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AFTERWORD

## How can the managed university be different

Peters, Peters and Freeman-Moir provide us with a sharply realised account of changes in the New Zealand higher education system. The chapters are succinct, but they rightly refuse to skate over the detail, which, in these managed universities and managed university systems, is where it all happens. It is not a very pleasant story, and it is hard to avoid the conclusion that this has been a dismal and destructive period in education policy making. We have lost more than we have gained, and rather more again is now in jeopardy. We might be in the middle of a difficult period that will eventually improve, or we might be in the early stages of terminal decline in university education.

There are as usual close similarities between developments in New Zealand and Australia, but the pattern is also global. It is common to all of the Anglo-American countries and, although to a lesser extent, OECD Europe. We are rushing towards the United States' higher education system, with its inequalities and its perennial problems with quality, its corporate managers and its addiction to private funding - though without the private benefactors and the great company financed programs of basic research (there is little prospect they will ever appear, given the weakness of our national capitalist classes). Yet, ironically, we continue to be dominated by models and policies drawn from British higher education. It is not a case of Australian and New Zealand higher education moving from the British to the American model. Rather, universities in Britain are moving to America, and we are following. Despite the apparent scope for change in this period, and despite all the talk about new forms of national and regional identity, we have again failed to develop our own models. In the modernisation process, the main game is the globally competitive university, and local and different models need not apply.

### Economy, knowledge, power

The common elements in the reform process can be summarised under three interacting headings: economy, knowledge and power. First, the *economic*. There has been a substantial expansion in student numbers but the growth of public funding of higher education has been halted, and there has been a transfer to user pays arrangements, with full fee based systems beginning to loom over the horizon. In Australia the proportion of total higher education funding paid by the Commonwealth Government has fallen from 90 per cent in 1983 to 64 per cent in 1993, with 19 per cent now raised directly from students. Competitive markets are becoming established in the education of international students, in postgraduate education and are beginning to shape the mainstream of undergraduate education. Competitive tendencies in research funding have been strengthened. In educational resource terms, as the authors note there has been a deterioration in student: staff ratios. In Australia the average student: staff ratio in higher education hovered around 11 to 12 from the second world war until the early 1980s, and then began to climb. The ratio was 11.3 in 1983 but by 1988 had risen to 12.9. By 1993 they had reached 15.0, and were still getting worse. (From the Treasury viewpoint, of course, arising student: staff ratio is nothing but a gain in economic efficiency - never mind the quality of education).

The arguments for user pays are depressingly similar in each country, being recycled from a common set of papers by Friedman, Hayek, West, Buchanan, etc. in the 1960s and 1970s. For example there is the cross sectional taxpayer equity argument. This argument discovers that when

you take a cross-sectional 'snapshot' of the population you find that from the cost/benefit viewpoint, young tertiary students secure more benefits from the higher education budget than taxpaying adults not attending tertiary institutions, and worse, those students stand to become graduates with better than average income earning prospects. Playing off the two groups to isolate students (and universities) was an obvious political move, but pretty effective because it locks in to middle class guilt. However the move is based on a fallacy: rather than comparing lifetime costs and benefits, the two groups are being compared at different points in the tax and income earning cycle, and the taxation paid by graduates is ignored (except when taxation is being used as a payback mechanism!). Worse, in New Zealand this argument for fees has been used to justify policies which impose higher user costs on mature age students than on younger students, although lifetime cost/benefit equity is improved by second chance entry to higher education. In contrast with these politics of fee, there are no arguments used to justify the deterioration in staffing, although the effects are evident to anyone on campus. Class sizes and staffing ratios, are not considered to be part of the quality assurance agenda. But if academics complain, this is stigmatised *a la* public choice theory as 'producer capture', and against the public interest.

Second *knowledge*, in the sense of 'discourse', the notion of systems of knowledge linked to powerful practice. Government is framed by economic rationalism, from market liberal political philosophy out of neo-classical economics and accounting. The mainstream economics courses that have normalised economic rationalism as the dominant language of public policy in our countries - so that every important educational objective apart from efficiency becomes turned into an 'economic externality', unquantifiable, left outside the policy framework altogether - have a lot to answer for. Note however that 'economic rationalism' invokes a philosophical/mathematical opposition between rationalism and realism. New Zealand higher education is a particularly striking example of the importation of economic models into the public sector and their transfer to the university, imagining that the university can become a competitive and profit making concern, based on measurable\_ inputs and outputs, and with bankruptcy sanctions for the company and market share sanctions for the manager, without violating its specific character. This is not going to work, and there are three things that can happen. Either the economic model will be withdrawn because it doesn't fit the educational reality. Or the reality will be forced to change to fit the model, and given that part of the strategy of the large modern company is to change its main lines of product every few years, we have every reason to worry. Or most likely, we will end with some combination of the two, a hybrid corporate 'global' university, in which academic tradition is displayed for sale, learning is credential driven, scholarship is intellectual property, and merit is coupled with money in the universities at the top of the tree.

