuses in Australasia and in the Middle East. These programmes include a mix of undergraduate and postgraduate awards. The subjects offered are also diverse, from business administration to energy management and medical science. The size of student intakes also varies. The UK is also host to branch campuses – some US-based operations were established in the 1970s (when, for instance, Richmond American International University and the American Intercontinental University were both established in 1973) and in the 1980s (for example, Webster University,

[9] It should be noted that the data reported by Becker is incomplete. It is based on institutional returns; however I note that my own university, the University of Bristol, did not submit a return – although it has operated a branch campus in Hong Kong since 1998.

in 1986). In 2005, the University of Chicago Booth School of Business was established in London, followed by Malaysia's Limkokwing University of Creative Technology in 2007 (also in London) offering Bachelor's and Master's degrees in communication, management, art, architecture and finance. Universities UK (2010: 19) estimate that there are between 50 and 70 overseas universities with bases in the UK, all offering only their own degrees. These initiatives illustrate the complex architecture of the UK HE sector, as it is transformed from within by 'foreign' providers, and as its own institutions stretch out into space, transforming the nature of HE in other national territories.

A clear pattern is emerging that is worth noting. Where HE capability is built through the establishment of branch campuses, in select cases these initiatives are then *incorporated into* (cf. Singapore, Malaysia, Hong Kong), or in the Arab region *organised around*, the idea of a 'hub'. Once established and embedded, these hubs will act as regional suppliers of education services – in turn generating new spatial scales. These can be seen as new forms of global regionalisms that have their own organising logics and capabilities.

Research and innovation policies

New Labour's HE policies aimed to draw universities into a relationship with industry to enable the development of a knowledge-driven economy – with ideas, innovation and entrepreneurship placed centre stage (DTI, 1998). The challenge was how to do this.

Three key policies have been foundational for setting the direction for research and innovation policy. The first of these was the Labour Government's 1998 White Paper, *Our Competitive Future: Building the Knowledge-Driven Economy*, published by the Department for Trade and Industry (DTI). The key concerns of this report were a set of performance gaps that had opened up between the UK and its global competitors, in: the UK's science base; investments in new technologies; investments in Research & Development (R&D); the ability to turn ideas into marketable products; collaborations between universities and business; and entrepreneurship. These concerns over performance were translated into a set of *UK Competitiveness Indicators* that were launched in 1999 (DTI, 1999). They were also the basis of a range of policies aimed at increasingly the quality, relevance and commercial viability of research outputs. There were real issues, however, in directing science and research policy through universities for the purposes of national competitiveness. This is the result of the

principle source of funding for higher education being directed through the Office of Science and Technology (OST) and its Research Councils, whilst institutional funding for higher education is directed via regional higher education funding councils (Wales, Scotland, England, Northern Ireland), on the one hand, and the RDAs, on the other. However, a more serious impediment to rapidly advancing government policy on the science and innovation front was a deeply embedded culture of academic autonomy, a view that universities ought to keep their research efforts at arm's length from industry, and that competitiveness and commercialisation agendas were an anathema to the values of scholarship and scholarly activity.

The idea of the universities' third mission was championed, aided by third stream funding to ensure that industry could benefit from the scientific knowledge and expertise of universities. With funding from the OST, universities were encouraged to launch programmes that might hothouse ideas, accelerate business start-ups, and develop entrepreneurs. To this end, the Higher Education Innovation Fund (HEIF), launched in 2001, was followed by a series of rounds (HEIF2, HEIF3 HEIF4) in 2003, 2005, and 2008.

The second major policy initiative giving direction to science and innovation research was the Lambert Review on *University-Business Collaboration* which reported in 2003. Major concerns noted by the Lambert Review were the decline in R&D as a percentage of GDP (in contrast to competitor countries such as the US, Japan, France and Germany), very poor levels of investment in R&D by British firms, that UK business research tended to be clustered in a narrow range of industrial sectors (pharmaceuticals, biotechnology, aerospace/defence) and in a small number of companies, and poor levels of innovation. Of particular concern for Lambert was the growing trend for business R&D to go global, and that this increasingly meant locating research centres in their most important markets rather than in their home countries. The dependence on a small number of firms and sectors made the UK particularly vulnerable, particularly if these firms decided to move offshore. Indeed, the Lambert Review (2003: 19) noted that there was evidence that these UK firms were already doing much of their research work outside the UK, or being taken over by other firms in takeovers and mergers.

