#### **Special Focus: Economic Issues**

### What Can Be Done?

There are no simple solutions to combating the problem of educational corruption in Georgia. To start with, it is important to engage in an ongoing systematic study of the phenomenon and its causes through research; student, faculty, and administration surveys; and to encourage public interest and involvement in higher education. Higher education reform should include not only changing systems and regulations but also empowering students and faculty to take initiatives to combat corruption.

Systemic changes may include reforms in state financing of education that encourage private-sector development and competition among universities; creation of a transparent accreditation system; design of standardized national examinations; reform of regulatory and tax systems and procurement procedures; decentralization of management to individual institutions; establishment of professional ethics codes for university faculty and administrators by encouraging professional associations; supporting student anticorruption movements; and strengthening and empowering student governments.

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At the institutional level, possible reforms may include redefining institutional missions and drafting honor codes that place emphasis on quality, academic integrity, and honesty; improved remuneration that provides incentives for better productivity; developing structures that reward achievement; establishing sanctions against corrupt practices and prosecuting offenders; developing internal rules and regulations for administrative practices; redesigning and rationalizing academic programs and establishing performance targets. Equally important is the need to develop systems that monitor and evaluate progress toward reduced corruption.

Georgia, in transition to democratization and economic development, can no longer afford to waste its limited resources. Every effort should be made to eliminate corruption in higher education, and it is crucial to ensure that every policy or structural change is an informed decision based on empirical research and systematic study.

## Graduate Employment: Issues for Debate and Inquiry John Brennan

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Recent European studies have shown most graduates to be in quite reasonable employment situations a few years after graduating. While concerns continue to be expressed by some employers that many graduates do not possess the right skills and competencies, there is also considerable industry in many universities to improve the employability of their graduates. Does the evidence justify optimism?

### **Unquestioned** Assumptions

Graduates are rewarded (or not) by the actions of employers. We must assume that these are the actions of rational and fully informed men and women. Thus, we must also assume that salaries reflect nothing but the balance between demand and supply. We must further assume that employers have perfect information on which to set wage levels, to make recruitment decisions, to train or to promote, and that they behave entirely rationally. Much of the analysis of graduate employment data explicitly or implicitly rests on assumptions of this sort. Occasionally, sceptical voices are heard.

## Averages Are Averages

The positive image currently associated with graduate employment prospects should not hide the possibility that the rosy futures of the majority may not be shared by all. A recent U.K. study (*Access to What? Analysis of Factors Determining Graduate Employability*, by the Centre for Higher Education Research and Information) attempted to identify some of the social and educational factors associated with employment success. Overall, the differences in terms of social background were not as great as might have been expected from previous work. It remains the case, however, that the generally positive picture on graduate employment may be hiding some quite negative experiences for some graduates.

#### Perceptions Are Perceptions

Most of our knowledge about skills and competencies comes from the perceptions of employers and the graduates themselves. While these are certainly interesting data, they should not go unchallenged. How many employers keep records about the relative success of graduates with different qualifications or backgrounds? And by definition, employers can have no knowledge at all about the employment success of the graduates they turned down (or who turned the employer down by not applying to them in the first place). Thus, employers' perceptions are based on very imperfect information. Graduates, even more so, lack comparative experiences on which to base their perceptions.

## Recruitment or Performance

Some of the efforts of higher education institutions to enhance employability seem to be principally about the first—advice on CV writing, practice interviews, etc. As employers develop ever more sophisticated recruitment techniques, higher education institutions give ever more support and advice to students on how to present themselves. At their most effective, these kinds of support are only about helping some students to succeed over others, helping to ensure that they get the "best jobs," and that the institution's employment record looks good. Neither the graduate nor his or her employer is necessarily made more productive by any of this. A recent study by Geoff Mason and Gareth Williams (How Much Does Higher Education Enhance the Employability of Graduates? 2003, Higher Education Funding Council for England) suggested that the impact of employability skills development may be strongest in the first few months of graduates' careers. This is not to say that there are not some graduate characteristics-specific or generic-that have long-term value to employers.

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## *Competence or Confidence*

One of the things that struck us in the *Access to What?* project was the belief expressed by many teaching staff that confidence (and self-esteem, personal identity) might be more important than skills and competencies in determining both academic and employment success. Especially for the "non-traditional" student, doubts and lack of self-belief could be hampering achievement far more than any knowledge and skills deficit. And as far as employment was concerned, a lack of confidence could depress aspirations in the graduate and produce negative reactions in the recruiter.

#### A Division of Labor

Very few graduates (none?) will be fully "formed" professionally when they leave higher education. The recent European study of graduate employment suggested that countries differed in the roles played by higher education and employers in preparing graduates for work. U.K. employers seem to take a much greater share of the responsibility for education and training than is common elsewhere. This may well be a function of the brevity of first degrees in the United Kingdom and the role played by professional bodies in training and certification. This may also relate to differences in the role played by formal qualifications in regulating entry to and passage through the labor market.

