pôle universitaire. Interinstitution cooperation often involves links with regional authorities and local industry.

Life-cycle Financing

Programs to enable students (or parents) to spread the learner's costs over time via savings instruments and loan or deferred payment arrangements are common in nearly all OECD countries. In the new policy thinking, some countries are considering ways to align financing with new patterns of participation over a lifetime. A 1997 green paper issued by the New Zealand Ministry of Education proposed the option of eligibility for further public subsidy for students enrolling *after a break in tertiary study*, in anticipation of retraining and upskilling needs (the proposal was not adopted). In the Netherlands, the Hermans Committee proposed providing each student with an account of NLG 20,400 to be applied to up to 4 years of study. Students would be eligible to draw on the account over 10 years, provided that they commenced studies (entered the scheme) before age 25. In the United Kingdom, Individual Learning Accounts (ILAs), opened up in a bank by individual learners, are eligible for partial matching contributions from the government. Learners can draw on these accounts at any age to meet expenses for courses. Tertiary education institutions may develop modules eligible for ILA support, as can a wide range of other providers.

These policy initiatives—often innovative departures from long-standing approaches—reflect movement toward a tertiary education system that fully welcomes demand, encompasses systemwide and lifelong participation, and relies on flexible boundary-spanning partnerships and networks. There will be benefit to monitoring further policy development along these lines to judge how well the new policy thinking leads to and supports effective responses to changing expectations and circumstances. ■

The Impact of Consumerism, Capitalism, and For-profit Competition on American Higher Education

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American higher education is irretrievably immersed in a merciless marketplace. Increasingly, three aspects of that marketplace—consumerism, capitalism, and for-profit competition—are changing higher education and the way it does business. These three forces, and their implications for institutions and faculty, are described below.

The Triumph of Consumerism

Students have become customers, and colleges have become vendors. Increasingly, class attendance and participation are voluntary, arrival and departure times self-determined, and a passing grade is a student-consumer expectation. Now more than ever before, students believe the chief benefit of a college education is to increase earnings potential.

The competition for student-consumers has caused the vast majority of schools to bombard students with four-color brochures and promise such amenities as state-of-the-art weight rooms and entertainment centers. Price has become negotiable. Financial aid, alias tuition discount, has become as complicated and as competitive as haggling over the price of a new car. Auctioned tuition(s) and spammed applications to 100 institutions are just around the corner, with the quality of the customer (the best students) determining the quality of the product (the best universities, at the best prices).

The Lure of Capitalism

The costs of consumerism (such as marketing, discounting, and amenities), coupled with the decrease in state support and federally funded research, have made generating new revenue sources imperative. Both public and private colleges raise money through campaigns and annual funds. For example, more than 20 percent of all voluntary support now comes from corporate sponsorship, nonrefereed federal research dollars increased 250 percent from 1996 to 2000, and colleges and universities license logos and trademarks for every conceivable item from blazers to bloomers. Division I football and basketball games are played away or at neutral sites during primetime—however dark or cold—to maximize revenues, not student participation. Over 500 colleges have entered agreements with for-profit vendors to carry commercial advertisements on their websites in order to defray design and maintenance costs and to generate additional additional revenue.

For-profit, or publicly traded, corporations have entered the arena of higher education and plan to stay.

In addition, courses are now for sale. Corporations are sponsoring courses, in which students conduct market research or related work for the client. Saturn alone has funded more than 200 colleges. University business schools have struck deals with corporations to create course materials for employee training and education, resulting in on-line, accredited MBAs. Pharmaceutical companies are striking deals to fund biology research budgets and faculty positions in return for first rights to license agreements on research discoveries. Finally, universities have established for-profit subsidiaries to function as financially self-sufficient teaching or research entities with streamlined governance structures. For example, Pennsylvania State University, New York University, the University of Maryland, Duke University, and Babson College all have commercial subsidiaries.

For-Profit Competitors

For-profit, or publicly traded, corporations have entered the arena of higher education and plan to stay. The major players include IT&T, Jones International University, DeVry, Sylvan Learning, Harcourt Brace, and the Apollo Group. DeVry has 15 U.S. campuses, which enroll 48,000 students in technical education and in management with the Keller Graduate School of Management. Sylvan Learning has established a foothold in international higher education with the purchase of a campus in Spain and with plans to purchase others soon. Harcourt Brace announced plans to open an on-line college this fall, offering two- and four-year degrees in Massachusetts with a goal of 20,000 students by 2005 and $45 million in tuition revenue.

American higher education is irretrievably immersed in a merciless marketplace.

The Apollo Group, operator of the University of Phoenix, has been described as the “800-pound gorilla” in the postsecondary market and is expected to have a five-year earnings growth rate of 24.7 percent. Phoenix enrolls about 75,000 students—nearly 14,000 on-line—a 22 percent increase over last year, at some 51 campuses and 80 learning centers in 15 states, Puerto Rico, and Canada. The company’s on-line enrollments this year are up 44 percent to 13,779. To cite just one example of Phoenix’s market pull, there has been an 11 percent drop overall in the number of bachelor’s degrees awarded in business, yet the number of students enrolled in such programs at for-profit institutions has increased 180 percent; the number has tripled at the master’s degree level. Phoenix accounted for 3,261, or 58 percent, of the bachelor’s degrees in business from for-profit institutions, and for 2,087 master’s degrees in 1997.