A key solution for Lambert was that businesses should develop collaborations with universities in ways that were mutually advantageous, and which spread the risk associated

with research. Collaborations would open up a range of new ideas and talent available for the economy; would lead to business ventures; small to medium-sized enterprises (SMEs) could harness the capabilities of universities to develop scaleable innovations and longer term economic benefits, and universities would also in turn learn more about the world of enterprise and commercialisation. These rationales were translated into policy initiatives, such as *Knowledge Transfer Partnerships* (KTPs), (formerly known as the Teaching Company Scheme), the sponsorship of students in industry whilst studying, and an expansion of new opportunities for consultancy.

The RDAs, a pivotal scale through which the central government worked, were to act as facilitators of business-university relationships, by actively seeking out companies that could benefit from working with universities. This applied particularly to SMEs.

The third major policy was Lord Sainsbury's Review of Government's Science and Innovation Policies *The Race to the Top* (2007). The Sainsbury Review covered much of the same territory as the earlier Lambert Review; however, there is a new tone of urgency in this document, in part a response to the emerging spectre of India and China as low-wage economies with the capability of competing with the UK. According to Sainsbury, universities must synergistically align with business in order to compete in the global economy. He notes:

> A country's innovation rate depends on inter-linked activities that include: industrial research; publicly funded basic research; user-driven research; knowledge transfer; institutions governing intellectual property and standards; supply of venture capital; education and training of scientists and engineers; innovation policies of government departments; science and innovation policies of RDAs; and international scientific and technological collaboration (p. 4).

Both industrial research and patenting are identified as particularly poor performers in the UK, whilst research outputs from publicly funded R&D are high (ranked second to the USA on publications). The key for Sainsbury is how to better understand innovation, and from there, the roles that universities might play in fostering it. However, the Sainsbury offers a particularly narrow view of what counts as innovation – as science and technology driven – such as those leading to high technology start-ups. Social innovation – an important outcome of research from universities social science and humanities faculties – are paradoxically given little attention; yet clearly services are a key sector in knowledge-based services economies,

and are indeed a major export area, particularly if we take higher education exports and their contributions to GDP into account. More importantly, however, this techno-science approach to valued and valuable knowledge is highly divisive amongst universities, particularly when their missions diverge from this model. It also undermines regional development strategies that must work across a wide range of sectors and associated occupations, including retail, manufacturing, the creative industries, and so on.

For many universities, these new policies and funding regimes that have followed have altered their internal structures to take in the 'third sector' mission largely around this narrower science and technology agenda. Divisions have been developed and expanded (such as Research, Enterprise and Development) and projects funded (such as the HEIF-funded SETSquared Partnership that operates at the University of Bristol, Bath, Surrey and Southampton) concerned with the interface between industry and the university. These industry-university relationships are far from being local, or sub-national. Rather, some university-business linkages stretch out into global space.

Assessing research outputs

Key foci in the UK's research endeavour has been on how to 'count' it as a share of 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. Research output and citations is key. Feeding this has been the Research Assessment Exercise (RAE) (see Lucas, 2006). 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 'international' in what counts as quality research. This means that publication outlets that cannot easily lay claim to being 'international', or reputations that have been established locally and nationally are not rewarded in the same way.

One outcome of the RAE process, as HEFCE research funding distributions are decided upon across disciplines, has been to act as a mechanism that ring-fences STEM funding to universities. In 2008, following the results of the RAE, universities that had large social science and humanities research departments in relation to science and engineering departments (such as the London School of Economics, SOAS) (see BBC, 2008) received a reduction in funds.

One of the outcomes of the RAE process has been to deepen the divisions within and between the different kinds of higher education providers around teaching and research through the publication of League Tables.

Global Rankings

Global media and other publishing interests, such as Thompson Reuters, Pearsons, and Scopus, have become increasingly active in developing technologies that provide comparative data, such as citations indexes and so on. Since 2003, the emergence of global league tables, with the Shanghai Jiao Tong and the Times Higher QS the more prominent of these, have provided policymakers and universities with a new language and set of tools to advance the idea of a 'global' university. The Shanghai Jiao Tong privileges a particular form of knowledge production; disciplines such as science, mathematics and technology, Nobel Prize holders, the presence of international students, and citations. More aggressive players in the higher education sector in the UK, such as the University of Manchester, set out to recruit Nobel laureates (Joseph Stigliz and Robert Putnam), while others, such as the University of Warwick, have responded in inventive ways to shape global debates, for instance with their Warwick Commissions which debate and offer recommendations on important 'global' matters, such as global trade agreements, or the global financial crisis (see Warwick Commission, 2009).

