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The Steering of Universities in the UK – A Policy Documents Review

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Content

I. Introduction / Main Research Questions

The central purpose of this paper is to review higher education policy documents of the UK government. For the analysis of recent and changing patterns of HE steering mechanisms, we will first refer to the salient White Paper ***"Higher Education: a New Framework"*** published in 1991. However, the main part of this review concentrates on the analysis of the recently published White Paper ***"The Future of Higher Education"*** (2003) and a large number of additional policy documents relevant to the current debates about the steering of Higher Education Instutitons (HEIs) in the UK.

To frame the analysis and to help to structure the ideas presented in the documents, a heuristic framework based on a literature review, will be introduced. This framework draws on different kinds of scientific texts, referring to higher education and public administration as well as to postulated changes in the role of the government and the state at the beginning of the 21st century.

Furthermore, the following questions, addressing different aspects of the steering of HEIs, will serve as another frame for the analyses of the documents. The questions refer to the general mode of steering (i); particularly the steering of the research process (and its relation to teaching) (ii); the relation to NPM and 'governance' concepts (iii); and finally the relationships of the HE concepts to organization theory (iv):

(i) What is the recent and prospective mode of HE steering in the UK?

- Have there been any changes, continuities or breaks in the language and the set of practices of HE steering in the last 10 years?
- Hass there been a policy change from the Tory government to "New Labour"? If so, what are its characteristics? To what extent?

(ii) How is such steering articulated in reference to the research process and especially to its relationship to teaching?

(iii) To what extent does the mode of HE steering reflect the principles of New Public Management and Governance concepts?

- Is there a movement from NPM to 'Network Governance'?
- Is there a mixture of both concepts articulated in recent policy documents?
- Which tensions and contradictions in both language and practices can be identified?

(iv) To what extent do the documents include assumptions on the character of organizational change as reflected in organization theory?

- Are there assumptions, which emphasise ideas formulated in performance-driven (Neo-Contingency) approaches (focus on budgets, resources etc.)?
- Do the documents reflect pluralist theories of organizational change, e.g. the approach of Neo-Institutionalism (focus on political processes, power, values, and interests)?

II. Heuristic Framework

As a number of authors suggest (e.g. Newman 2001, Dawson/Dargie 2002) policy mechanisms can be understood and analysed on different levels. Referring to a number of authors, the next table present different possible levels of analysis. The different levels can serve as a kind of heuristic framework. The levels of generalisation can be interpreted as different, but interdependent levels of discourse. In general, one way to analyse the material and the documents is to look at the relation between discourse/language and the set of practices/concrete measures.[1] Sometimes, the review will refer to such a distinction.

Level of Generalisation	Questions	Focus	Related Literature (examples)
1. State	Which role of the state is articulated?	Position related to the concept of the: - minimal state - welfare state - plural state	Pierre (2000a), Rhodes (2000) Osborne/McLaughlin (2002) Newman (2001)
2. Government	What is the 'Meta' or 'Grand'-Narrative of the role of Government found in the policy documents?	Position related to the concept of: - Neo-Liberalism - 'Modernization'	Newman (2001), Bevir/Rhodes (2003)
3. Government policy	Which set of beliefs and ideas according to the 1st and 2nd level of analysis are articulated?	NPM vs. 'Network Governance' 'Managerialism' Importance of: - Hierarchy - Market - Networks/'governance'	Pollitt (1990), Hood (1991, 1995a, 1995b), Dunleavy/Hood (1994), Dawson Dargie (2002) Reed/Deem (2002), Rhodes (1997)
4. Doctrines	Which concrete doctrines are articulated?	- 7 Doctrines of NPM (Hood 1991) - 4 directions of NPM (Ferlie et al. 1996) vs. 'governance' & PPA (Hood 95) - 3 core values of administration: lean & purposeful / honest(y) & fair(ness) / robust & resilient - role of professionalism	Hood (1991, 1995a, 1995b), Ferlie et. al (1996), Exworthy/Halford (1999), Brock/Powell/Hinings (1999)

[1] In general, the analysis of different levels of discourse and the relationship between discourse and other social practices are part of the stream of discourse analysis.

