

# **Education towards Heteronomy:**

## **A Critical Analysis of the Reform of UK Universities since 1978.<sup>1</sup>**

**By Gordon Finlayson and Daniel Hayward**

### **Introduction**

In the last thirty years the university system in the UK has changed radically, and since 2003 it has also changed rapidly. Four different rationales have been put forward by successive administrations or their appointed advisors for these reforms:

1. Expansion
2. Efficiency
3. Economic accountability – i.e. value for money
4. Political accountability – i.e. democratisation or widening participation.

At the same time all the reforms have been accompanied by the now implicit, now explicit aim of undoing the old collegiate organisational structures of universities and replacing them with corporate structures. This now endemic structural transformation of universities has been by far the most important effect of the reforms. It would be wrong to think that universities have survived more or less unchanged in their nature and function, while merely having been made larger, more efficient, more accountable, more open to a broad social constituency and less remote from social needs.

In the following we will present critical history of UK Higher Education reform. We show that universities have lost their status as self-governing educational institutions and their relative independence from the economic and political systems. The academic values that used to govern their activities of researching, teaching and learning have gradually been sacrificed to the instrumental values of economic usefulness and financial rentability. Where universities were once part of the ecology of civil society (as opposed to the state and the economy) they have now been politically repositioned as engines of economic growth. In place of education, they are now supposed to offer training for work. In place of research and free inquiry, they are supposed to produce intellectual property and human capital required to drive the knowledge economy.

The official line is that expansion and corporatisation belong together. In the last 25 years Government officials and the various experts appointed to conduct reviews of the Higher Education sector (usually from outside academia) have argued consistently that its expansion calls for a new mode of governance, and recommended that the traditional collegial models of organisation should be abolished and replaced with corporate organisational structures. However, it is wrong to think that the aims of expansion, efficiency and accountability required the corporate restructuring of Universities, for it is by no means clear such restructuring conduces to any of these ends. What is clear, however, is that corporate universities are much more responsive and also more vulnerable to the demands of the national and global economy, that they can be more easily ‘managed’ from the centre, and that they are far more amenable to direct and indirect Government control.

The narrative we offer is of necessity abbreviated, stylised and simplified. It is not supposed to be a detailed and comprehensive account. Still we believe that the broad contours of our interpretation are correct, and consistent with the historical facts of Government policies and their implementation in the period. The aim of the narrative is to pick out the overall pattern in successive Higher Education and University reforms, and to provide sufficient context for those affected to make sense of the changes which are currently being ushered in at breakneck pace throughout the university sector. These changes have not come out of nowhere. Nor are they just the unplanned, quasi-natural consequences of broader social and historical changes: they are the effects of specific policies aimed at repositioning the UK in respect to the global economy, and of the various audits put in place to monitor their performance.

It is also our intention to paint in a background against which the continuities and differences between Conservative and Labour policies can be understood and assessed. Crudely, put, Conservative reforms under Thatcher and Major paved the way for Blair and Brown’s unashamedly neo-liberal policies. Where the former had been devised and pursued for the sake of getting value for money and making universities more efficient, the latter served the primary aim of increasing the economic return from University research and teaching. Conservative policy was about reducing the economic input, whilst

Labour sought to increase their economic output. Under New Labour corporate restructuring was accelerated with a vengeance, due to a sea change in the conception of the UK's economic competitiveness. Henceforth universities were to become the primary drivers of a new economy. By far the most impressive consequence of three decades of university reform is that Universities are now regarded by government, by funding councils, and, obligingly, by their own Vice-Chancellors and senior management groups primarily as agencies that offer skills-training for employees and research-and-development options for UK businesses (who have themselves been notoriously lax in both these areas).

In our view these reforms will have a baneful influence on the epistemic values of the pursuit of truth and knowledge for their own sake and on free intellectual inquiry. These bad consequences will make themselves particularly severely felt in the humanities. Moreover, these reforms may not improve the performance of Universities measured even in the narrowly economic terms which frame Government policy.

More worryingly still, these policies have been undertaken without due consideration to the wider meaning and value of the universities and university education for culture, society, democracy, social well-being and quality of life. No-one knows in advance what effects this government led colonisation and marketisation of Higher Education Institutions will have on the social, political and cultural life of Britain, but generally speaking the colonisation of formerly non-marketised domains of social life, and the erosion of civil society institutions that embed the political and economic systems, has a pathological effect on democratic society. It would be naive to expect these to be an exception.

## **1. The Thatcher Legacy: Self-Incurred Efficiencies**

The rapid and radical changes in UK Higher Education since 1997 are due to New Labour. However, to understand the trajectory of New Labour policy, and the remarkable

swiftness with which it was implemented, one has to look at the content and purposes of Conservative policy in the 1980s, which in some respects prepared the way for it.

It is often said that Margaret Thatcher's government was elected with a "mandate" to attack public services. The Conservative manifesto of 1979 included a pledge to reduce "waste, bureaucracy and overmanagement" at the state level.<sup>2</sup> To this end, Thatcher enlisted the chief executive of Marks & Spencer, Derek Rayner, to conduct an "efficiency review" of the Civil Service, which came to be known as the "Rayner Scrutinies", and led to over 100,000 staff cuts in the Civil Service by April 1984.

The Rayner Scrutinies involved commissioning one official in each department to carry out a departmental review. These officials were to "ask fundamental questions" about the importance of the activities performed within their department. Having done so, they would communicate "solutions" to top management who, under pressure from the ministerial level, would ram through changes with as little consultation as possible. Involvement of mid-level management ("the cotton wool zone"<sup>3</sup> as the official jargon had it) was discouraged, since reservations voiced by those on the ground would only delay an aggressive schedule of cuts. In universities there was no comparable political intervention, and yet today the practices recommended by Rayner are instantly recognisable to university employees in the conduct of their own managements.

