How We Got Here: UK Higher Education

rule of Thatcher in the UK and Reagan in the US, and then spread across the globe under the auspices of the IMF, the World Bank, the OECD and (in the 1990s) the European Union also. It is based on four processes of change in the political economy of capitalism: privatisation, deregulation, financialisation and globalisation. By 2000 these had become the norm in all parts of the world, and although the credit crisis and global recession of 2007-9 called the whole process into question, as of 2012 neoliberalism remains the dominant political philosophy across the world.

Within the UK public sector, the form taken by neoliberalism has been the Ònew public managementÓ (NPM), or Ònew managerialismÓ. This is a particular combination of Stalinist hierarchical control and the so-called free market, in which the values, structures and processes of private sector management are imposed upon the public sector; key elements include a shift from professional to executive power, a focus on ÔperformanceÕ as measured by quantitative targets, and the widespread use of financial incentives. Meanwhile, the purpose of the university has changed from the education of the elites in business, politics, culture and the professions to the provision of marketable skills and research outputs to the Ô

financial support per student (under the Orwellian term Ôefficiency gainsÕ): this led directly to rapidly-rising student/staff ratios and class sizes.

In the 1990s, a more systematic transformation of HE began in earnest, which many critics have seen as exemplifying the increasing dominance of neoliberal ideas, often highlighting the different ways in which knowledge is treated as a marketable commodity rather than the result of a collective social endeavour (Jary and Parker, 1998; Levidow, 2001; Robinson and Tormey, 2003). In the absence of a functioning market system based on private ownership, the application of neoliberal thinking in the UK public sector centred on what can be called the Ônew public managementÕ (NPM) approach (Rhodes, 1994). We can analyse separately its internal and external aspects in higher education.

Internally, NPM centred on devolved budgetary systems and a shift in focus from academic goals and processes to financial management. Although practices varied a good deal, the central feature for most academics was that the subject department or school became a Ôcost centreÕ. In this approach, all costs and revenues of the university as a whole are attributed to individual cost centres; the department must cover its salary costs, and its allocated share of central costs such as physical facilities, library, IT services and central administration, from the income attributable to its teaching, research and other commercial activities. At the higher levels, participatory decision-making under the control of a Senate largely made up of academics has been largely replaced by executive decision-making. A small team of top-level academics works with the directors responsible for each functional area of management, such as finance, human resources, marketing, estates, research support, and teaching quality control. Academic senates have, to all intents and purposes, become a rubber stamp on decisions taken by senior executives.

At departmental level, academic appointments and new teaching programmes, can now only be made within the framework of approved financial plans, although these can always be over-ridden by executive action from above. This encourages the sort of behaviour well known from state enterprises in the old Soviet planning system, which bargain with the ministries in whose jurisdiction they fall over output targets and the allocation of inputs. The Soviet specialist Ron Amann (2003) deployed this analogy in an essay on modern British public administration, following his experiences as Chief Executive of the Economic and Social Research Council (1994-

culture' of NPM (Strathern, 2000; see also Shore, 2010). The best-known and most disliked elements were the externally-imposed quality control systems – the RAE (now REF) for research, and the Quality Assurance Agency (QAA) for teaching. While the RAE sought to sharply differentiate funding levels according to the results of a system of peer review, the QAA had no direct financial impact as such, but its gradings of teaching performance were publicly announced and provide a major input into the 'league tables' published by the broadsheet press (especially the , the , and the).

Financial management in HE came to focus on full-cost pricing, which was extended from overseas student fees to every sphere of activity, including all teaching and all research. In this model, managers must in principle allocate and record attributable costs to specific activity streams. Many inputs are costed at 'shadow' prices, allocated by the centre in the absence of actual market prices, and as a result there are constant struggles to obtain favourable price levels on important cost elements.

