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Corporatisation, competitiveness, commercialisation: new logics in the globalising of UK higher education

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This paper examines the changing form and scope of higher education in the UK with a specific focus on contemporary ‘globalising’ developments within the sector and beyond. Situated within an analysis of transformations under way in the wider global and regional economy, and drawing on Jessop’s strategic relational approach (SRA), I examine the way higher education in the UK has been restructured through the mobilisation of three key logics (corporatisation, competitiveness, commercialisation) to play a central role in the realisation of a globally-competitive education services sector and imagined ‘knowledge-based economy’. The main argument of this paper is that from the early 1980s onward, successive rounds of neo-liberal political projects – shaped by these logics – were mobilised to rework the basis of capital accumulation. A central outcome was to structurally predispose UK HEIs, over time, toward new regionalising and globalising horizons of action.

Keywords: higher education; globalisation; commercialisation; corporatisation; competitiveness; UK

Introduction

This paper examines the changing form and scope of higher education (HE) in the UK – with a specific focus on contemporary ‘globalising’ developments within the sector. In order to show why, how and with what consequences HE in the UK is being globalised, I look at the crucial turning point for western capitalist economies; the collapse of the Fordist settlement by the late 1960s and its role in post-war ‘nation-building’; the search for a new solution to the problem of ongoing capital accumulation – including the contribution of higher education to this; the opening up of economies around the globe as a result of decisive neo-liberal interventions, including New Public Management’s emphasis on corporatisation that reworked the boundaries around the higher education–state–economy–civil society relation; the advance of labour flexibility and ‘competitiveness’ as a rationale for this ongoing transformation; and the suturing of competitiveness and commercialisation into these social relations through the emergence of a new economic imaginary – the development of a knowledge-based economy. I will be arguing that this ongoing reorganisation has structurally and strategically transformed the sector, and its insertion into and alignment with the economy continues to be regarded as *key* to the development of a competitive nation. Indeed, as the government currently responds to the financial crisis and recession, HE policy in the UK is reinforcing this model of corporatisation–competitiveness–commercialisation, rather

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than its questioning (Mendelson 2009; BIS 2009). The paper begins by outlining the main theoretical anchor shaping my analysis before turning to the substantive arguments.

Analysing the globalisation of higher education – an approach

Contemporary studies of UK higher education by HE researchers tend to focus upon organisations and their transformation as a result of the implementation of New Public Management (Hood 1991). Such approaches, whilst important and useful, are not particularly helpful in understanding how these social processes are tied to changes in the nature of contemporary capitalism and changing national and world orders. When higher education studies do focus on the global, there is a tendency to privilege phenomena and outcomes that are the self-evidently ‘out-there’ global rather than the many ways in which the global is *also* transforming the ‘in-here’ within national territories. As Sassen observes, entry into global space ‘is predicated on – and in turn further strengthens – particular forms of denationalisation’. And as she shows, both processes, ‘the self-evidently global and denationalising dynamics destabilise existing meanings and systems’ (Sassen 2006, 2). What is crucial, therefore, is that analyses take a relational view of ‘horizons of action’ to reveal the (uneven) inward and outward flows of projects and programmes, and their institutional materialisation, which in turn transforms the higher education landscape.

One response to the theoretical and empirical challenges posed by a relational view of globalisation is to draw upon a ‘critical theory’ (see Cox 1996) and strategic relational approach (SRA) (Jessop 2002, 2005) to examine UK higher education. Critical theory orients our analysis through its insistence that to understand projects, power and change, we need to place the objects for analysis within accounts of transformations and struggles taking place at multiple scales in the wider cultural political economy.

The question, however, 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 social change. This means making clear the relationship between actors and society, and thus between agency and the structure.

Jessop’s SRA is particularly useful for this purpose. He 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 at the same time highlighting the contingent and tendential nature of structural constraints, and gives an important role to the cultural dimensions of social life (reflexivity, semiosis).

A key move in SRA is Jessop’s 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)

Second, particular importance is given to structures and actors having distinctive *spatio-temporal selectivities*. For example, the state's neo-liberal 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.

Third, Jessop emphasises 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.

Finally, 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 politics, 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)

However, complex stable social orders are difficult to reproduce over the long term, not only because capitalism itself is crisis prone, but 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 trying to manage crises in social formations. Ruptures in the economy, the advance of new political projects, the emergence of new social projects, and so on, break existing path dependencies and power relations, and open up spaces for contestation and new alternatives. As we shall see in this paper, from the 1980s onward in the UK, higher education faced successive waves of policies that structurally and selectively altered the patterning of the higher education sector. In sum, Jessop's strategic relational approach helps us 'see' higher education in the UK at any moment as the outcome of a particular patterning of strategically-selected social relations constituted through economic and political imaginaries, with actors having differential capacities to strategically engage in, and re-organise, structures and strategies over different spatio-temporal horizons.