Such swingeing reform required an autocratic restructuring of the universities, and government in fact secured a degree of complicity from these. Observing the devastation in the Civil Service, the Committee of Vice Chancellors and Principals (CVCP) judged that by pruning themselves they could avoid major government surgery.<sup>4</sup> Rather than waiting for a government-appointed boardroom strongman to review their operations, the CVCP selected their own. In 1985 the Chancellor of the University of Birmingham (and once chief executive of Reed International), Alex Jarratt, was commissioned to conduct his own efficiency review, which was published in 1985 as the 'Report of the Steering Committee for Efficiency Studies in Universities'.

Under its rubric of efficiency the Jarratt report of 1985 recommended a fundamental change in managerial structure in the universities. From the post-war period until the

1980s, the UK university system was characterised by an administrative composition in which collegiality and relations of organic solidarity flourished. Positions of administrative authority were assigned to academics on a rotating basis. Heads of Departments and even Vice-Chancellors were research active academics still sensitised to the needs and interests of their academic staff. To create a senior management willing to push through reductions unpalatable to the middle layers (and disastrous for many of those beneath), such structures had to be abolished.

Jarratt's report recommended that from now on VCs function less like academics, "reluctantly" disposing themselves towards a temporary management position, and more like Chief Executives, flexing their strategic visions in conference calls with the luminaries of Business. Budget control should be devolved to the department level and greater emphasis should be placed on corporate governance. In effect this meant abolishing self-governance by committees of academics (scaling down and reducing the powers of Senates), and replacing them with chains of command from the centre. Centrally, Jarratt advocated increased "lay" membership of Councils, with a particular focus on the recruitment of "younger executives".<sup>5</sup> The Education Reform Act of 1988 defined lay members as persons with experience in "industrial, commercial or employment matters, or the practice of any profession."<sup>6</sup> University Councils effectively became Boards of Directors, with a token academic membership. All this was consistently justified in terms of securing "Value for Money."

The Education Reform Act carried the proposals of the Jarratt Report into legislation. It prescribed that polytechnics, freed from the administrative control of the Local Education Authorities (eventually to be phased out entirely), would from now on operate with a board of governors of between twelve and twenty-four members, of whom at least one half should be "independents": i.e., industrialists, business-people (and so on), and not academics or elected politicians.<sup>7</sup> No further government prescription was required to coerce the older (pre-1992) universities into adopting this model of governance. It was enough that those institutions were forced to compete with the polytechnics in a "marketplace" likely to disadvantage their mode of governance.

Since the election of the Thatcher government, the former polytechnic institutions have served as pawns in a war of attrition against the forms of collegial and democratic governance in the universities. Much has been made of the apparent tension in UK Higher Education between a declining “unit of resource” per-student and the expansion of the system of University education, but scholars rarely remark on how this tension has been *strategically used* by successive governments to assert control over the once self-managing and self-governing university sector, for the most part without the resistance or even the notice of those affected.

The process began with assertion of “lay” (i.e. executive) control of the “service” oriented polytechnics in the 1988 Reform Act. This was typical of government policy from the period. The polytechnics were used as a testing ground for changes that would later be urged on the universities. Government here perhaps relied on a less deeply embedded sense of *entitlement* to self-governance and freedom from market imperatives among the workers in those newer institutions. Thus just a year before the Reform Act the formation of the Polytechnic and Colleges Funding Council had led to the implementation of a funding mechanism wherein institutions were required to bid for a percentage of their unit of resource. The intention was to introduce a competitive “market” for public subsidy that would force polytechnics to seek aggressively to push down their teaching costs.

The 1992 Further Education Reform Act abolished the so-called “binary distinction” between universities and polytechnics, shunting the latter into competition with the former as a “reward” for their successful compliance with the Act of 1988. “Competition” can be generated by scarcity. The reclassification of the polytechnics exerted a “rationalising” pressure on universities still jealously possessive of their collegial structures because the resources they required were, from the 1970s on, in increasingly short supply. By creating a mass system of education and then neglecting to offer enough funding to sustain it, successive governments were able to rationalise that part of the sector with the least sense of its own autonomy (the polytechnics) and then place it in direct rivalry with institutions with a more participatory and collegiate, but also conservative and traditional mode of institutional organisation.

In fine, the developments in the sector during Thatcher period can be summed up as follows:

- (1) an expansion of the university system, leading to resource scarcity;
- (2) the deliberate imposition of (“complex”) conditions of resource competition between institutions;
- (3) an adoption by all but the élite institutions of a corporate management structure appropriate to these conditions.

The Rayner Scrutinies were part of a clearly defined policy to rationalise the large and unruly civil service. In Higher Education the same ends were achieved, but more slowly and largely by *parapolitical* means, carried out more or less autonomously by academics themselves.

Of course academic managers denied that they acted ideologically. The rationale, as expressed by one vice Chancellor, is that university “is running an inherently far more complex set of processes than ever before” and that “you can’t do that without management.”<sup>8</sup> The implication is that a) complexity arises quasi-naturally and b) that it can only be dealt with by corporate top-down management. But complexity is not self-generating: it was in this case the net result of a decline in per capita funding, the introduction of selective resource allocation and the metrics that support it, of bidding processes and decentralised budgeting; in short, of the whole battery of neo-liberal policy in the higher education sector. These policies were the cause of increased complexity. Whether increasing complexity calls for an increase in centralised bureaucratic management is a moot point, as we argue below. But it is worth noting (as Derek Rayner recognised) that where authority in an institution invested in a “top manager”, direct *government* influence can be more effectively exerted. Corporate universities are much more amenable to direct government control than colleges.