Implications for Institutions

The increase in consumerism, capitalism, and for-profit competition will likely influence how higher education is organized, who is in charge, outcomes and expectations of higher education, and the distribution of resources and capital to institutions.

In the future, colleges and universities will have more subsidiary operations or financially self-sufficient teaching or research entities. They will function like universities within universities, similar to airlines within airlines (Metrojet within US Air). Likewise, there will be greater emphasis on increased efficiencies, especially among smaller private colleges. To stay competitive, independent colleges may have to join forces in a franchise system and share marketing costs, delivery systems, and curriculum development. The result may be academic ATM cards for students, guaranteeing admission to 40 affiliated private institutions for the price of one tuition.

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The more resource-thirsty the institution, the more the core of governance will shift away from faculty and the power of expertise to public agents (governing boards, legislatures, corporations, consumers, and donors) and the power of the purse.

Increased competition will place greater emphasis on outcomes as low-subsidy private colleges and most public colleges will be under intense pressure to demonstrate value added—to provide pervasive evidence that graduates can think logically, argue intelligently, write clearly, speak eloquently, work collaboratively, and earn a considerable income. Private colleges that add values as well as being value-added—whether religiously grounded or through mission and values—will enjoy a competitive advantage.

Moreover, institutions will be expected to produce more than learning outcomes. We are still at the dawn of academic entrepreneurship within the academy, and there will likely be more technology transfer, patent ownership, and business and technology licensing within higher education.

As higher education responds to these market forces, a greater divide between the have and have-not institutions will develop. Institutions with the most prestige and strongest brand name will have greater access to capital, and those without these assets will find their share of the market dwindling.

Implications for Faculty

As the courses of superstars are "unplugged" and offered on-line by for-profit companies worldwide, faculty teaching roles will change and there will be a decoupling of faculty from particular institutions.

The traditional control faculty exert over the curriculum design may become moot as colleges buy "Arthur Miller on a disk" or off-the-shelf products from brand-name curriculum factories like Amherst, Brown, or Williams. The strongest institutions will be these producers and wholesalers—the curriculum factories of the superstars. The rest will be the retailers with slimmer margins and greater dependency. While most faculty will become facilitators of these "world-class courses," the faculty who provide the intellectual capital for these ventures may become free agents teaching at hundreds of colleges and universities at once for extraordinary income from royalties or licenses. The richer the faculty member, the less value and claim tenure will hold. Joint appointments and regular movement between the academy and industry will increase as lines blur between independent and sponsored research, knowledge discovery, and knowledge transfer.

Conclusion

These trends and their impact on American higher education are likely to continue unless and until the higher education market responds negatively to runaway costs among high-end providers, to commercialization and profit motive in higher education, or to less-personalized, technology-driven delivery systems. None of these scenarios seem likely as long as the frontrunners, trend setters, and price leaders accumulate a greater advantage, or unless and until a demonstrable, empirical case can be made that any of these developments threaten the quality of higher education as gauged by any of its constituencies. ■

The Challenge of Lifelong Learning for Higher Education

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The Concept of Lifelong Learning

Supranational organizations like the OECD, UNESCO, and, in particular, the European Union are currently strongly promoting the concept of lifelong learning as a complement to the emergence of the "knowledge" society and the various social, economic, and educational changes it seems to entail. Many national governments in Europe have adopted the issue and given it a much more prominent position on their political agendas. Now more than ever, as centers of knowledge production and dissemination, higher education institutions are expected to play an important role in the provision and delivery of lifelong learning opportunities.

Within the context of lifelong learning, new objectives of education are being addressed. Beyond personal development with a reference to the individual, there are also additional objectives like social cohesion (in reference to society) and economic growth (in reference to market forces). Although a variety of interpretations are connected to the concept of lifelong learning, its core characteristics can be summarized as follows: a strong emphasis on the intrinsic rather than the instrumental value of education and learning; universal access to learning opportunities; recognition of learning in diverse settings and not only in educational institutions; learning throughout the lifespan; a diversity of methods of teaching and learning and modes of delivery unlike conventional education; a shift in emphasis from learning substance to learning process; and a shift from teaching to learning and from supply to demand in educational provisions.

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A recently completed research project about the implications of lifelong learning for universities in the EU, analyzing and comparing lifelong learning policies and practices in seven EU member states, has revealed considerable gaps between the rhetoric about and actual implementation of lifelong learning. These gaps are due to high expectations combined with a number of conceptual dilemmas and inconsistencies in developing relevant policies.

Dilemmas and Inconsistencies

The inconsistencies in lifelong learning as a concept derive from the fact that it is supposed to serve a number of contradictory objectives: as an instrument to enhance democratization, equality of opportunity, and social cohesion and as a way to improve the development of human resources (in EU policy terminology, "employability") in response to the demands of globalization and economic competitiveness. These dual aims of promoting equal-