However, there is considerable concern within the UK and Europe over the use of the Shanghai Jiao Tong for it significantly privileges US universities – with only two 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 government announced that, in 2007-2008, it has a 12% share of scientific citations (DBIS, 2009). This form of hierarchical comparison generates competitiveness and entrepreneurialism whilst reinforcing a notion of knowledge production as sitting inside a peer reviewed, publishing system rather than its alternative-an open source, commons-based system.

Implications and Challenges

What are the implications of these developments for the UK and longer term viability of the HE sector as it as it is being globalised? In reflecting on my analysis so far, six challenges stand out: (i) the assumption underpinning government policy that increasingly the levels of participation in higher education will position the UK as a magnet for high skills, high wages workers leading to generate greater levels of productivity and wealth; (ii) the financial implications for the UK higher education sector with the rise of new sites of regional capability and demographic decline; (iii) the fact that emerging regional hubs are likely to select high status institutions, and demand high levels of investment in science and technology infrastructures; (iv) the emergence of new challenges to academic autonomy as institutional fabrics stretch out into territories with different political and cultural traditions; (v) the impacts made by new global suppliers of higher education challenging the regulations around higher education provision and accreditation within the UK, and (vi) the risks for some UK HEIs of their dependence on international students. These are addressed in turn.

The 'magnet economy' thesis which underpins UK government policy on higher education has been dissected by Brown and Lauder (2006). They argue that the assumption that the US and UK will become high-skilled, high waged economies attracting the talented from around the globe fails to take account of the human resource strategies of many of the multinational companies which are now targeting highly skilled labour in low-income countries. This reality, however, was reflected in the Lambert Review on *University-Business Collaboration* (2003). Lambert noted the extent to which R&D, in large multinational firms such as the UK-based pharmaceutical company GlaxoSmithKline, is increasingly conducted in lower-cost countries like China where there is a pool of skills available. Nor does this 'magnet' economy argument take account of the development strategies of economies such as China, Singapore, Malaysia, and Korea. All have national development strategies in place to increase investments in higher education, attract talented workers or repatriate their high skilled nationals who are working abroad.

Secondly, as argued earlier, official government policy is driven by human capital arguments that assume a relationship between education, productivity and higher wages: the greater the level of investment in (higher) education, the greater the return (graduate premium argument). However, not only are there no guarantees that more education increases levels of productivity, but HE is also fundamentally a positional good (see also Wold, 2002). Already we can see that HE 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.

Finally, Brown and Lauder (2006: 29) challenge the premises of current policy; that knowledge economies open the way for a new breed of workers who will be, to use Richard Florida's term, 'the creative class' (Florida, 2002). As they note, history shows us that periods of innovation are always followed by standardisation as companies seek to limit the discretion of workers, and create technologies that will reproduce the skills of workers.

New regional sites of capability (e.g. China, Malaysia, Singapore, select Gulf States), and therefore their competitiveness, may well destabilise the movements of students in the global student market. There is a 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 effects on the UK academic and wider, labour market. At the same time, there are financial shake-ups within these regions, for instance with the collapse of Dubai[10] which will have significant implications for UK branch campuses and their investments there.

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 the UK and Europe (from 2014 there is a decline in the numbers of 18

[10] By December 2009, the collapse of Dubai had left branch campuses of universities, such as Michigan State University and Rochester Institute of Technology struggling to attract enough students to survive. Both institutions started classes in August 2008, just before Dubai's economy started to crumble. By December 2009 Dubai's debt problems were so serious that Dubai World, a government-owned investment company, avoided a bond default only with a $10 billion bailout from Abu Dhabi. The New York Times argues that the main reason for this setback has been that many of Dubai's residents are expatriates whose jobs have dried up, substantially shrinking the student population. By contrast, Abu Dhabi's developments with New York University are moving ahead (New York Times, 28th December, 2009 – http://www.nytimes.com/2009/12/28/education/28dubai.html?_r=1&ref=education [accessed 7.10.2010]).

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 HE, particularly those dependent on international students (see below).

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 to the UK that are derived from student's living costs in the UK.