In the eighties and early nineties, conservative administrations sedulously created the conditions for university corporatisation. (Their policies aimed at achieving economic “efficiency” and administrative control were also largely successful in obviating sustained and concerted industrial action.)

Before turning to the New Labour era, we will zero in on some of the processes of audit, performance benchmarking and measurement which accompanied these changes in managerial structure.

## **2. Universities, Governance and the Power of Audits**

In the 1980s and the 1990s the phenomenon of audit, which originated in finance, exploded outwards into all kinds of other areas of society – management, law, medicine, and also education. One way in which the British government began to exert control over Universities was by auditing them. Audits, as Michael Power explains, arise because of the breakdown of trust and the consequent need to check that a certain first order practice is going ahead as it should. The idea of audit is to verify that a practice is proceeding properly. It originates in the demand that the auditee be accountable to the auditor.<sup>9</sup> In this case the government, which was funding research wanted to keep tabs on the Higher Education Institutions it was funding.

However, audits of institutions or practices easily morph into a means of exerting control over them. Thus audits are a very useful tool of corporate governance. And even if audits begin as a means of keeping accounts, or verifying, they can have the unforeseen consequence of reconstituting the practice on which they are suppose to check up. This is in effect what happened in British Higher education between 1986 and 1992.

Practices such as accounting, medicine, music, and education are open to evaluation. Generally speaking they can only be evaluated by experts, because only experts really know the relevant criteria for good and bad accounting, music, education, etc. Thus a breakdown in trust between the auditor and the auditee can be mitigated by self-regulation and self-evaluation. An experienced physician can monitor the performance of an inexperienced physician. Experienced teachers can monitor the performance of inexperienced teachers. What characterises self-regulation and monitoring is a kind of feedback mechanism between practitioners of the same practice. On the one hand there is a hierarchy between the evaluator and the evaluated, on the other hand there is an essential equality between them, for they are both practitioners of the same practice.



Audits are essentially different from evaluations. Audits in their true sense arise when the results of the evaluation or monitoring of a certain practice are presented to external agents, who themselves are not practitioners of, and experts in, the evaluated practice. In this case performance measures performance criteria have to be devised which are open to verification by lay persons, or public verification. The difficulty that then arises is that the invention of performance measures leads to the production of auditable performances. Audits change practices.. This is because practices which stand in need of verification or monitoring are complex and fine grained, and are difficult to capture in terms of simple, verifiable performance measures or criteria. Consequently the audit practice percolates into the audited practice and distorts it. This was the case with the RAE.

Research Assessment Exercises were held by the Higher Education Funding Councils in Britain in 1989, 1992, 1996, 2001 and 2008. Their aim was to evaluate the quality of research undertaken by British Universities. The RAE is a kind of self-evaluation of university research by university researchers. However, it is also, in the technical sense, an audit, since its results are transmitted to non-experts in the form of quantitative assessments. For example, in the most recent exercise, 2008, QR funds from HEFCE followed performance measured on a scale of five quality levels.

- 4 Quality that is world-leading in terms of originality, significance and rigour
- 3 Quality that is internationally excellent in terms of originality, significance and rigour but which nonetheless falls short of the highest standard of excellence
- 2 Quality that is recognised internationally in terms of originality, significance and rigour
- 1 Quality that is recognised nationally in terms of originality, significance and rigour
- U Quality that falls below the standard of nationally recognised work or which does not meet the published definition of research for the purposes of assessment

RAE submissions from each subject area (or each *unit of assessment*) are ranked by a subject specialist peer review panel. The rankings are then used to inform the allocation of quality-related research funding (QR) each institution received from their national funding council. These rankings are subsequently made public and the data is used by

newspapers and other organisations to form league tables which are put in the public domain.

The RAE came about as a means of providing assurance to Government that it was getting value for money by ensuring that high quality research was taking place. The effects of the RAE on the British university system are multiple and far reaching, and by no means all of them are pernicious. We cannot discuss them all. On the face of it, the RAE only encouraged academics to perform better in one of the activities they were supposed to doing anyway: producing high quality research. Some however are relevant to our concern here and are worth discussing.

One consequence of the RAE is to have incentivised departments and individual academics to prioritise research over teaching: to teach less and to write more. It tilted the balance of university productivity toward producing research and away from teaching. Because individual promotions depend mainly on research outputs, and departmental success depends heavily upon RAE performance, it tended to produce a culture of good enough teaching and excellent research. The RAE thus exemplifies a well-attested effect of audits. In gradually percolating into the audited practice and changing it, the audits superimpose a new motivational structure on organisations. This effect was intensified by other powerful pressures. In an era where student numbers increased rapidly, the RAE encouraged Universities to deliver more efficient modes of tuition, and consequently to abandon small group teaching as “inefficient.” In turn this led to the demise of Socratic model of face to face tuition and small group teaching. Such tuition is nowadays carried on only at élite institutions like Oxford and Cambridge.<sup>10</sup>

At the same time, ironically, audits of teaching quality and subject review undertaken by the Quality Assurance Agency for Higher Education have documented a rise in standards of teaching across the sector since 1997. However, given that, as we have seen, audits create the auditable performances they are designed to measure, what this amounts to is a documentation of the rise in the standards of those auditable performances. No doubt this improvement also reflects an improvement of the ability of academic institutions to play the audit game and create the required audit trail. Certainly, the fact that the QAA audits indicate not a decline but an improvement in the standard of teaching taking place in

Universities is one that suited all concerned: Government, university administrations and academics.