The strategic selectivities of New Public Management

In order to understand the changing relation between higher education, the state and the economy, we need to look back briefly to the crucial turning point for economies around the world; the late 1960s, the crisis of capitalism, and the collapse of the post-war Keynesian Welfare National State settlement (Peck and Yeung 2003; Jessop

2000). This crisis opened the space for the emergence of those social forces – in particular neo-liberals – who had advanced a critique of Keynesianism. These were voices silenced in the post-war settlement characterised by a strong national state, redistribution, and a negotiated settlement with the labour movements. Neo-liberals attacked the state as over-centralised, inefficient, ineffective, and over-bureaucratised. Crucial also was the search for a new economic development model for the west; one that might underpin a new long wave of accumulation (Harvey 2005). While free market ideologies might result in the creation of new markets, the west also faced a declining share in the production of goods following the spectacular success of the Asian Tiger economies. They began to turn to the services sectors, the high-value-added end of value creation, and to how to create new niche markets along the value chain, as the basis for value creation.

Within higher education in the UK in the 1980s, as with other public service sectors, it unleashed the beginnings of a revolution that strategically 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) called New Public Management (NPM). HEIs were accused of harbouring 'dead wood', lacking in public accountability, and 'managerial weaknesses' (Land 2006, 106). This 'discourse of derision' (Ball 1990) culminated in the Jarratt Report (1985) which recommended reforming the institutional and financial management of higher education institutions, 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 national 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. 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 Conservative Minister for Education's (Kenneth Baker) decision to double overnight the proportion of young people going to 'university' by re-labeling the former polytechnics, that the overall funding environment for higher education changed in more dramatic ways. Alan Ryan (2005, 93) notes that two pressures followed from this:

... one came from the 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 HEIs themselves, which were ready to expand their intakes at a very low cost. The post-1992 universities 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 1980. 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 who were elected in 1997), resulted in pressure on HEIs 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 Ron Dearing, was charged with reviewing the state of higher education in the face of a gathering funding crisis and expanding student numbers coming into higher education (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 the key tenets of New Public Management – or '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). The legitimating discourse was 'access' and 'lifelong learning'.

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 HE 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 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.

Competition, the knowledge-driven economy, and commercialisation

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 shadow chorus line was 'competition, competition, competition'.

Labour's 'competitiveness' strategy articulated with projects being advanced by a broad array of actors, including 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 in this section, national governments were also active in advancing this new competitiveness project and economic development model.

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 cast as central engines in building this new knowledge driven economy, whilst competition was represented as including new funding streams to promote the commercialisation of university research (ibid., 6) and funds

for regional development agencies to promote collaborative strategies building on 'regional know-how' linking universities to their regional economies (ibid., 7).

These initiatives were under-girded 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* (2003); the Sainsbury Review of Science and Innovation *The race to the top* (2007); and the Department of Business, Innovation and Skills (BIS) *Higher ambitions* (2009), where it has continued to argue:

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. (BIS 2009, 3)

This vision for HE articulated with those unfolding at the level of Europe, and amongst the international agencies. Within Europe this included developments such as: the Bologna Process (1999) (a radical restructuring of the architecture of higher education degrees to enable greater mobility across Europe and the visibility of a European higher education sector to the global market); the launch of the Lisbon Agenda (2000), committed to developing a globally-competitive, knowledge-based economy in Europe; and the creation of the European Research Area (2000). These initiatives were to increase access to HE, enable researcher mobility, increase investment in research and development, and create a visible higher education sector that could also be marketed globally (Robertson 2006, 2009).

Amongst the international agencies, the Organisation for Economic Co-operation and Development (OECD) 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). Meanwhile the OECD, World Bank and WTO all argued that trade in education services could be deployed to help low-income countries build their higher education capacities (Robertson, Bonal, and Dale 2002; Robertson 2009). This, of course, meant that the developed economies could see new opportunities for the expansion of higher education markets, aided by a discourse of trade rather than aid. 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'.

Within the UK, transformations of higher education have taken two main forms: teaching/access, and research/innovation. These are both shaped by competitiveness and commercialisation rationales or logics.

