

private, social, and economic benefits—from improved health to lower rates of welfare dependency and greater contributions to the tax base. Unfortunately, public pronouncements about why higher education matters, including those from university presidents, tend to focus on the fact that going to college enhances one's personal economic status. The rich combination of societal and individual benefits of higher education is largely overwhelmed by the reality that university degree holders make an average of U.S.\$1 million more over their lifetimes than non-degree holders.

This obsession with private economic benefits has been a factor in the rapid rise in tuition rates, with a growing share of the financing burden shifted to students. As a result, concerns over student access have grown. While overall enrollments have increased substantially over the last 30 years, the gap between the lowest and highest income groups, and between minorities and others, has remained virtually unchanged. Those enrolled are now required to pay an ever-increasing share of the total cost of a university degree, especially through student loans. American students are indebted at levels unthinkable on an international level: more than U.S.\$50 billion per year is borrowed by students to pay for college.

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The most critical issue for higher education financing therefore lies not in whether fees can vary across institutions but rather whether sufficient investment is being made in need-based student grants. If the student share of financing continues to rise for disadvantaged groups, the net result will be a less-educated citizenry and a failure of the government's efforts to equalize educational opportunity.

A lesson from the U.S. experience, then, is that variable fees are neither a great salvation for higher education's ills nor a great evil that will destroy the basic fabric of the academy. Instead, the real focus must lie on ensuring that access to higher education remains one of the top priorities of government as fees are increased. Failing to make such access a priority will surely result in a diminution of any nation's public, private, social, and economic stability and prosperity.

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Management 101 at the “New Oxford”

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More than a few high table conversations were derailed last spring with the announcement that a New Zealander, John Hood, had been named vice chancellor (the top position in the academic hierarchy) of Oxford University. For the first time in its 900-year history, Oxford had gone outside its precincts—to the Antipodes, no less—to find a suitable leader, but it is Hood's career that makes the appointment so remarkable.

Oxford has historically been dominated by the humanities, and its vice chancellors have been drawn from the academic ranks. By contrast, Hood is an engineer and businessman who made his mark in industry before serving for four years as vice chancellor of Auckland University. Such an appointment would be regarded as audacious at Berkeley or Harvard, let alone Oxford. Following on the heels of the selection of Laura Tyson (former business school dean at Berkeley) to run the London Business School and Alison Richard (former Yale provost) as vice chancellor of Cambridge, the Oxford appointment exemplifies the trend in England and internationally toward a more managerial and entrepreneurial approach to higher education.

The fountainhead for these developments is the United States, where the allure of efficiency has long been a staple. In 1908, the Carnegie Foundation for the Advancement of Teaching dispatched Morris Cook, a businessman versed in the then new principles of “scientific management,” to study American universities. Cook was aghast at what he saw. “There are very few, if any, of the broader principles of management which obtain generally in the commercial field which are not, more or less applicable in the college field, and as far as was discovered, not one of them is now generally observed.” Academic autonomy, Cook argued, was a license to irresponsibility. The main objections also carry a familiar ring. Writing in 1917, Thorstein Veblen assailed the tendency to turn the university into “a corporation of learning” that “set [its] affairs in order after the pattern of a well-conducted business concern. . . . The intrusion of business principles into the universities goes to weaken and retard the pursuit of learning, and therefore to defeat the ends for which a university is maintained.”

Since the 1970s, when public funds began to decline as a proportion of universities' budgets, U.S. higher education has been pursuing ways to raise more and

spend less. As I point out in my new book, *Shakespeare, Einstein, and the Bottom Line: The Marketing of Higher Education*, Morris Cook's spiritual heirs, a new generation of administrators schooled in business practice, believed that it was fatuous to imagine that universities could carry on as organized anarchies. Once in authority, they have tightened the purse strings inside the institution, while raising pots of outside money from the private sector. "The University of California means business" became the byword of the world's most-admired system of public higher education. The enthronement of market values has also widened the access gap: children from poor families are less likely than their middle-class counterparts to go to college and rarely make it to elite schools.

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Lessons from the Antipodes

Similar market-based and managerially oriented approaches have been adopted by the "enterprise universities" of Australia and New Zealand, as well as by "entrepreneurial universities" in several European countries. The motivations for these changes are familiar: a rapid expansion of higher education, often justified as increasing economic productivity; proportionately smaller government support, with a concomitant need to raise money from other sources; concern about the "brain drain" of the brightest faculty and students to the United States. At Oxford, modest changes along these lines have been in the works for some time. But based on his record at Auckland, Hood is likely to try quickening the pace. A culture clash—the barons again come to Runnymede—seems inevitable.