Whether the improved Teaching Quality Assurance results reflect a genuine rise in teaching quality across the sector is hard to judge. Audits can easily become decoupled from the audited practices. The skill of getting good scores from teaching evaluations is not the same as the practice of good teaching. Arguably, excellent teaching is dependent on teachers whose motivation is other than that of getting high scores in their evaluations. As soon as teachers begin to aim for good scores, teaching becomes an exercise in satisfying the expectations of customers. One effect of TQA may have been to lower the level of demandingness of undergraduate courses and increasingly to spoon-feed students – providing extensive handouts, smaller amounts of directed reading, etc. Anyway, it is plausible to think that the RAE, along with the rapid, unplanned and under-resourced increase in student numbers in the period, contributed to a general decline in teaching quality and a diminishment of the learning experience, even where such a decline goes hand in hand with a demonstrable (by audit) increase in student satisfaction.<sup>11</sup>

A second interesting effect of the RAE was that it led many Universities to close down what they saw as poorly performing departments, and to focus on their “areas of strength”, i.e. their high scoring departments.<sup>12</sup>

Moreover, thirdly, it led to the creation of an academic transfer market in the mid to latter part of the RAE cycle. Universities poached perceived high performing researchers from rival institutions prior to the assessment period in order to boost their own RAE scores. This led to an overall increase in cost for the sector, and thus undermined the whole aim of value for money which was one of the main reasons for the audit process.

A fourth unforeseen consequence of the RAE was that any activity for which performance indicators were not invented – reviewing and editing for journals, pastoral roles, conference organisation, or whatever – was relegated in importance and increasingly delegated to junior faculty, graduate students and teaching assistants.

Finally, one of the overall adverse effects of the RAE, along with the league tables it spawned, was to encourage Universities to compete with one another. Academics (and Universities) began to see themselves less as members of a community of inquiry, and more as antagonists engaged in a competition for resources, namely fee-paying and HEFCE funded students, and research income. (Instead of advising their better undergraduate or MA students to move on to other Universities, more appropriate to their interests, or simply in order to gain new educational experience, universities now typically do all they can to persuade their better students to stay on.)

### **3. Step Change under New Labour**

In a speech to the Labour Party conference of 1996, Tony Blair famously declaimed: "Ask me my three main priorities for government, and I tell you: education, education, education." One might have thought that the outlook for UK Universities under Labour would be considerably rosier than it was the Thatcher Major years. The truth is that New Labour's increasing investment in education was accompanied by an intensification of the attack on the integrity and autonomy of British Universities, and that higher education policy in the period was marked by a giant leap forward in the path toward marketisation that Margaret Thatcher had originally charted. (Managers like to call quantitative increases which are so large as to bring about qualitative shifts "step change". They rarely observe that steps go down as well as up. Radical changes can be bad ones. Conservative institutions that are reluctant to make bold changes can at least thereby avoid making really bad decisions, and small steps in the right direction are better than giant leaps backwards.)

With the Lisbon Agenda of 2000 the EU made "education, education, education" its model for economic success. The Agenda proclaimed that the Union was to become "the most competitive and dynamic knowledge driven economy by 2010". In this schedule for new growth, the UK represented the avant-garde. Other members of the Union struggled to bring about an "Anglo-American" standardisation of their variegated and antiquated degree programmes; many are still struggling.<sup>13</sup> By contrast, British higher education had already been thoroughly primed for market-integration. Labour's enthusiasm for the

central principles of the Lisbon agenda was forged in the conviction that, first, the organisational and academic structure of its universities were ready for (and were by now accustomed to) change, and that, second, a “knowledge economy” could become not a supplement, but a *substitute* for the British manufacturing base that had been eviscerated by a sustained programme of privatisation, reduction in public subsidy and strong fiscal policy. The result was that an enormous weight of responsibility for economic growth was rolled on to the shoulders of the UK universities.

However, with New Labour a fundamental shift in the conception of higher education had taken place. The Thatcherite vocabulary of “value for money” and “efficiency” in public services, including the universities and polytechnics, was now supplanted by a new, more radical, but also more one-dimensional understanding of the University as the UK’s primary locus of economic “dynamism”. The relevant government policy documents, the White Paper, ‘The Future of Higher Education’ (2003), the ‘Lambert Review of Business-University Cooperation’ (2003), and the ‘Science and Innovation Investment Framework’ (2004-14), make clear that the most important, if not the sole purpose, of university education is the economic goal of increasing GDP per capita. Nothing else counts.

Moreover, New Labour did not have any conservative or liberal scruples about avoiding regulation and ‘big Government’. On the contrary, they liked to micro-manage from the centre, “consulting” quickly, generally with their own appointed “tsars” or individual advisors, and then rushing through legislation.

True to form, Blair’s Government commissioned Richard Lambert, a member of the Bank of England’s Monetary Policy Committee (and educated, like Blair, at Fettes and Oxford) to conduct a review of University-Business collaboration. The Lambert Review is not a review in the sense that it is zetetic or heuristic, it is a programme for change. Nor is this programme confined to the question of how to facilitate interaction between Universities and Business for the benefit of the regional and national economy; it challenges the very purpose of the University. Lambert begins by noting that, defence and pharmaceuticals apart, UK business lags behind its international competitors in Research and Development, but that there is a strong research base in UK Universities. His solution is

“knowledge transfer” from UK Universities to Business. (This looks like a scarcely concealed attempt to offset the high business costs of R&D onto the university sector).