5. Set of Practices	Which set of practices can be identified	- research - teaching - relationship research–teaching - relationship HEIs-research	Henkel (2000), Robins/Webster (2002)
6. Organization Theory	How is the problem of organizational change articulated?	'Performance-driven' vs. 'Pluralist' theories of organizational change	Donaldson (1994, 1999), Greenwood/Hinings (1996), Whittington (1994, 2002)

III. Policy Documents Review

III.1 The Tory Policy at the Beginning of the '90s

In 1991 the ***White Paper "Higher Education: a new framework"*** (Cm 1541) was published by the Government under Prime Minister John Major. In general, this landmark paper was the continuation of the reform process on higher education (HE), set up by the Education Reform Act[2] in 1988 (for an overview Henkel 2000). The issues and proposals of the paper were finalised in the Further and Higher Education Act in 1992, announcing the introduction of the Research Councils and the abolition of the binary line of universities on the one hand and polytechnics and colleges on the other hand.

The main purpose of the new framework, as articulated in the paper, is the abolition of the binary line, which divides the universities from other higher education institutions. As John Major puts it:

> *"In higher education, our key reform will be to end the increasingly artificial distinction between universities on the one hand and polytechnics and colleges on the other." (foreword)*

In general, the language and the set of practices proposed in the paper are in line with the main principles of the political project of the New-Right Conservative Administration in their liberal tradition, as articulated in the philosophy of Friedrich Hayek or Michael Oakeshott (Bevir/Rhodes 2003). The paper is driven by a discourse of efficiency, quality and competition (Henkel 2000; Joseph 1983). In "The way forward"-chapter it is noted:

> *"But the general need to contain public spending, the pattern of relative costs in higher education, and the demands for capital investment, all mean that a continuing drive for greater efficiency will need to be secured." (p.12)*

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[2] The Education Reform Act left the polytechnics out of local governments hands, abolished the UGC and introduced the PCFC and the UFC. It was, therefore, a large step to a unified system.

> *"The Government believes that the real key to achieving cost effective expansion lies in greater competition for funds and students." (ibid)*

In detail, changes in the funding for teaching & research, the degree awarding power, quality assurance, institutional titles and pay and conditions are announced. In particular, the paper proposes:

- a single funding structure for universities, polytechnics and colleges of higher education;
- Higher Education Funding Councils within England, Scotland and Wales to distribute public funds for both teaching and research;
- the extension of degree awarding powers to major institutions and the winding up of the Council for National Academic Awards;
- extension of the title of university to those polytechnics that wish to use it;
- external scrutiny of the quality control arrangements of UK higher education institutions by a UK-wide quality audit unit developed essentially by the institutions themselves;
- quality assessment units within each Council to advise on relative quality across the institutions; and
- co-operation among the Councils to maintain a common approach to quality assessment. (p.4)

In fact, abolishing the binary line between universities and other higher education institutions, e.g. the introduction of a single funding structure accompanied by quality-audit and assessment mechanisms, has to be interpreted as a means to force competition between the HEIs. The introduction of an external audit and the development of quality standards are in line with core ideas of the "New Managerialism" (among others Reed/Deem 2002). In addition, strong emphasis is put on the competition of funding from private sources.[3] It should be noted, that this *"can considerably enhance the independence of individual institutions."* (p.10). Overall, the language of the paper draws on the 'grand-narrative' of NPM (Hood 1991, 1995), esp. in its "Efficiency Drive" Model (Ferlie/Ashburner/Fitzgerald/Pettigrew 1996). By looking at the set of practices introduced in the paper, we will get a more detailed picture of the ideas and beliefs on the steering of HEIs . Therefore, we will take a closer look at the new framework concerning teaching and research.