UK HEIs could increase their presence in these regions, though increasingly the Gulf States (following Singapore's example) are seeking *high status universities*. In other words, 'brand' is becoming more and more important, as more universities enter the field. Indicators of brand, such as world global rankings, are likely to play an increasingly important role in the future. Pragmatically, for the UK, this means not only understanding the politics of different ranking systems, but ensuring the current financial crisis does not jeopardise its overall performance in the various rankings and the limits this might place on institutions' strategic intentions globally.

A related issue concerns the costs of establishing infrastructures to deliver more than just cheap business courses abroad. If demands to build knowledge economies materialise in these regions, they will require broad-based knowledge rather than low-risk cheap and quick activity. Indeed Becker notes that, 'international branch campuses can be a potentially dangerous distraction from the core business of the providing institution' (2006: 18), particularly around research. Balancing these demands in an already volatile financial environment will place new pressures on universities.

There continue to be major establishment, *servicing and other political issues* for universities in setting up global initiatives, such as branch campuses. One concerns what happens to academic freedom when the institutional fabrics of universities stretch out into global space (Olds, 2005). For instance, staff at the University of Warwick voted against establishing a branch campus in Singapore citing 'academic freedom' issues. The plans were abandoned. Similarly, the political and cultural environment in the Middle East is likely to create issues for universities who depend on their high-profile academic staff to service them (Becker,

2009: 16). The other is concerned with strategic and financial risks – the result of low enrolments, changing national politics, lack of local intelligence, judgements of poor quality, lack of commitment to providing tenured staff in the branch campus in case the deal goes sour, and so on.

We can also observe important developments within the UK HE sector, particularly around transformations in *state regulation* enabling new for-profit private providers to offer degree-awarding courses. 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. The Privy Council's decision (rather than the GATS negotiators in the WTO) to open the sector up to for-profit providers, has stimulated a flurry of interest amongst global firms such as Bridgepoint Education and Kaplan Higher Education International, in entering the UK HE sector and applying for degree awarding powers. Kaplan has recently re-organised its European education portfolio to better position itself to advance its interests in this way. 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 UK 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?

The UK faces important challenges as a result of its dependence on global education markets at a time when there is further pressure to expand market share to offset major funding claw-backs from government to HE.[11] If we recall that some 8% of income to HE comes from non-EU international students, any decline in this income would have major effects on those universities who have little budget leeway, and who are highly dependent on these global markets. In reflecting upon this, Sastry (2006: 4) argues that: 'a sharp reversal in international student numbers would, in most heavily exposed institutions, necessitate immediate action to offset the loss of revenue'. Reporting on data collected in 2004, Sastry (2006) also notes that

[11] See a speech [July 2009 – page 2] by Peter Mandelson –where he called for UK universities to 'export their brands' globally and to focus on 'commercialising the fruits of their endeavour'. See also DBIS (2009).

three institutions gained significantly more than 18% of their overall revenues from non-EU international students) – London School of Economics (LSE) (33.5%); London Business School (LBS) (19.3%); and the School of Oriental and African Studies (SOAS) (31.9%). After this top three, 17 other institutions received between 17.8% (Essex) and 12.7% (Portsmouth) of their income from international students.[12] These figures represent the position in around one-fifth of the English university sector.

Aside from the LSE, none of these institutions are part of the Russell Group[13] – the self-styled top 20 universities in the UK. Rather, these HEIs are a mixture of specialist (e.g. Royal Academy of Music; London Business School) and generalist institutions (e.g. University of Kent at Canterbury; University of Essex). However, anecdotal evidence suggests that many of the Russell Group universities have figures that, in 2009, sat at around 15% – much greater than those that Sastry (2006) cites. Any change in the China market is particularly significant for UK universities. While the top exporting institutions, like SOAS (13%) and the LSE (11%), have a more diverse portfolio of nationalities in their international students, universities like Luton, Hertfordshire and Portsmouth have international student populations that are 45% Chinese.

There is, therefore, much to be cautious about concerning the long-term viability for some UK HEIs in the current recession in the face of global and regional financial instabilities, an environment of fiscal austerity over public policy expenditures,[14] longer-term demographic changes in the numbers of students entering higher education, growing concern over the promise of a graduate premium, and the reality of the high levels of debt incurred as a result of a student loan. With UK higher education now exposed to greater inflows of foreign direct investment following more liberal 'cross border' regulations, any HEI in crisis will be viewed as an opportunity for new globally-active providers of higher education, such as Kaplan, Phoenix Global, BPP Holdings, Bridgewater, Laureate, among others.