Soon however it becomes clear that Lambert’s Review has an even wider remit: it is a highly prescriptive blueprint for transforming Universities from autonomous educational institutions into providers of research and skilled labour. To facilitate cooperation with Business, it is necessary for universities to become not just business-like, but to become businesses. In an appendix which gives the terms of reference of the Review the final bullet point reads as follows. The Review is to:

- Ask business for its views on the present governance, management and leadership arrangements of higher education institutions and their effectiveness in supporting good research and knowledge transfer and providing relevant skills for the economy.<sup>14</sup>

Business is duly asked and comes back with an unequivocal answer. “Business is critical of what it sees as the slow-moving, bureaucratic and risk-averse style of university management.”<sup>15</sup> Doing more business with Business requires dismantling their academic committee structures and replacing their participatory governance models with streamlined management systems. Senates should be downsized and Universities run by a small councils with “majority of lay members” and small senior management executive.<sup>16</sup>

Universities depend above all for their success, in Lambert’s view, not on their academic staff, nor even their Professoriat, but on the management skills of their senior managers, especially of their Vice-Chancellors. Alex Jarratt held a similar view, but Lambert’s proposals go miles further than those of his predecessor. University managers, Lambert advises, need to be trained in entrepreneurship by professional development agencies such as the Leadership Foundation. Universities must be encouraged to be more risk taking and entrepreneurial. He specifically recommends using professional Recruitment Consultancies to make appointments from the private sector, rather than promoting University Managers from within the academic community, and chides Universities for being inward looking and conservative.

Universities should, under the aegis of stakeholders such as Regional Development Agencies and the business community, tie their teaching and research much more closely to the needs of the economy. Since the main purpose of Universities is to feed the

economy with market ready employees, and to transfer knowledge to it, Government and Business should exert a much greater “influence over university courses and curricula.” Moreover, and more worryingly, there must be “significantly more business input into the priority setting, decision making and assessment panels of both of the peer review processes.”<sup>17</sup> (It seemed to escape Lambert’s notice that peer review can only be conducted by *peers*, and that by definition business people and politicians cannot “peer” review academic research, which as non-experts they are not in a position to judge.) Among other things this marks a complete break with the Haldane Principle, of which there is no mention in the Lambert Review. This is the idea that decisions about what to spend research funds on should be made by researchers rather than politicians, a principle that informed Higher Education Funding policy and research funding in Britain from 1904 onward and which was one of the main guardians of academic freedom in the period.)

Lambert insists on three things (insists rather than argues, for repeatedly asserting that Business wants something scarcely counts as argument)

1. consolidation of research funds;
2. differentiation between types of HEIs; and
3. cheaper, more reliable ways of allocating funding.

That is, he recommended that larger amounts of money go to fewer projects, at fewer Universities, allocated by cheaper, dirtier methods. To this end he calls for the creation of “a basket of metrics that might in the future provide the basis for a predictable way of allocating funds.”<sup>18</sup> Metrics of excellence, assuming such can be found, would relieve the academic community of the expensive and time consuming task of expert evaluation and peer review of research proposals. They would also enable the allocation of research funds to be determined by non-experts, such as government officials and business people, rather than by the judgments of peers.

#### **4. From the Research Assessment Exercise to the Research Excellence Framework.**

In 2007 HEFCE announced that a new framework for auditing research quality in UK Universities would replace the RAE. Originally scheduled for 2012, the Research

Excellence Framework was to replace the RAE which, Universities themselves complained, was too cumbersome and too expensive. The REF reflects New Labour's dissemination agenda - the idea that research should be made available to non-academic audiences; the importance of "knowledge transfer" which somewhere along the line was rebranded "knowledge exchange" (as if someone suspected it looked too one-sided); and the impact agenda, the idea that research should be demonstrated to be socially beneficial and economically useful. It is the latter that concerns us here. It is clear from the 2003 White Paper and the 2007 Annual Review of the Science and Innovation Investment Framework that, in spite of one or two passing remarks about the value of education, the Government's overriding concern is to harness and increase the economic impact of research. Lambert makes no bones about this. All the government reviews, papers and reports in the period are about how to make Higher Education serve the needs of the knowledge economy. Since Blair took office little if any Government research has been devoted to finding out what the non-economic social, cultural and political functions of universities and higher education are and have been, and how these might be best maintained. Even the recently created AHRC appears to submit to this view: their most recent report, *Leading the World: The Economic Impact of UK Arts and Humanities Research*, a document which tries cautiously to widen the definition of impact, still advertises prominently in its subtitle the Government's central priority. It is indicative that all these government documents, prepared and presumably also written by University educated politicians and civil servants, have hardly anything to say about any other values of education besides economic impact. It is indicative of the one-dimensionality of party politics in the 21<sup>st</sup> Century, in which government ignore issues of the value and quality of human life and focuses almost exclusively on strategically adapting everything to the demands of a global capitalist economy, with the aims of increasing GDP per capita and seeking re-election for itself. Stefan Collini notes that in the REF consultation document 37 different "impact indicators" are canvassed:

"Nearly all of these refer to "creating new businesses", "commercialising new products or processes", attracting "R&D investment from global business", informing "public policy-making" or improving "public services", improving "patient care or health outcomes", and improving "social welfare, social cohesion or national security" (a particularly bizarre grouping). Only five of the bullet points are grouped under the heading "Cultural enrichment". These include such



things as “increased levels of public engagement with science and research (for example, as measured by surveys)” and “changes to public attitudes to science (for example, as measured by surveys)”. The final bullet point is headed “Other quality of life benefits”: in this case, uniquely, no examples are provided. The one line under this heading simply says “Please suggest what might also be included in this list”.

Henceforth, following Lambert’s recommendations, research in the sciences and humanities is to be assessed partly on the basis of its impact, defined as its consequences outwith the academic community (benefit to economy, society, culture, and so on). According to the REF, 25% of the rating of a unit of assessment will be determined by a measure of its impact.

The dangers in this policy are easy to spot.