As concerns teaching and scholarship, *"[t]he Government considers it essential to have in place a funding mechanism which encourages the optimum use of recurrent and capital resources across the whole higher education."* (p.13) Therefore, an institutional grant should be combined with publicly funded tuition fees, which first of all, allow the steering of the development of HEIs, secondly, link institutional funding with quality assessment and finally, avoid financial instability (caused by changes in demand) (p.13). It is notable, that the idea of

[3] In particular: funding from industry and commerce, benefactors and alumni, and from present sources of fee income.

stability (one core value of public administration as noted by Hood 1991; see also Hood and Jackson 1991; Barzelay 2002), besides a more "lean and purposeful" (economic) value type, is articulated. Furthermore, in the view of the Government, *"the present separate channels for the funding of teaching in universities on the one hand and polytechnics and colleges on the other stands in the way of the most efficient further expansion of higher education provision."* (p.16) Therefore, a single funding structure is proposed. The following advantages are noted: all institutions will compete for funds and students on an equal basis; unjustified differences in funding methodologies will be eliminated; priorities and allocations for capital spending will be determined across the entire higher education sector; quality will be taken into account on a common basis; funds for pump-priming initiatives will be offered more readily on a comparable basis; finally, there will be more room for co-ordination and rationalisation. (p.14). Again, competition (through comparability), quality and rationalisation are the key points of the HE reform. Furthermore, quality assurance in teaching plays a major role in the paper – one chapter is fully dedicated to this issue (p.24-31). The following aspects of quality assurance are defined:

- *Quality control:* mechanisms within institutions for maintaining and enhancing the quality of their provision.
- *Quality audit:* external scrutiny aimed at guaranteeing that institutions have suitable quality control mechanisms in place.
- *Validation:* approval of courses by a validating body for the award of its degrees and other qualifications.
- *Accreditation:* in the specific context of the Council for National Academic Awards (CNAA), a mechanism to delegate to institutions is in place, subject to certain conditions, with the responsibility of validating their own courses leading to CNAA degrees.[4]
- *Quality assessment:* external review of, and judgements about, the quality of teaching and learning in institutions. (p.24)

In general, it is said that the prime responsibility of quality rests with each individual institution, but, *"at the same time, there is a need for proper accountability for the substantial public funds invested in higher education. As part of this, students and employers need improved information about quality if the full benefit of increased competition is to be obtained."* (p.24) Quality, therefore, is defined as a means to compete, both for funding and students, and quality audit and control as modes of steering HEIs. Emphasis on external scrutiny on the one hand, is combined with the idea of 'self-regulation' on the other hand, another key point of the

[4] In 1985 the Jarratt report, a landmark paper in introducing managerial mechanisms in HE (see also Henkel 2000), proposed the fulfilment of general criteria before degree awarding powers are granted, e.g. effective internal validation and review processes.

neo-liberal discourse (e.g. Newman 2001, p.4; Reed/Deem 2002). Consistent with liberal thinking, self-regulation is combined with an appeal to the self-interest of the HEIs: *"[The Government] believes that any doubts about the effectiveness of self regulation are more than offset by the self-interest which institutions will have in demonstrating that internal quality controls continue to be rigorous."* (p.26) Quality assessment should be developed in two ways. The first is through quantifiable outcomes. That is, *"performance indicators and calculations of value added will have a role to play in the future."* (p.29) The second way are external judgements on the basis of direct observation of what is provided[5]. Therefore, on the institutional level, a quality assessment unit will be established within each (new) Funding Council. The assessment of quality should inform the funding decisions. (p.29). The Funding Councils are asked to monitor: the development of performance indicators, access policies and responses to changing student profiles, links with industry and commerce, and the industrial and commercial relevance of provision. (p.30) It is obvious, that quality first and foremost means performance and economic relevance. This is in line with NPM (performance) and the general and long-term HE policy of the Government, linking HEIs to the needs of the economy.[6]