The other powerful knowledge affecting higher education is that of management, which draws on behaviourist psychology and positivist systems theory, with a dose of cybernetics and economic individualism. Management has mushroomed as an academic and vocational discipline, but there has been little intellectual scrutiny of its constructions. The language of management is as global as that of economic rationalism. The difference is that managerialism is even more exhortative and less sceptical in character than is neo-classical economics. Both are fiercely monocultural, claiming to have achieved the one truth or the one 'best practice', although truth and 'best practice' are faddish and constantly changing. When these bodies of knowledge are marshalled so as to produce strong observations and useful insights, as they do and must do to earn their living, they find themselves pushing against their own normative limits and handicapped by the lack of tools for self-reflection.

These systems of knowledge are joined to changes in the relations of *power* which structure higher education. Here the dominant trend - I think is the key to the cementing of most of the other changes, although it does not operate in isolation from them - is the establishment of modernised systems of managerial control, both in government and in institutions. These systems draw on common global formulae from North Atlantic management literature, and tend (like the relationship between senior and local managers in a large global conglomerate) to reinforce each other. Government systems of direct accountability have shaped the inner life of institutions, for example

through forms of reporting which pattern local activity, and the use of performance based sanctions. However - and more so in Australia than New Zealand - *indirect* steering systems have been developed, and these can be very effective. For example, competitive mechanisms for allocating funds for special programs, or enrolment growth, are used to discipline institutions, forcing them to adapt to fit the bidding criteria. Over time, this can force conformity with a whole range of government policies, while normalising the operation of a nation-wide competitive market in higher education, but on an entirely voluntary basis. In the area of research funding, many OECD governments have used the competitive distribution of funds, and 'rules of the game' that are controlled by central agencies, to drive a shift from speculative and open ended research programs to more low risk, predictable projects (mostly in applied research) with a limited timetable: the resulting loss of diversity is invisible, but is likely to be significant.

Academics and institutional managers have the 'choice' of not complying with these bidding systems, but they will lose money. This is some choice, and good management and career sense find themselves complying with the systems every time. As Foucault and the analysts of governmentality suggest, these indirect steering mechanisms are typical of relations of power in the modern era. They are effective precisely because those that are controlled retain a form of autonomy for themselves. It is not unlike the freedom of the consumer, whose choices have expanded (if she or he has the money) but whose self determination has been reduced. As a structure of control, voluntary compliance is much more effective than rule by decree. University autonomy of a sort can be preserved, and some sort of continuity with the collegial tradition, but the freedom of institutions becomes turned into one of the instruments of government. It is freedom, but it is freedom of a limited kind - the freedom to follow someone else's agenda, the agenda of government or sometimes (given private sponsorship) the agenda of industry and business.

The change in institutional administration has been profound. Vice-chancellorship was already being professionalised before the main policy changes took place. However, in most universities there is now a larger management group which is spreading to faculty conglomerates, faculties and departments. University managers' conditions of work are similar to the middle and upper echelons in a large private corporation, except that private sector managers are usually better paid. University managers are mostly promoted from academic ranks, but in the world outside generic management is becoming established. There is a special category of managerial 'leaders' that is mobile across the range of public and private sector institutions, and some of this group will begin to enter universities. On campus, salary packages, incentive payments and contract employment have already been normalised. The last of these changes breaks the old collegial consensus on tenured positions and has no doubt facilitated the drift (in some Australian institutions it is more like an avalanche) to casual and contract based academic employment. Our university systems have not followed the British Government in using legislation to abolish tenure for new appointments, but the same gradual erosion of tenure is taking place. While many of the old collegial structures remain, managerial requirements, managerial discourse, increasingly dominate the internal life of institutions. Academics are locked in by performance reviews the resulting performance anxiety, and are responsible to departmental managers. Departmental managers are locked in by budgets and quality assurance and responsible to faculty managers, faculty managers are responsible to institutional managers, and institutional managers are responsible to government and to their own institution for its competitive performance. The amount of management related work has greatly increased, while at all levels the rules of the game - which could at least be discussed under the old collegial system, although they were pretty slow to change - seemed to have become impervious to democratic debate.

As a system of control, corporate management works in a familiar way, by professionalising its own procedures and investing formal authority in an orthodox hierarchy. This should have been easy to resist. Traditional academic culture is good at satirising procedures and ignores non-scholarly hierarchies. But in the last decade the universities have been more vulnerable and insecure - economically weak and pressured by increasing competition, isolated politically, and colonised by

alien discourses - while the growth of graduate labour markets and relations with industry, and education debate in the media, has made external pressures impossible to exclude. Universities became more socially responsible, as they should, but at the worst possible moment, at a time when the mainstream definition of the 'social' was narrower than any time since the 1930s depression.