1. To recall a favourite dictum of Einstein, not everything that counts can be measured, and not everything that can be measured counts. To reward the pursuit of the measurable and hence auditable impacts of research might well be to ignore what is most important about it.
2. The impact of research, however broadly defined, is not synonymous with its excellence. Consequently, a “Research Excellence Framework” that attempts to assess research proposals on the basis of impact may end up incentivising academics to pursue something other than excellent research, namely whatever is designated a “high-impact” activity. What is important to bear in mind in both these cases is the tendency for audits over time to colonise and transfigure the audited practice. It is likely that the REF will have a far more distorting effect on academic practice than the RAE did.
3. One cannot measure anything accurately if one does not know what is to be measured. If impact is defined narrowly, in merely economic terms, one at least knows what is supposed to be measured, though although finding reliable metrics may well outstrip the abilities of even the most skilled economists. (Current metrics for assessing the merely economic impact of research have not been demonstrated to be reliable.) If, on the other hand, impact is defined broadly, the difficulties of measuring it are multiplied.<sup>19</sup>
4. It may well be the case that research excellence is the most reliable indicator of the economic impact of research, in terms of the publications it generates, and the overseas students it attracts to Universities, and so forth. But research excellence can only be

judged by peer review. So establishing the reliability of a metric of research excellence requires peer review anyway. Therefore, if excellence is the aim, the search for a metric with which to allocate funds on the basis of it is self-defeating. If (non-academic) impact becomes the aim, or if the impact tail wags the excellence dog when it comes to making funding decisions, then we are landed back with the problems described in 2.

## **5. Conclusion**

No-one, not least academics, could reasonably complain that HEIs be accountable to those who fund them. But as the above account shows, it is disingenuous to assert that the aims of higher education policy since 1978, and the continental drift of the reforms instituted by successive administrations, have merely served the laudable aim of making UK universities more accountable to their paymaster, and thus more democratic and transparent.

There are three explicit goals of and stated rationales for higher education policy in this period: efficiency, democratisation, and economic growth. In each case it is doubtful that even these aims have been achieved.

### **Efficiency**

In Higher Education policy efficiency was the watchword from Thatcher to Blair. But seen as a simple money-in/money-out ratio it is not clear that any efficiencies have been achieved since 1978. For one thing, a new cadre of highly paid managers in the sector has enormously increased the costs of university administration.<sup>20</sup> Moreover, as we noted above, one of the perverse effects of the RAE has been to hike the wages of senior academics.

Efficiency also provided the rationale on the basis of which universities were restructured along corporate lines. Universities are now more ‘efficient’ in the sense that it is now possible for small management teams to devise and implement policy military style, swiftly forcing through radical changes. This structure, Lambert enthuses, “allows for dynamic management in an environment where decisions cannot wait for the next committee meeting.”<sup>21</sup> However, committees may be conservative and risk averse, but

they are also much less likely to make bad decisions. Being risk averse can be beneficial, because bad decisions are costly. Moreover, the more or less constant restructuring to which Universities have been subject in the last decade is itself enormously expensive, and in fact impedes research while the new structures are rolled out and bedded in.

### **Economic Growth**

We noted above that HE policy since 1978 has been marked by a total failure to reflect on the value of education, its value in fostering a democratic society, democratic citizenship, and a liberal political culture, in encouraging engagement with the arts, in improving and enriching parenting, in pursuing knowledge in a whole array of areas for its own sake, in helping us to understand the nature of the universe and the point of human life within it, or in widening our cultural horizons by enabling us to engage with and to understand other cultures and languages. The only value that successive governments (Labour governments in particular) have thought worthy of pursuit is the economic value generated by workers with skills that can be directly traded on the labour market. Yet there is no knowing what the medium to long term economic effects of the current trend will be. It is by no means obvious that the crude attempt to make universities minister directly to the needs of the economy will in fact generate the envisaged increase in GDP per capita. After 1989 and the end of the cold War, in the wake of Jarratt and the RAE, many Russian departments were shut down, declared surplus to the requirements of an efficient higher education sector. Fifteen years later Russia had one of largest growing economies. Would it not have made more economic sense to keep Russian departments open, ensuring thereby that the relevant skills base was intact?

One lesson that successive governments appear to have failed to learn from the architects of the neo-liberal policies they pursue, such as Hayek and Friedman, is that markets are hard to control and difficult to predict. This is also true of labour markets. People work out for themselves and know better than Governments what they need to learn.

Universities meet this need in two ways. First, they provide a reservoir of knowledge and skills in a whole array of different subject areas. Second, the education they provide teaches people how to study and thus to learn.

A similar point holds for the field of academic research. Consolidation of research funds, and differentiation of HEIs, have led to research funds being channelled into fewer bigger projects. The trajectory of the REF is to divert more funds towards projects that ‘stakeholders’ such as politicians and ‘end users’ such as business people think will pay off. This trend will be exacerbated by the pending drastic cuts in higher education funding. The current attempt by central government (through the Research councils and HEFCE) to manipulate and control the field of research bears some of the hallmarks of the technocratic hubris which so disastrously put paid to planned economies last century. In this regard government has a lot to learn. Skilled investors hedge their bets and spread their risk. Central government, by contrast, invests heavily in what it thinks will pay off.