The Government's policy on research[7] is led by four principles (p.18): *plurality* (two channels of public funding for research: general funds and funds tied to specific projects); *competition* (all institutions should be able to compete for research funds); *selectivity* (research funds should be distributed selectively on the basis of assessment of research quality); *accountability* (ensure greater transparency as well as clearer funding arrangements for Research Council projects). It is remarkable, that although all institutions can compete for research funds *per se*, the principle of selectivity is emphasised. That is, *"that funding for research should be allocated selectively to encourage institutions to concentrate on their strengths."* (p.18). What is intended is what Henkel (2000) describes as 'stratification' of HEIs, as suggested by the ABRC report 1987, and as a process underway since 1985 with the introduction of the RAE, ranking HEIs with the purpose of determining the allocation of research funds. To achieve these principles, the introduction of separate Funding Councils for higher education in England, Scotland and Wales is intended. To ensure "*fair competition*" (p.22), the territorial Secretary of State will be informed about the Government's general policy on HE. This means the

[5] Including: the quality of teaching and learning, management and organisation, accommodation and equipment.
[6] As announced in the introductory chapter: *"Higher education has also responded to the need … to take increasing account of the economic requirements of the country. There has been an encouraging willingness on the part of higher education to take account of the needs of industry and commerce …"* (p.9).
[7] Three categories of research are announced: basic research – concerned with the advancement of knowledge; strategic research – speculative but with clear potential for application; and applied research – directed primarily towards practical aims and objectives. The policy emphasise the last two categories (p.20).

enforcement of competition between the HEIs necessitates centralisation of policy, in line with the principles of the "Efficiency Model" of NPM.
To sum up, the changes and continuities which the paper addresses are in line with the principles of NPM, as explicated by Hood (1991), and furthermore with the ideas of 'Managerialism' (Reed/Deem 2002) and the 'marketization' of HEIs (Levidow 2002), both putting an emphasis on students as 'consumers'[8], and on competition between the HEIs for funding and students. This is connected with internal and external evaluation on both teaching and research with the aim at achieving measurability and accountability. In general, the steering mechanism articulated in the paper questions the so-called "bureau professionalism" (Clarke/Newman 1997) and the academic lack of external accountability (Reed/Deem 2002). Critically, Willmott resumes, that many developments have *"eroded the protection from pressure to render their work more commensurable with the commodity form of value."* (Willmott 1995, p.995) In its "***Commentary on the White Paper***" (NCUP (1991)), published in November 1991, the NCUP (National Conference of University Professors) criticises the proposals in different ways. It claims that there is nothing in it about the conditions of the further expansion of student numbers, e.g. the education of 16-19 year olds. Furthermore, on the background of reduced resources and the increasing pressure to "do more with less"; they deny that the quality is "improved". In reference to the proposals on external quality audit, the NCUP highlights the well tested peer review as a *"dependable approach to the exacting task of academic quality assessment."* (p.5) Finally, the NCUP criticises the government's narrow focus on the economic function of higher education, which says nothing about the "advancement and dissemination of knowledge" against the background of declining resources. This commentary supports our view of the paper and gives evidence to the challenging of professionals and their organizations (from 'peer review' to external assessment) and to the overall narrow, rational focus on the idea of how to steer and enforce change processes in HEIs by highlighting costs, resources and budgets as drivers of change and 'adaptation' (Donaldson 1994, 1996, 1999; Hassard 1993, p.43ff.).
In the remainder of this review, we will analyse recent and current developments of the policy mechanisms and the steering of HEIs in the UK. This short overview of the 1991 paper can serve as a valuable foil for understanding both continuities and changes in the passage from the Tory Government to "New Labour".

[8] This is in line with the diagnosis of a general shift, which emphasise more on the needs and demands of the 'customer', then on that of the 'provider'. (Du Gay and Salaman 1992; Du Gay 1996)

III.2 The Recent and Current Discussion

In January 2003, the Department for Education and Skills (DfES) published the ***White Paper "The Future of Higher Education"*** (DfES, 2003). In total, this paper presents the Government's views on how to steer HEIs in the present and in the future and is the focal point of current discussions of changes in the higher education sector. The ideas, strategies, and set of practices formulated in the White Paper, were disseminated[9], supported[10], further developed[11] and sometimes criticised in a number of other policy documents. The document ***"Widening Participation in Higher Education"*** (DfES, April 2003) deepens the idea of fair access by putting forward the proposal for the creation of the Office for Fair Access (OFFA). The responses to both the White Paper and "Widening Participation" were published in: ***"The future of higher education. Commentary on responses received on the Higher Education White Paper and Paper on Widening Participation"*** (DfES, 2003).