In relation to policy directed at *teaching and access*, a higher education (following Dearing) continued to be promoted as a prerequisite and foundation for a knowledge-based economy. The government continued to promote the view that investment in a university education improved an individual's access to the global employment market, and ensured social mobility. In 1997, 921,000 students were enrolled in higher education; by 2009 it was 1.1 million.

To fund this expansion, and faced with budget constraints, universities turned to enrolling foreign fee-paying students, primarily from Asia. This was formalised by the government in a series of policy initiatives: the *Prime Minister's Initiative for*

International Education (PMI1) launched in 1999; a conscious branding effort (Education UK); and a later follow-up *Prime Minister's Initiative for International Education* (PMI2) (2003). 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. In the UK, non-EU international student income now contributes 8% (£1.5 billion) (Universities UK 2008, 2) of overall income (Universities UK 2009, 2), whilst EU student fees contribute 2%. Globally, the expansion in numbers of students enrolled in HE outside of their country of citizenship since 1975 has been phenomenal. The UK (15%) lags only behind Australia (20%) in terms of international student enrolments. 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). 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 to the UK for international students, 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).

A second round of policy, the Government's PMI2 launched in 2003, sought to turn around the UK's stalling position in share of the higher education market. This five-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 2009), in reality 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) diversify and consolidate markets.

The majority of the UK's international students come from a small number of countries. In 1998–1999, five countries provided 36% of all international students. By 2003–2004, 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. PMI2 is therefore aimed at diversifying the number of priority countries with which the UK HE sector engages. 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.

A further objective in recruiting international students to the UK was to boost the 'talent' available to the labour market following the student's graduation. The rise of 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 policy-makers' attention (Saxenian 2006). India and China have also 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 between the UK and India.

Expanding the offer to fee-paying students was also enabled by the development of branch campuses. Branch campuses refer to 'off-shore' activity where the unit is operated by the source institution (though it can be in a joint venture with a host institution), but where the student is awarded the degree of the source institution. Becker notes that since 2006 there has been a 43% increase in international branch campuses, with more host and source countries involved. 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). 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 since 2006 from 36 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 Arab region's own strategy: to develop a knowledge-based economy, and to be a provider of education services within the Arab region. Second is China with 15 campuses.

The UK is also host to branch campuses – some US-based, established in the 1970s (American Intercontinental University – 1973) and 1980s (Webster University – 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 and master degrees in communication, management, art, architecture and finance. 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, worth noting. Where higher education 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 act as regional suppliers of education services – in turn generating new spatial scales.

New Labour's HE *research and innovation* policies have sought 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, and continues to be, how to do this. The idea of the universities' third mission was championed, aided by third stream funding to ensure industry would benefit from the scientific knowledge and expertise of academics. With funding from the Office of Science and Technology (OST), universities were encouraged to launch programmes to hothouse ideas, accelerate business start-ups, and develop entrepreneurs.

To this end, the Higher Education Innovation Fund (HEIF), launched in 2001, was given further direction by the Lambert Review on university–business collaboration in 2003. New rounds of HEIF (HEIF2, HEIF3, HEIF4) were launched in 2003, 2005, and 2008 – the latter following the release of the Sainsbury Review of Science and Innovation – *The race to the top*. For universities, these new funds meant altering internal structures to take in the 'third sector' mission. Divisions were developed and

expanded and projects funded concerned with the interface between industry (local and global) and the university.

A key focus in the UK's research endeavour has also been on how to count it as a share of the world research output, and how to determine the underlying basis of what is counted, so as to cast a favourable light on the UK and its 'global' institutions. Feeding into this is the Research Assessment Exercise (RAE) (see Lucas 2006), with the RAE privileging the 'international' in what counts as quality research. The RAE has deepened divisions within and between the different kinds of higher education providers around teaching and research through the establishment of league tables ranking departments and institutions.

Since 2003, global league tables, the Shanghai Jiao Tong and the Times Higher QS, in particular, have provided policy-makers and universities with a language and set of tools to advance the idea of a 'global' university. The Shanghai Jiao Tong privileges a particular form of knowledge production and its circulation: 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 award holders (Joseph Stiglitz and Robert Putnam), while others, such as the University of Warwick, have responded in inventive ways, such as setting out to shape global debates, for instance with their Warwick Commissions.

There is considerable concern in 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 'technologies' to advance their own projects and interests: leveraging funding, branding their institutions, departments and star performers, as a means of marketing, recruiting staff and students, disciplining staff, and so on. For instance the UK announced that in 2007–2008 it has a 12% share of scientific citations (BIS 2009).

