

*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?

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

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U.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” and *rather* higher fees (£10K) to “Middle 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

autonomy and robust lobbying of government) is now so great and the “control freak” meddling of government is so likely to be at best useless and at worst damaging that the dons must take radical action for fear of otherwise themselves going down in history as the ones who steered the noble “*SS Oxford*” onto the rocks, rather than as just another generation of the university’s leadership that “merely” allowed the unfortunate vessel to drift deeper into the doldrums.

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#### *The 2003 White Paper*

There is certainly a need in the United Kingdom to better understand U.S. higher education in the context of the highly politicized debate here about the size, shape, and funding of the system as recently fuelled by the government’s “white paper” on *The future of Higher Education* ([www.dfes.gov.uk/highereducation](http://www.dfes.gov.uk/highereducation)). The white paper addresses enhancing the funding of higher education and institutions to allow them “to compete with the world’s best” and to avoid the “serious risk of decline” after “decades of under-investment.” Notably, as U.K. higher education by OECD norms rather belatedly massified, “funding per student fell by 36 per cent between 1989 and 1997.”

The white paper also raises the subject of ensuring the affordability for “Middle England” of the proposed increase of the current flat-rate £1100 (U.S.\$1,750) annual tuition fee to one capped at £3000 (U.S.\$4,500) from 2006 by “abolishing up-front tuition fees for all students” and with their repayment after graduation through the tax system then being “linked to ability to pay.” Also proposed is extending the availability of higher education to the “talented and best from all backgrounds” and improving its accessibility for “less advantaged families.”

The July 2003 report of the all-party Education and Skills Committee on “The Future of Higher Education” reviews the white paper and calls for a maximum annual tuition fee of £5000 (as also advocated by the “top” institutions) rather than £3000 so as to ensure a true market in the provision of higher education ([www.parliament.uk/parliamentary-committees/education-and-skills-committee.cfm](http://www.parliament.uk/parliamentary-committees/education-and-skills-committee.cfm)). The report expresses fears that “too great a reliance on funding through taxation will inevitably lead to greater Government control of the sector and less independence for universities,” assesses the proposed “Access

Regulator” as “unnecessary,” brands the present student financial aid system as “complex and confusing,” and comments that academic salaries are “woefully low,” and refers to the sorry state of U.K. higher education as “the last of the nationalized industries.”

The government has quickly brushed off the carefully researched report and is sticking with its rather less evidence-based white paper, which seems sadly to achieve the worst of all worlds by maximizing opposition and yet at the same time watering down the degree of proposed deregulation to such an extent that, if approved by Parliament, the new £3000 fee (allowed to increase by only inflation until 2011 or so) will be of no real value in enabling U.K. higher education “to compete with the world’s best.”

Just as the United Kingdom’s “New Labour” government in its 2003 consultation document sets out “the need for reform” in terms of shifting the cost of higher education more toward students and their families, so there has been debate in the United States over the cost/accountability and affordability/accessibility of higher education since Congress in 1997 expressed the frustration of “Middle America” with the ever-increasing “cost of college” by establishing the National Commission on the Cost of Higher Education. Yet, despite the middle-class angst, an observer of the higher education scene across the OECD countries *might* indeed be tempted to predict a slow but steady convergence toward the U.S. norm of requiring an increasingly significant student/family contribution for the cost of delivering higher education.

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#### *A Moving Target?*

The £3K per annum fee from 2006 proposed in the white paper would take the current £3300 figure over the standard three-year undergraduate degree course (which is paid in full by only some 40 percent of U.K. students) to £9K (ca.\$14K) compared with, by then, for the four-year baccalaureate ca.\$20/25K at U.S. public institutions, and perhaps \$30K-plus at the research-oriented flagship campus within each state higher education system. Thus, the

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white paper is indeed aiming at a moving target in trying to keep the upper end of U.K. higher education institutions competitive in income terms with even the best of the U.S. publics, let alone the top private institutions, where annual fees are already nearing \$30K. And, indeed, there is also a trend toward the semiprivatization of state flagship campus institutions (now being called “the public Ivies”), which may push fees yet higher than the ca.\$7K per annum referred to above.

If U.K. and U.S. higher education systems continue to diverge on funding, they will then share certain features. The politics of affordability of higher education for “Middle America” during the 1990s trumped the politics of access to higher education for “Poor America,” which is not surprising given the relative voting power of the two constituencies. This scenario potentially will be echoed in the United Kingdom, where in response to New Labour’s white paper and its proposed £3K per annum tuition fee for “Middle England” the Conservative Party has focused on affordability, asserting that it would avoid the need to increase fees (or even levying them at all) by reducing the size of the higher education system and hence its accessibility to “Poor England” as a means of saving money.

The full version of this paper can be down-loaded from the OxCHEPS web-site at [oxcheps.new.ox.ac.uk](http://oxcheps.new.ox.ac.uk), “Occasional Papers.”

## Lessons of Experience: Reform Initiatives in African Universities

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The growing interest in revitalizing African universities has prompted the hosting of numerous regional and international conferences. The joint conference in Accra, Ghana, in September 2003—hosted by the Association of African Universities (AAU), the Association for the Development of Education in Africa—Working Group on Higher Education (ADEA-WGHE), the National Council for Tertiary Education, Ghana (NCTE), and the World Bank—was a major event that attracted numerous higher education leaders, managers, researchers, think tanks, NGOs, and funders.

### *Things That Work*

Organized under the theme of—*Improving Tertiary Education in Sub-Saharan Africa—Things that Work*, the conference focused on things that work instead of dwelling on crisis talk that usually dominates such meetings. For a change, the stories we read and heard departed from the conventional tone. At times this departure felt somewhat radical. The education minister of Ghana, Elizabeth Ohene, challenged participants to consider the running of universities by business leaders. The subdued jeers that followed her remark underscore the serious challenges that underlie instituting changes in higher education institutions.

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What was in many ways comforting at the convention is the reaffirmation of commitment by the World Bank to revitalize the continent’s higher education systems. Noting that the “Bank does not have a very strong credibility around higher education,” Birger Fredriksen, the Bank’s representative, reassured participants that the Bank “would like to strongly support higher education in Africa.”

The AAU’s executive secretary, Akilagpa Sawyerr, in recognition of the Bank’s renewed interest, stated that the “external community rediscovered higher education in the development of the continent” and added that the Bank “has come around to recognize higher education.” He reckoned that “the new direction by the Bank will change the attitude of governments in Africa.”

Even though the World Bank has often been an object of much criticism surrounding higher education development in Africa, this was not the case at this event. This may be attributed to the awareness of the Bank’s renewed commitment or, as someone put it, “self-restraint on the part of participants not to bite the feeding hand” that organized the conference.

A great many ideas were traded on innovations and reforms that have taken place in institutions and countries. Without a doubt, such forums catalyze higher education dialogues that subsequently strengthen research in the field, and they thus need to be organized regularly both for practitioners as well as researchers.

Many speakers presented their reform initiatives in a positive light with a cursory mention of the challenges they faced in instituting them. A complete analysis would entail digging deeper to capture the