Furthermore, the general aims of the White Paper are part of the ***"Five Year Strategy for Children and Learners. Putting people at the heart of public services"*** (July 2004), published by the DfES. The purpose of a reduction of bureaucracy finds response in the ***"Interim Report of the Better Regulation Review Group […]"*** (November 2003), which refers to recommendations already developed by the Better Regulation Task Force in 2002. Direct reply is given by the ***House of Commons Education and Skills Committee*** in their paper ***"The Future of Higher Education. fifth report of session 2002-03"*** (June 2003). This document was responded to by the DfES in July 2003. Finally, a number of policies set out in the White Paper, and the creation of the OFFA were included in the ***Higher Education Act 2004***[12].

For the reason of its salient character, we will extensively review the White Paper. In addition, we will draw on the documents outlined before, as well as on papers not directly mentioned here to help deepen our understanding of policy aspects only sketched in the White Paper.[13] In general, the structure of this review follows the structure of the White Paper. First

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[9] e.g. *press notice 2003/0008* (DfES, 2003; *"The future of higher education: what it means to students and parents"* (DfES,2003).

[10] e.g. *"Higher education funding - international comparisons"* (DfES 2004), *"Why not a fixed fee?"* (DfES 2004), *"Why not a pure graduate tax?"* (DfES 2004), *"Student loans and the question of debt"* (DfES 2004), *"Education and Skills: The Economic Benefit"* (DfES 2003).

[11] e.g. *"Moving toward a single combined grant for higher education"* (DfES 2004), *"Fair admissions to higher education: recommendations for good practice"* (Admissions to Higher Education Steering Group, September 2004), *"Renewable Degree Awarding Powers. Discussion Paper"* (DfES May 2004), *"Increasing voluntary giving to higher education. Task Force report to Government"* (DfES 2004).

[12] See also: *"Explanatory Notes to Higher Education Act 2004"* (DfES 2004). [www.legislation.hmso.gov.uk/acts/en2004/2004en08.htm]

[13] Methodological remark: The White Paper is, according to discourse theory, a kind of 'nodal point' (Laclau/Mouffe 1985). 'Around' the paper, a huge number of other documents are placed to push the purposes and the topics addressed in the paper. For the purpose of this review, therefore, the White Paper can be seen as a frame of reference.

of all, to get an idea of the Government's policies concerning HEIs, we will discuss the overall diagnosis, the aims and the vision of the paper and the related documents. Secondly, we will discuss the major fields of the policy: *research, teaching, higher education and business, the expansion of higher education, the question of fair access* and, finally, *funding, management and governance.* These steering fields do overlap, but they can help to structure the policy mechanisms.

III.2.1 The Government's Higher Education Policy in General

First of all, it is worth noting that the White Paper, in particular in its language, is more ambitious and visionary than the *"Higher Education: a new framework"* of 1991. Characterised by expressive vocabulary[14], Charles Clarke, the Secretary of State for Education and Skills, identifies two major areas of HE reform:

> *"Our future success depends upon mobilizing even more effectively the imagination, creativity, skills and talents of all our people. And it depends on using that knowledge and understanding to build* ***economic strength*** *and* ***social harmony****."* (p.2)

Social harmony means; firstly, better access and support of pupils from less advantaged backgrounds. The second aim is to make the system of student assistance fairer. It is notable, that fair means both a contribution (in the form of tuition fees) to the costs of education as well as extra support for students *"who come from the poorest background"* (p.3).