[12] There are 91 universities in England while the total number of UK universities is 116 (15 Scotland; 11 Wales; 2 Northern Ireland). The Further Education sector – which supplies graduate and non-graduate academic and vocational courses – is much bigger and is distributed in the following way: England 258; Scotland 43; Wales 22; Northern Ireland 6).

[13] The Russell Group comprises the 'top' 20 universities in the UK including University of Birmingham; University of Bristol; University of Cambridge, Cardiff University; University of Edinburgh; University of Glasgow; Imperial College London; Kings College London; University of Leeds; University of Liverpool; London School of Economics; University of Manchester; Newcastle University; Queen's Univerisity Belfast; University of Oxford; University of Sheffield; University of Southampton; University College London; University of Warwick.

[14] As this paper was going to press, the Government announced that 3 universities were likely to face closure as a result of performance issues.

The fact that in the UK there is also limited and at best fragmented oversight by the state and its regulatory agencies regarding these developments and interdependencies leaves the sector exposed in similar ways to those which saw the collapse of the global financial markets. What stands out in my analysis of the globalisation of UK HE is how poor the information is on the sector,[15] despite its significance for understanding the sector's future direction. By way of contrast, countries like Australia collect significant amounts of data on developments to understand implications for the sector. The combination of the UK's historic imperial positioning (and therefore the 'natural' provider of the best 'quality' graduate education), when coupled with the fracturing and fragmentation of the sector as a result of NPM, means the institutional structures to manage and regulate the global education market in the UK have remained relatively underdeveloped. The appointment in 2009 of an *International Education Research Advisory Forum* chaired by the Minister of State for Higher Education suggests that in government circles there was recognition that matters cannot stay as they are. It is too early to tell what structures and initiatives will continue with the new Coalition government, though clearly diverse revenue streams for higher education funding will be more critical than ever.

Final Remarks

On June 8th 2009, following a Ministerial reshuffle, the *Department for Universities, Innovation and Skills* (DIUS) was closed, and replaced by the *Department for Business, Innovation and Skills* (DBIS). Following the election of a new government in May, 2010, universities continue to remain within DBIS – so that reference to university knowledge is only by way of business, innovation and skill. This highly symbolic omission signals an important new chapter for higher education in the UK.

By November 2009, DBIS had released a series of policy frameworks for the higher and further education sectors. The report, *Higher Ambitions: the Future of Universities in a Knowledge Economy* (DBIS 2009), leaves us in little doubt as to the role that higher education is expected to play in advancing global competitiveness within a context of

[15] Universities UK (UUK) was launched in 2000; this organisation evolved from an earlier organisation, the Committee for Vice Chancellors and Principals (CVCP). UUK marked a major break with the past much more public sector –rooted idea of the university. UUK is more corporate and commercial in its interests.

constrained public spending. Much continues to be made of the autonomy of universities, of widening participation, driving up excellence, and removing 'artificial caps on talent' in order to realise social justice and social mobility. However, the bottom line is that universities need to contribute *more* to the UK's economic future. In the *Forward* to the Report, the then Secretary of State for Business, Innovation and Skills, Peter Mandelson, stated:

> This means focusing on the key subjects essential to our economic growth, and boosting the general employability skills expected of all graduates. We will enable universities to compete for funds to provide courses in subjects relevant to Britain's economic future, working in partnerships with business. Institutions unable to meet such strategic needs can expect to see their funding reduced to provide resources for those who can (2009: 4).

Strong words indeed that sit uneasily with the Minister's insistence that university autonomy will be maintained and fostered! This is clearly a point of tension between government and academics. Statements like those above can be read as the government flexing its muscle in anticipation of academic resistance to even further instrumentalisation of knowledge.

Whatever the forms of resistance which do emerge, these struggles will take place on a new terrain; one that has emerged from the transformation of the sector and the strategic calculations of actors. At the heart of this new order is a globally-competitive university, seen to be the engine for, and at the service of, a knowledge-based service economy. This, in turn, embeds higher education in the UK more deeply into the global economy, including its ruptures and on-going contradictions.