### *New Zealand, Australia*

There have been two main differences between the New Zealand changes and the Australian changes. In both cases they are differences of degree and not of kind. First, New Zealand is further down the market road than Australia. In Australia postgraduate education (with the exception of the scholarship based core of the research stream) has been largely deregulated, but undergraduate education of domestic students remains subject only to deferred fees through the Higher Education Contribution Scheme (HECS). Unlike the policy on student loans in New Zealand, payback only begins when graduates are earning substantial wages. The HECS is a flat rate, with no variations by course, unlike the fee systems introduced into some universities in New Zealand. The Australian Government has refused so far to allow the individual universities to set their own undergraduate fee levels. The universities have sought the right to take whoever they wish and charge full fees to students not covered by public funding. This too has been refused. However, this point of difference merely reflects our different positions in the binary political cycle. In both cases Labour governments introduced user pays and the conservative parties will take it further. If a conservative government had been elected in the 1993 Australian election, it would have introduced a universal voucher scheme to higher education, with universities defining their own fee levels and creaming what they liked off the top.

The other difference is that the New Zealand reforms have been more heavy handed. The universities have lost their separate Acts and considerable power has been invested in central regulatory instruments such as the New Zealand Qualifications Authority. This has some implications for the respective levels of formal university autonomy; in the future the New Zealand institutions will find it more difficult to secure a policy independent of government. Still, this difference is less fundamental than it might appear. In New Zealand direct intervention, in Australia, indirect steering mechanisms - in terms of the content of the changes, the nature of our universities, the net outcome has been *exactly the same*. Both higher education systems have the same internal culture and the same set of policy parameters and problems, and it is this 'sameness' that we should focus on. It is important we recognise this 'sameness' has occurred, because it demonstrates that the orthodox liberal philosophical assumptions about a centralisation/devolution trade off are quite misleading. The degree of open centralisation is *not* the decisive factor. One of the chief characteristics of the systems of control used by both governments and institutional managers in the present era is that (like the global company systems of control from which the models come) they are relatively flexible along the devolution/centralisation axis. Often, a high level of economic/managerial devolution is established, while central control of the policy agenda and the level of total resources remains tighter than ever. In educational matters, there is plenty of devolved individual responsibility (though less resources to support it). But control over the outer limits of what is taught and researched - the all important control over the definition of the product - is shifting up the line. Peters, Peters and Freeman-Moir show that in New Zealand higher education increased devolution, of a managed and managerial kind, is hand in hand with tighter central control. Thus the politics of higher education, which are classically liberal and hypnotised by a one dimensional reading of the autonomy issue, need to be rethought.

### *Control, difference*

In my opinion it is the process of normalisation, supported by structures of power - and its outcome in the corporate global university- that is the most serious problem we face. It much more important

than whether the Government or the universities decide the salary and conditions of chief executives, or define who can or can't be a university. Our problem is not government intervention *per se*, and it is not international relations, which we all support. It is the normative character of globalisation, this growing trend to cultural homogeneity, powered by both markets and government. In the global corporate university, based on user pays and intellectual property, the ideal of equality (social diversity) and the ideal of free unmarketed creativity (intellectual diversity) are both placed beyond reach. Already, as every last 'recalcitrant' pocket of difference is brought into line, pressures to conform are increasing, pressures to standardise teaching, research, academic disciplines, business and professional education, student services, internal decision making, community relations and above all, management structures. In place of the old ideal that every university should be of world standard, we are seeing the beginning of 'league tables' and calls for a small number of top flight institutions, along North American lines. If the Ivy League becomes the measuring stick, most New Zealand and Australian campuses will not be 'internationally competitive'; some will be sent into a downward spiral that destroys most of what they have achieved. One model of world class university is ridiculous. The claim that fees reflect the public interest is preposterous. The idea that knowledge must be priced is outrageous. The standardisation of research is destructive and dangerous. But each of these practices are becoming well established, and it will take a good deal of work to root them out.

I agree with the authors' point about the equation of critical thinking and theoretical pluralism, and I believe it is one of the keys to moving forward. The challenge is to create democratic, socially responsible universities that deliver on cultural heterogeneity in both their social composition and their intellectual life. This will only occur in universities in which exchange of the knowledge takes place in a common public space rather than in the form of a series of contractual private-negotiations. The creation of such universities is part of a broader political task, the challenge to cultural homogeneity in a globalised environment.

We are told that to survive, to overcome the fear, we must all become the same. In the sweep of history, it is a familiar message, and the answer is almost too obvious: universities must become what they often promise to be: the site of *difference*. 'Difference' is the point of intersection of many concerns and currents that are opposed to normalising models: not only in cultural and intellectual work, and postmodernism, but environmental activism, working class education, the self determination of indigenous peoples, the politics of gender, the politics of sexuality, the survival of third world cultures. The postmodernist school has made the value of difference, and the authenticity of the local, into its own central norm. In its various forms, this can be understood as the archetypal challenge to globalisation. Still, there is difference and . difference. At one extreme, postmodernism is nothing more than the creature of the global market, and 'difference' becomes prototypes for tourist artefacts. What is important is not just difference in the range of choice, but in the type of choices we have: difference at the system level, in the kind of relations, in the range of institutions, in the forms of self determination; choices that are constrained or removed by normalising practice.

This brings an old modernist problem back onto the agenda, the problem of power and control, which remains linked to economy and property, and also to the conditions of knowledge. The problem of power and control is also the problem of democratic politics, which we need to think about again. If we want to unlock the problem of difference, if we want our universities to flower, we must unlock the problem of *control*.

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