The second stream of reform addresses the economic function of universities and the role of HEIs in society. Therefore, *"we have to make better progress in harnessing knowledge to wealth creation. And that depends on giving universities the freedoms and resources to compete on the world stage, to back our world class researchers with financial stability and to help turn ideas into successful businesses."* (p.2) Both streams are central to the paper (see also: ***press notice 2003/0008*** and ***"Statement to Commons"***), and both are repeated[15] and further developed in the further chapters in detail. According to Newman (2001), we will look for a policy mixture with a *"new emphasis on issues of citizenship, democratic renewal and social inclusion …, alongside a continued emphasis on economy and efficiency."* (p.2) The discourse of participation, democracy and citizenship was marginalized in the era of the Tory Government (Newman 2001, p.6). In accordance with this view, the review of the 1991 paper shows no evidence of such topics. In general, this picture has changed at present. However, to decide whether it is a *substantial* shift in policy and steering or 'mere' talk, we need to analyse

[14] For the function of the expressive value of words: Fairclough (1989, p.112ff.).

[15] For example: *"The skills, creativity, and research developed trough higher education are a major factor in our success in creating jobs and in our prosperity. Universities and colleges play a vital role in expanding opportunity and promoting social justice."* (p.4)

the paper in more detail. Therefore, we will mainly follow the structure of the White Paper, beginning with the 'need for reform' (pp.10-22), and go on with 'research excellence' (pp.23-35), 'teaching & learning – delivering excellence' (pp.46-56), higher education and business (pp.36-45), expanding higher education (pp.57-66), fair access (pp.67-75), and 'freedoms and funding' (pp.76-91).

III.2.2 "The Need for Reform"

It is remarkable, that the White Paper puts such emphasis on the 'need for reform' – an elaborated discourse of change and challenges is presented to the reader and to society. The actual and future situation is, beside "*our strengths*", drawn in dark colours – there is a *"danger of decline"* (p.13). Therefore, substantial changes have to take place. Externally, *"the challenges are clear. Many of our economic competitors invest more in higher education institutions than we do. […] Our competitors see – as we should – that the developing knowledge economy means the need for more, better trained people in the workforce. And higher education is becoming a global business. Our competitors are looking to sell higher education overseas, into the markets we have traditionally seen as ours."* (p.13) The internal challenges to higher education are: *"to recruit, retain and reward the calibre of academic staff needed to sustain and improve both teaching and research; to maintain the infrastructure for research and teaching; to make sure the investment in higher education – whether paid for by the taxpayer, the student, their employer or someone else – is used to best effect."* (ibid) The language is interspersed with economic vocabulary. By looking outside of the sector, HEIs are part of a global business and threatened by competitors who try to enter market segments of UK HEIs. Internally, the "investment" has to be "used to best effect." In his ***"Statement to Commons"*** Charles Clarke points out: *"… however, this House [the House of Commons, R.H.] needs to understand, as our universities do, that they exist in an increasingly dynamic and increasingly competitive world."* (p.1). This language of competition, frequently repeated in the paper and the related documents, gives evidence to the remark of Grimshaw, Vincent & Willmott (2002), which, in relation to the "New Labour" Government policy in general, notes that, *"'competition' is the main driver for ensuring continuous improvements in public service"* (p.5). Other policy documents, e.g. ***"Education and Skills: The Economic Benefit"*** (DfES, May 2003) or ***"Science and Innovation: working towards a ten-year investment framework"*** (HM Treasury/dti/DfES, March 2004) support this view. The former addresses issues of the linkage between higher education, economic well-being, and social inclusion. In the summary it is said: *"It is crucial that education policies are viewed from an economic per-*

spective. The Department is committed to evidence-based policymaking. Policy must be made on the basis of what is known to be effective, thereby helping to ensure good value for money." (p.4)[16] In the latter, published under the lead of HM Treasury, a ten-year investment framework is proposed.[17] Using the language of competition, it is claimed: *"We must ensure that the institutions which foster the most excellent research can continue to compete at the highest level, and that the benefits of this global leadership can be leveraged across the UK economy."* (p.1) In difference to Webb (1999), even the terminology, not only the set of practices, of "New Labour" is partly linked to the economic and especially the globalization discourse.