While Auckland regards itself as New Zealand's finest university, when Hood arrived it was a seat of traditional teaching, not a research-led institution of real international stature. He made it his mission to change that. To increase revenues at a time of decreasing public funding, tuition was raised as much as government would allow (the university vigorously contested the need for any government-set tuition ceiling), and for the first time alumni were solicited for contributions. In a competitive research environment, scores of faculty, including full professors, were forced out for lack of academic productivity. Department heads were encouraged to recruit professors with global reputations; and the ranks of the professoriate, previously restricted

(in the British tradition) to a handful of senior faculty, were opened up. Professors were prodded to generate contracts with government and industry; those who succeeded secured relief from teaching and their departments received funds to hire fill-ins. Department budgets became increasingly dependent on enrollment, and departments expanded by attracting more students. The university opted to join Universitas 21, an international consortium with money-making ambitions that is developing distance learning courses, initially in business administration, for a global audience. Amid this entrepreneurialism, the university's social responsibility wasn't forgotten: a new academic program has doubled, to 80 percent, the pass rate of Maori students in fields like engineering.

John Hood is widely admired, although some of his initiatives—the tuition increases, the pressure on faculty to raise money, and a style of governance described as corporate—have been controversial. Professors complained bitterly when he declared that anyone who criticized the intellectual fitness of his colleagues for government funding would be "summarily fired." Unrepentant, Hood responded that his "unequivocal support" for academic freedom didn't apply to those "who choose arbitrarily or gratuitously to disparage their colleagues."

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Ivy-clad to Ivy League?

That message wouldn't be tolerated at Oxford, where disparagement is served alongside the sherry. But Hood is a quick study, and "New Oxford" might be ready to listen. In the past five years, a business school and "business and science park" have opened at Oxford. The reality that star faculty, lured by outsized salaries, regularly migrate across the Atlantic has spurred recognition that the institution cannot live off its tradition. As former economics professor John Kay, author of *The Truth about Markets*, warns, Oxford is in danger of "sliding gradually into mediocrity." Academic rankings have slipped badly—government auditors rank Oxford's history research below Oxford Brookes University, a former polytechnic. The revelation that the university draws just 15 percent of its students from the poorer half of the population and nearly 50 percent of its students from private schools, which educate 3 percent of British children, prompted a national debate over what's called "the hereditary curse."

The market pressures on British higher education are apparent everywhere. This year the government will introduce sizable tuition hikes, while shifting a sizeable fraction of student aid from grants to loans. A new report commissioned by the British Treasury urges closer industry ties and stronger alumni networks. "New Oxford," says historian Colin Lucas, Hood's predecessor, must promote technological innovation, cultural inclusiveness, and a greater international reputation—none of these familiar or easy undertakings.

The hard questions proliferate. Can Oxford extract the best lessons from the managerial and entrepreneurial mindset, without succumbing to that mindset's efficiency-driven excesses? Can it pay sought-after professors unequally, as it began doing only recently, while not undermining collegiality? Can it strengthen its graduate training while not slighting its commitment to undergraduate education? Will it move "from ivy-clad to Ivy League," the *(London) Times Higher Education Supplement* wondered—can it evolve into something other than a pallid version of a major American university? Since Oxford is Oxford, these questions matter.

"There is a will to move to the future—sort of," observes Anthony Hopwood, dean of the business school. The battles will doubtless be fierce, with the colleges, some of them richer than the university itself, jealously guarding their prerogatives. Since the faculty Congregation, the "parliament" of dons which would normally ratify the selection of the vice chancellor, never met before Hood's appointment, he lacks the academic equivalent of a mandate.

Still, the unconventional choice may prove inspired. John Hood—a thoroughly modern university manager, an outsider who's respectful of academic values and impatient with academic cant, passionate about excellence *and* equity—could be just the right man to wage the good fight against philistines and patricians alike.

Divided Government and Private Higher Education Growth in India

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The Role of Federal and State Governments

India has the second-largest higher education system in the world and the third-largest pool of skilled personpower. The system encompasses approximately 304 universities including 62 "deemed universities," 11 open universities, 14,600 colleges, 10 million students, and 0.5 million teachers. Besides these public and private institutions, the exact number of private colleges, international institutions, and enrollment involved in Indian higher education training and vocational skills is not yet known.

India's long tradition of private colleges and the current growth in private institutions have been facilitated by the lack of a restraining centralized national government. Prior to independence, many philanthropists and religiously oriented individuals and institutions established centers of higher learning to promote the values of spirituality, human dignity, and integrity. The usual orientation of private initiative and private funding was social transformation and leadership rather than monetary gains.

Even after independence, private initiative and households have played a substantial role in supporting higher education. Central government's share of total higher education income in 1950–1951 was just 49 percent. Although its funding rose to approximately 80 percent during the 1980s, since the 1990s government has resorted to cutbacks in higher education in the wake of structural adjustment, paving the way for the rapid expansion of self-financed private higher education. The pattern of government cutbacks and private expansion is familiar in much of Asia. Much less familiar is India's extended experience with college enrollments that were legally private but publicly financed.

Also unusual in India is the fact that central government provides only one-quarter of the funding for higher education, with much of the rest coming from

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