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## The Transition

Building on the above, we still know comparatively little of how graduates achieve their generally positive employment situations after three or four years. We know that there are a lot of job changes, further study for many, and periods of unemployment for a significant minority. It might well be that the decisions taken and the experiences gained in the three years after graduation are as important for future employment success as the three years spent within higher education. Yet we know little about them.

#### The Streetwise Graduate

Many supposedly full-time students often combine their studies with substantial amounts of term-time work. This has implications for the student experience. Although the growth of term-time work has generally had a negative press, many students and staff see potentially positive aspects to the combination of experiences it can afford—such as time-management, teamwork, personal organization, financial management, and communication skills. Experiences that when taken singly may not add up to much, may when taken in combination, represent a period of life marked by huge demands and complexities and by personal achievements in coping with it all. But is anyone-in higher education or employment—fully recognizing these achievements? Roles and identities of student, worker, wife, and mother are held simultaneously rather than experienced serially. Is there a lot of learning going on here that we are failing to see and to celebrate?

## Knowledge Economies

Notions of "knowledge economies" and "knowledge societies" give added rationale and justification for higher education expansion and reinforce the focus on employability questions. But what kinds of knowledge are really needed in the knowledge economy? We can distinguish between at least five sources of knowledge of which knowledge represented by educational qualifications is but one. Others are the nonassessed learning outcomes from formal education, training in the workplace, work experience, and everyday (life) experience. What "knowledge balance" is required by the demands of increasing flexibility, change over time, dissonance between personal and professional "identities," both in the workplace and in "life"? And how does this balance change over the course of life?

One could go on. There is a large issue of how employment-related characteristics of the curriculum combine with or are opposed to other elements and purposes—something about which Harold Silver and I reached optimistic conclusions about 15 years ago (*A Liberal Vocationalism*, 1988, Methuen). Would we today?

# Affordability, Access, Costing, and the Price of U.S. and U.K. Higher Education David Palfreyman

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S. and U.K. higher education systems have over the past 20 years faced the steady retreat of the taxpayer in funding students and institutions. However, while the U.K. system has muddled through by reducing funding per student, U.S. public higher education has to a great extent compensated for the lost revenue by increasing tuition fees payable directly by students and their families. U.S. private higher education institutions have also levied ever-higher tuition fees as "the sticker-price," and have used the enhanced funding to fuel an arms-race for "prestige" among universities competing over salaries for the best faculty (so-called "trophy professors"), on merit-based aid for the cleverest students, and on lavish campus infrastructure. This process has opened up an increasingly wide gap between U.S. private institutions and even the "flagship" U.S. public institutions, while leaving the best of U.K. higher education aiming at a moving target in trying to compete as a global player.

Yet, despite these high tuition fees, U.S. higher education remains affordable for "Middle America," partly because the U.S. middle class pays rather less in taxes than its equivalent in the United Kingdom especially given deep discounting of tuition fees and the offer of student loans to finance the final amount due (in effect, a "price-war" among U.S. institutions over clever entrants). In addition, "Rich America" is not being given as much of a wasteful public subsidy as is currently bestowed on "Rich England." These high tuition fees, regardless of the high levels of financial aid, may deter access for "Poor America" to the very best private U.S. institutions (and to a lesser extent the best of the public institutions), compared with the accessibility of the elite U.K. higher education institutions.

Hence, if U.K. institutions were completely deregulated with respect to the capping of tuition fees or chose to exercise their theoretical autonomy and take full control of their destiny, it would be politically wise to have robust policies in place in advance that would ensure at least the same level of accessibility as at present. Oxford, for example, must also be able to demonstrate the financial viability of such access and student financial aid policies, funded (presumably) partly by charging *much* higher annual tuition fees (£15K) to "Rich England" (taking into account affordability issues), while, of course, charging *very* little (if anything at all, in order to maintain access) to "Poor England."

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That said, it will be interesting to see if Oxford (and others) can make the "high fee/high aid" numbers work, given that, as already noted, it *may* have a larger "poor" group to finance than do its overall wealthier U.S. counterparts. In its favor, it is *probably* "leaner & meaner" in productivity terms than the average U.S. Ivy League school, although the contribution toward such economy that comes from keeping faculty salaries internationally low is a false economy in the medium term as Oxford increasingly fails to attract for its academic jobs the full range of good applicants and even then does not always manage to recruit its first-choice candidates.

The salutary question posed by a hostile political environment for the Oxford dons currently "on watch" is whether the potential for accelerated decline relative to the U.S. global players (with their fiercely defended