### **Democratisation**

There is an irony in the fact that much of this reform has been brought in under the banner of ‘democratisation’ and ‘widening participation’ in education. To be sure, the expansion of higher education looks like democracy, but there are at least two respects in which this outward appearance is misleading. First, the expansion of the university system has not been accompanied by a proportionate increase in resources. This reduction in overall resources has created competition between institutions, and competition is a useful tool with which governments have gained leverage over previously autonomous universities. One effect of this has been to virtually dismantle democracy within universities and to replace it by top-down management. Self-governing institutions that cherished their autonomy and their academic values are redesigned as quasi-corporations managed in accordance with economic and political interests. Second, although more student places than ever before are on offer, and to a broader social constituency, what is being offered to the majority of students is not the education previously afforded to an élite, but training in transferable and marketable skills tailored to the demands of the economy. Education in the true sense may soon be confined only to those who gain entry to Oxford and Cambridge, institutions which for various reasons have been least affected by these changes. Thereby a two-tier system is being subtly re-instituted: education for the élite who will go on to become political leaders or CEOs of major corporations, and training for those lower down the food chain. Healthy democracies, however, require educated

citizens, not only educated leaders. Democracy is not just an administrative machine which, once in place, can continue to function indefinitely. It is an inherently fragile form of association that is dependent on a democratic culture. For democratic societies to reproduce themselves and achieve stability over time they require educated citizens and parents. More specifically, democratic culture needs to be embedded in domains of social life which are not under direct political control.

To borrow Habermas's terminology the recent marketisation of UK universities can be seen as part of a concerted attempt by the political and administrative system to colonise the lifeworld – to make universities serve economic purposes that are themselves reductively construed, by restructuring and managing them like corporations, thereby making them into businesses. However, if Habermas (and various others) are right, the economic system itself depends on a lifeworld that is capable of reproducing itself, independently of the steering mechanisms of money and power. The same is true of the political system. Democracy and the rule of law – the political and administrative systems – depend upon a vibrant civil society and public sphere in which discourses circulate freely and knowledge is pursued for its own sake. Universities, in their role as autonomous higher education institutions, play an important role in the reproduction of the lifeworld, that is, in maintaining the delicate balance between personality, culture and society, and in ensuring free circulation of discourses on which ultimately civil society and a democratic political culture depends, insofar as these still exist alongside and separate from the economy and the state. If this is so, then, by virtue of not being in hock to the demands of economy and the state, universities might serve them both better.

A final cautionary remark is in order. Recent history should have taught us that although a liberal democratic culture and a peaceful civil society, with its attendant freedoms and advantages, is a hard won achievement, it is nonetheless a fragile one, requiring continual nurturing. This is a lesson that was uppermost in the minds of a generation of Europeans who experienced totalitarianism at first hand, but which is now in danger of being forgotten entirely by a generation of politicians whose policies reflect the one-dimensionality of their neo-liberal economic outlook. Simply ministering to the economic and material preconditions of democracy is not enough to sustain it. This is why there is an inherent danger in stampeding through reforms that aim to make university teaching

and research into the powerhouses of the knowledge economy. Universities that offer education for democratic citizenship, that encourage the powers of critical reflection, imagination and insight, rather than just deliver training for work, are vital to the good functioning of democratic societies. As T. W. Adorno, one of the least politically minded of the Frankfurt School put it: “Critique and the prerequisite of democracy, political maturity and autonomy (Mündigkeit) belong together. The politically mature person is someone who speaks for himself because he has thought for himself and is not merely repeating someone else.”<sup>22</sup>

James Gordon Finlayson is Senior Lecturer in Philosophy at the University of Sussex and Director of the Centre of Social and Political Thought.

Daniel Hayward read English at the University of Sussex, and took an MA in Critical Theory. He is now studying for a PhD at Birkbeck.

---

<sup>1</sup> Many thanks to John Holmwood, Jan Derry and Miriam David for comments.

<sup>2</sup> Accessible at <http://www.conservative-party.net/manifestos/1979/1979-conservative-manifesto.shtml>

<sup>3</sup> Metcalfe, Les, Richards, Sue, *The efficiency strategy in central government: An impoverished concept of management*, Public Money & Management, Volume 7, Issue 1 June 1987, p. 27.

<sup>4</sup> Since 2000 the organisation has operated under the name Universities UK.

<sup>5</sup> *Report of the Steering Committee for Efficiency Studies*, March 1985, p. 36, p. 23. Hereafter to be referred to as the “Jarratt Report.”

<sup>6</sup> Dearlove, *A Continuing Role For Academics*, Higher Education Quarterly, Volume 56, No. 3, July 2002. p. 261

<sup>7</sup> It was also this Act that was responsible for the abolition of ‘tenure’ in UK Higher Education.

<sup>8</sup> From a statement by the VC of a post-1992 university, cited in Deem and Brehony, *Management as Ideology*, Oxford Review of Education, Vol. 31, No. 2, June 2005, p. 228.

<sup>9</sup> Michael Power, *The Audit Society*, Oxford, Oxford University Press 1997.

<sup>10</sup> For a recent study on the importance of this kind of teaching for democratic citizenship, see Martha Nussbaum, *Not for Profit: Why Democracy Needs Universities*, Princeton, Princeton University Press, 2010.

<sup>11</sup> One might speculate that one rationale for TQA, apart that is from the general need for assurance that arises from the breakdown in Government’s trust of the professions, is spawned by a general anxiety that

---

the *under-resourced* expansion (or ‘democratisation’) of Higher Education, as well as the privileging of research inculcated by the RAE, was pushing teaching standards downwards.

<sup>12</sup> One of the more mind-boggling instances of this kind of management is exemplified by the fate of The Centre for Contemporary Cultural Studies, at the University of Birmingham. Founded in 1964 by Richard Hoggart, with Stuart Hall becoming Director in 1968, it gained world-renown in the emerging field of cultural studies. However, the Centre closed in 1991 and was superseded by a new Department of Cultural Studies and Sociology. This department was in turn closed by the University in 2002, because of its poor performance in RAE 2001. In its place a new Department of Sociology was opened in 2004. This new department was subsequently closed again in 2010, due to its performance in RAE 2008.