One particularly absurd by-product of the full-cost obsession was the Transparency Review process initiated by HEFCE in 1998. This was intended to measure, for each institution and across the system as a whole, the distribution of costs between the three core activities of teaching, research and other (for a brief introduction to the process, see e.g. University of Bristol, 2011). Within each institution, individual academics were required to record on a standard template, for sample weeks, how their work time was divided between teaching, research and other (and then within the latter, teaching-related or research-related 'other' activities, etc.). The template required us to allocate all our work for a given week (including weekends) between the given categories, for every 15-minute period, in a manner reminiscent of primitive systems of work study in early 20th-century industry.

In addition, HEFCE enforces its preferred objectives by setting aside significant amounts of income which are only obtained for specific purposes. Some of these are laudable, such as the recruitment of students from socially disadvantaged areas and social groups. Others are the product of current NPM fads, notably 'performance-related pay', or what used to be called 'payment by results'. For this purpose, every single post, currently occupied or to be filled, must have a detailed job specification, and the post is then allocated to a particular pay grade by a mechanical process called Higher Education Role Analysis (HERA). This purports to identify 14 distinct attributes which can be separately identified, and their relative significance measured, in any job within the university. This apotheosis of Taylorist 'scientific management' (Clawson, 1980, 202-253) is a complete sham, since managers simply model the specification of any new post on the basis of an existing post already classified to the desired pay grade.

Finally, there is constant emphasis on the international competitiveness of the university, and of UK HE as a whole. This is usually measured by international league tables, and vice-chancellors set targets for their universitiesÕ ranking; thus my own universityÕs vision statement currently reads: ÒBy 2015 our distinctive ability to integrate world-class research, scholarship and education will have secured us a place among the top 50 universities in the worldÓ.

Resistance and alternatives

During the Conservative administrations of 1979–97 there was a remarkable externally regulated by the market, under capitalism production itself is subject only to the authority vested in the owners of private property. The UK university of today has become a simulated private enterprise, with effective possession by a self-selecting academic-business elite. There are good opportunities for some academics to join this elite. A successful career based on positive performance evaluations can lead to recruitment to the level of senior management, or in public relations language, ÔacademicleadersÕ. They are increasingly well-rewarded, with special payments that can be permanent and pensionable (an important consideration when the standard pension has traditionally been 50% of final salary, and public sector pe-25(to2)s1 -58nT

Despite the designation of special funding streams for Ôteaching excellenceÕ and ritual incantation of the phrase Ôresearch-based teachingÕ, success in research Ð measured by published outputs and external funds obtained Ð has become the primary yardstick of academic success. The emphasis on commercial outcomes has been especially damaging to long-term Ôblue-skiesÕ research, and to non-commercial activities such as the provision of local adult education services, which have almost totally disappeared. In their remaining core activities, academics have been increasingly encouraged to compete with each other for resources, both within and between institutions, which undermines the solidarity needed to pursue collective agreements that benefit everyone. For individual academics wishing to work outside the mainstream, the focus on cost may paradoxically allow greater freedom than earlier criteria based on social or cultural norms: thus I was able to teach a course on MarxÕs in a business school in the 1990s, because I was able to recruit enough students for the course to Ôpay its wayÕ. However, such advantages for particular individuals are no substitute for the collective responsibility which, in principle, the academic community was expected in the past to take for the overall content of research and teaching.

If the present trajectory of higher education under neoliberalism is maintained, any effective campaign of resistance has to offer a new model of social engagement, in which the university really seeks to be a institution accessible to all. But there are dangers in attempting to remodel HE starting from the narrow basis of its present engagement with society. Of course, many academics would like a return to a more collegiate system of management, in which decisions require more than just the formal approval of rubber-stamp Senates and their subordinate bodies. Equally, many would like to see an end to the relentless pressure from on high to drum up income from the provision of straightforwardly commercial goods and services, whether contract research or business and professional skills training. An alternative in which a self-policing professional academy pursued disinterested research, and provided an education needs with a universal engagement in the making and implementation of decisions about resource allocation. An educational system based on these principles might well be structured institutionally into an age-related sequence, with the final level now able to embody genuinely universal access

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