The global circuit of capital and shifting geo-strategic interests

What are the implications and challenges of these developments for the UK and the HE sector now that it is embedded in the global circuit of capital and shifting geo-strategic interests? Five stand out, which I will comment on briefly: the financial implications for the UK higher education sector with the rise of new sites of regional capability and demographic decline; emerging regional hubs are likely to select high status institutions, and demand high levels of investment in science and technology infrastructures; new challenges to academic autonomy as institutional fabrics stretch out into territories with different political and cultural traditions; new global suppliers of HE challenging the regulations around HE provision and accreditation within the UK; and the risks for some UK HE providers of their dependence on international students.

In relation to *new regional sites of capability*, Malaysia, Singapore and Mainland China, all net importers of education services, have more recently positioned themselves as regional education hubs. There is now clear movement of students from west to east beginning to take place that will have direct and indirect long-term effects on the UK academic, and wider, labour market.

UK HEIs could increase their presence in these regions through branch campuses, 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 amid 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 broader-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’ (2009, 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 the question of academic freedom as institutional fabrics of universities stretch out into global space (Olds 2005). For instance, the University of Warwick staff in the UK voted against establishing a branch campus in Singapore, citing ‘academic freedom’ issues. The plans were abandoned. Similarly, the political and cultural environment in the Gulf States creates issues for universities who depend on their high-profile academic staff to service them but whose staff do not necessarily see themselves as having a long-term commitment in the region (Becker 2009, 16).

Within the UK, new important developments within the UK HE sector are evident, particularly around changes in *state regulations* that have enabled new (for profit) providers to offer accredited courses. In 2007 BPP Holdings plc (BPP), Europe’s leading provider of professional education, announced its subsidiary, BPP College of Professional Studies (BPP College), was granted degree-awarding powers by the UK Privy Council. This is the first for-profit private sector company to have been awarded such powers to enter a substantial and profitable market. BPP estimates that the market size for business and law postgraduate degrees is at least £800m per annum. In July 2009, BPP was sold to Apollo Global on the London Stock Exchange. This has stimulated a flurry of interest amongst global firms such as Bridgepoint Education and Kaplan Higher Education International in entering the UK higher education sector and applying for degree awarding powers.

Finally, 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 as a result of dramatic government funding cuts to HE. If we recall that 8% of income to HE comes from non-EU international students, any decline in income from this source, or decline in ‘quality’ or ‘desirability’ which would jeopardise student choices, would have major effects on those universities highly dependent on these global markets. Reporting on data collected in 2004, Sastry (2006) notes 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 for Oriental and African Studies (SOAS) (31.9%). After this top three, 17 other institutions received between 17.8% (Essex) and 12.7% (Portsmouth) from international students. 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, Herfordshire and Portsmouth have international student populations that are 45% Chinese.

What stands out in all this is how poor the information is on the UK higher education sector, despite its significance for understanding the direction of the sector. By way of contrast, countries like Australia collect significant amounts of data on developments within the HE to understand implications for the sector. The combination of the UK's historic imperial positioning (and as therefore the 'natural' provider of the best 'quality' graduate education), when coupled with the fracturing and fragmentation of the HE 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 recent appointment in 2009 of an International Education Research Advisory Forum, chaired by the Minister for State of Higher Education, suggests that it is now recognised matters cannot stay as they are.

Final remarks: recession and the intensification of commercialisation

On 8 June 2009, following a Ministerial reshuffle, the Department for Universities, Innovation and Skills (DIUS) was closed, replaced by the Department for Business, Innovation and Skills (BIS). Universities are now located within BIS – so that reference to university knowledge is only by way of business, innovation and skill. This highly symbolic omission signals an important new chapter in HE in the UK.

By November 2009 BIS had released a series of policy frameworks for the higher and further education sectors. *Higher ambitions: The future of universities in a knowledge economy* leaves us in little doubt as to the role that higher education is expected to play in advancing global competitiveness within a context of 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 Britain's economic future through commercialising research findings and creating business start-up companies. In the foreword to the report, the then Minister for Business, Innovation and Skills, Peter Mandelson, states:

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. (Mendelson 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 muscles in anticipation of academic resistance to even further instrumentalisation.

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 HE in the UK more deeply into the global economy, including its ruptures and ongoing contradictions.

One question at this point is the social and economic consequences for national economies of a globally-competitive, globally-mobile, higher education services sector? 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-down’ we have witnessed in the finance sector over 2008–2009, and more recently in economies such as Dubai, one of the favoured sites for developing university branch campuses? These are serious questions indeed, demanding urgent public debate.

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