<sup>13</sup> For a case study in the great tribulations faced by European governments attempting to implement unpopular “Bologna” reforms, see Dietrich Lemke’s articles on the situation in Germany, especially *Mourning Bologna*, available online at <http://www.e-flux.com/journal/view/123>.

<sup>14</sup> Lambert Review, p. 117.

<sup>15</sup> Lambert Review, p. 6

<sup>16</sup> To see what ‘lay member’ means in this context see the reference to the Dearing report above.

<sup>17</sup> Recommendation 6.1. Lambert Review, p. 125.

<sup>18</sup> Lambert Review, p. 122

<sup>19</sup> Currently HEFCE’s definition of impact includes economic, social, environmental and cultural impact, plus public policy and services, health and quality of life.

<http://www.hefce.ac.uk/research/ref/resources/REFguide.pdf>

<sup>20</sup> “Universities are not Businesses” Ian Pears Times Higher Education, April 1<sup>st</sup> 2010. “At the University of Bristol, which in 2006 saw protests by students over what they perceived as inadequate teaching owing to financial pressures, between the financial years 2000 and 2009 spending on departments rose by 85 per cent, but administrative costs increased by 261 per cent and the vice-chancellor's reward (total package of salary plus benefits and pension contributions) was up 113 per cent. At University College London, while spending on academic departments increased by 79 per cent, administrative costs climbed by 120 per cent and the vice-chancellor's salary jumped by 168 per cent. At King's College London, administrative costs rose to 3.5 million in the financial year 2008-09, from 8.5 million the year before - a rise of 17.5 per cent and more than twice that of the rise in the cost of academic departments. In 2002-03, administration costs were 6.5 million - meaning there has been a 103 per cent rise over six years.”

<sup>21</sup> Lambert Review, p. 93.

<sup>22</sup> Adorno, ‘Critique’ [1969], in *Critical Models*, ed. Henry W. Pickford (New York, Columbia University Press, 1998) p. 281

From 2000 the organisation currently functions under the name

<sup>22</sup> *Report of the Steering Committee for Efficiency Studies*, March 1985, p. 36, p. 23. Hereafter to be referred to as the “Jarratt Report.”

<sup>22</sup> Dearlove, *A Continuing Role For Academics*, Higher Education Quarterly,

---

Volume 56, No. 3, July 2002. p. 261

<sup>22</sup> From a statement by the VC of a post-1992 university, cited in Deem and Brehony, *Management as Ideology*, Oxford Review of Education, Vol. 31, No. 2, June 2005, p. 228.

<sup>22</sup> Michael Power, *The Audit Society*, Oxford, Oxford University Press 1997.

<sup>22</sup> For a recent study on the importance of this kind of teaching for democratic citizenship, see Martha Nussbaum, *Not for Profit: Why Democracy Needs Universities*, Princeton, Princeton University Press, 2010.

<sup>22</sup> One might speculate that one rationale for TQA, apart that is from the general need for assurance that arises from the breakdown in Government's trust of the professions, is spawned by a general anxiety that the *under-resourced* expansion (or 'democratisation') of Higher Education, as well as the privileging of research inculcated by the RAE, was pushing teaching standards downwards.

<sup>22</sup> One of the more mind-boggling instances of this kind of management is exemplified by the fate of The Centre for Contemporary Cultural Studies, and the Sociology Department at the University of Birmingham. Founded in 1964 by Richard Hoggart, with Stuart Hall becoming Director in 1968, CCCS gained world-renown in the emerging field of cultural studies. However, the Department was closed in 1991 and was superseded by a new Department of Cultural Studies and Sociology. This department was itself closed by the University in 2002, after a poor result in RAE 2001. A new Department of Sociology opened in 2004, which, following a poor RAE result in 2008, was closed again in 2010.

<sup>22</sup> For a case study in the great tribulations faced by European governments attempting to implement unpopular "Bologna" reforms, see Dietrich Lemke's articles on the situation in Germany, especially *Mourning Bologna*, available online at <http://www.e-flux.com/journal/view/123>.

<sup>22</sup> Lambert Review, p. 117.

<sup>22</sup> Lambert Review, p. 6

<sup>22</sup> To see what 'lay member' means in this context see the reference to the Dearing report above.

<sup>22</sup> Recommendation 6.1. Lambert Review, p. 125.

<sup>22</sup> Lambert Review, p. 122

<sup>22</sup> Currently HEFCE's definition of impact includes economic, social, environmental and cultural impact, plus public policy and services, health and quality of life.

<http://www.hefce.ac.uk/research/ref/resources/REFguide.pdf>

<sup>22</sup> "Universities are not Businesses" Ian Pears Times Higher Education, April 1<sup>st</sup> 2010. "At the University of Bristol, which in 2006 saw protests by students over what they perceived as inadequate teaching owing to financial pressures, between the financial years 2000 and 2009 spending on departments rose by 85 per cent, but administrative costs increased by 261 per cent and the vice-chancellor's reward (total package of salary plus benefits and pension contributions) was up 113 per cent. At University College London, while spending on academic departments increased by 79 per cent, administrative costs climbed by 120 per cent and the vice-chancellor's salary jumped by 168 per cent. At King's College London, administrative costs rose to 3.5 million in the financial year 2008-09, from 8.5 million the year before - a rise of 17.5 per cent



---

and more than twice that of the rise in the cost of academic departments. In 2002-03, administration costs were 6.5 million - meaning there has been a 103 per cent rise over six years.”

<sup>22</sup> Lambert Review, p. 93.

<sup>22</sup> Adorno, ‘Critique’ [1969], in *Critical Models*, ed. Henry W. Pickford (New York, Columbia University Press, 1998) p. 281