A key challenge to flow from these developments is the likely on-going social and economic consequences for national and regional economies of seeking to develop a globally-competitive, globally-mobile, higher education services sector of the kind that I have been tracing out in this paper. Does a globalised higher education sector, as has now emerged in the UK, risk directly contributing to, and being entangled within, the kinds of 'melt-downs' we have witnessed in the finance sector over 2008-9, and more recently in economies such as Dubai, one of the favoured sites for developing university branch campuses? What are the likely consequences for regions where universities are torn between local development objectives and globalising higher education services? What strategies do universities need to put into place to ensure that a range of knowledges continue to be available to learners in universities, and not only those that have a high commercial value? Is it feasible, or desirable,

to base the longer term growth of the university on an intellectual property regime for the creation of value? What will be the relationship between basic research and that which can be commercialised and scaled? These are serious questions indeed, demanding urgent public debate.

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Appendix 1: Table 1

Year	Key HE Events UK	Key HE Events EU	Key HE Events Global
- 1983 **HE as nation and nascent region building**	**Robbins Review 1963** Dual system– universities, polytechnics and polytechnic universities *University of Buckingham* **first independent university established 1983**	**1972** European University Institute	Association of Commonwealth Universities (est. 1913); Commonwealth Scholarships; Rhodes Scholars Fulbright Scholarships
1985-1997 **Restructuring Higher Education - New Public Management**	**Jarratt Review (1985)** of HE introduced NPM **1986 First Research Assessment Exercise (RAE)** to determine distribution of research funds (every 8 years) **1992** Conservative Govt removed divide between universities and polytechnics; new funding model **1997** Dearing Report – Higher Education in the Learning Society; **introduction of student fees**	**1987** Erasmus Mobility Scheme **1988** Magna Charta of European Universities	**1989** Australia and NZ begin exporting HE services within Asian region **1994** HE placed on WB agenda **1995** WTO established with GATS identifying HE as new services sector **1996** OECD *Toward a Knowledge-Based Economy*
1997- **Advancing Global Competitiveness and Social Equity through the Market**	**1998** ***Higher Education in the 21st Century*** (Labour's response to Dearing) **1998 Green Paper on Higher Education:** ***The*** *Learning Age: a Renaissance for a New Britain* **1998** *Widening Participation in Higher Education* (HEFCE Consultation) **1998** *Our Competitive Future* (Department for Trade and Industry) **1999** *Prime Minister's Initiative for International Education* (PMI1) **1998/9** first branch campuses established by UK providers in Hong Kong/Malaysia **2001** *Higher Education Innovation Fund* (knowledge transfer) **2003** *The Future of Higher Education* (White Paper) **2003/4** *HEFCE Strategic Plan* endorsing 4 drivers of HE (research, teaching, access, knowledge transfer) **2003** *Putting the World into World Class Education*	**1998** Sorbonne Declaration **1999** Bologna Declaration – develop a EHEA **2000** Lisbon Declaration – to develop a competitive Europe **2000** *European Research Area* **2003** EC funded *Erasmus Mundus Programme*; *Tuning America Latina* **2004** Kok Review of Lisbon Strategy	**1997** *Universitas 21* – global network of universities formed **1999** Seattle – struggles over WTO **2000** WB/UNESCO Report on HE **2002** *Code of Good Practice in the Provision of Transnational Education* (Lisbon Recognition Convention) **2002** World Bank report on Higher Education and

	(DfES) **2003** *Lambert Review* (university business links)**;** *Prime Minister's Initiative for International Education* (PMI2) **2005** *Universities UK's international Strategy* **2006** UK-India Education and Research Initiative; **2005-6** National HE Stem Programme – pilots announced **2007** *The Race to the Top* (Sainsbury Review of Science and Innovation); **'**Top-Up' Fees raise cost of student tuition; **BPP College of Professional Studies first for-profit higher education provider to offer degrees** in the UK **2007 Technology Strategy Board** established **2008** - 20 new universities; a **new immigration points system** providing a 2 step process to the labour market (student to employed) **2009** *UK's Share of World Research Output'* **2009** *Higher Ambitions (BIS)* Framework for Universities, *New Industry, New Jobs* (HM Government)	**2005** Relaunch Lisbon agenda **2005** *Mobilising the Brainpower of Europe* **2005** *European Researchers' Charter;* expansion of *Erasmus Mundus* programme **2006** ACA Review of *European HE in Third Countries* **2007** European Research Council launched **2009** 10 Years of Bologna; creation of Bologna Policy Forum **2009** EU 'Rankings' Tender	KBE **2003** *World Universities Network* formed **2003** Shanghai Jiao Tong/Times Higher – Global Rankings UNESCO **2008** *Tertiary Education for the Knowledge Society* OECD **2009** International Finance Corporation – HE and emerging markets

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