In the ***White Paper***, the *"danger of decline"* is diagnosed for all the topics in the content list. In research, two aspects, both related to the 'competition'-stream, seem most remarkable. First, the benefits derived from the concentration of funding sources are emphasised, with the aim to have *"a number of institutions able to compete with the best of the world."* (p.14). Second, a more differentiated academic pay structure is announced – with salaries high above the average, functioning as incentives *"for the best researchers."* (p.14) In teaching, complains have been made that, *"promotion for academics is based on research excellence, rather then teaching ability."* (p.15) Consequently, this leads to recruitment difficulties. Furthermore, students have insufficient information on how good the teaching is, and finally, there is a continuous decline of the staff-student ratio. Regarding the relations between HE and the business sector, the issue of knowledge transfer is still seen as too weak: the *"exploitation of intellectual property … is weak by international standards."* (p.15). HEIs have to improve their performance according to the needs of the business sector. Expansion and flexibility of HEIs means *"to close the productivity gap we must close the skills gap."* (p.16). That is, to face the growing demand for graduates, secondly, to recognise the requirements of an era of lifelong learning and finally to sustain employability. That means in general, to serve the needs of the economy and business. Therefore, the social and cultural prejudice for work-focused courses and especially two-year degrees is to come to an end. The problems of fair access refer to the second central stream of the paper – social justice. In contrast to the 1991 paper and the overall policy of the Tory Government, HE is set in a more societal context. Therefore, inequality and differences among social classes are addressed[18]: *"This state of affairs cannot be tolerated in a civilised society. It wastes our national talent; and it is inherently socially unjust. We know*

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[16] Similar: *"Economic principles play a crucial role in identifying the correct resource for publicly-funded education and ensuring maximum impact from that resource."* (p.39)

[17] See for the final framework: "*Science & innovation investment framework 2004-2014"* (HM Treasury, July 2004).

[18] See Figure 1, Annex A.

that the roots of inequality are deep – in the education system, social class differences show themselves from the very early years. We are tackling them throughout the education system and beyond, knowing that the most important factor in getting access to higher education is earlier results at school or college. But we cannot allow this to be an excuse for failing to take decisive action to improve access to higher education." (p.18) This quotation gives evidence to the at least discursive change, which took place after the election of Tony Blair and "New Labour" in 1997 (Newman 2001). The issue of fair access is highlighted in the paper ***"Widening Participation in Higher Education"*** (April 2003), in the final report of the Steering Group of the Admissions to Higher Education: ***"Fair admissions to higher education: recommendations for good practice"*** (September 2004)[19], and in a number of documents related to the foundation of OFFA.[20]

The insistence on concepts such as "civil society" and the more holistic policy approach gives first evidence to a shift in Government concepts, broadly discussed as 'governance' (see among others Rhodes 1997, Pierre 2000b, Hirst 2000, Flinders 2002, Bevir/Rhodes 2003).

In funding, we can identify two doctrines. On the one hand, the Government's investments in Higher Education will rise.[21] On the other hand, it is announced more freedom will be given to HEIs to access new funding streams. One preferred way is the establishment of endowment funds and the enforcement of fundraising, which, nevertheless, require a change in the 'attitude' of professionals.[22] In May 2004, a Task Force[23] on voluntary giving published its report: ***"Increasing voluntary giving to higher education. Task Force report to Government."*** (DfES, 2004). There it is noted: *"In striving for excellence in higher education, voluntary giving can make a significant difference. We are convinced that all higher education institutions have the potential to build a base of supporters and raise funds, focusing on their individual strengths."* (p.5). Not surprising, American universities are introduced as role models.[24]

The last point highlighted in "the need for reform" chapter serves both a more economic/managerial and a 'governance' discourse. An overall diversity among HEIs is diagnosed and, moreover, *"it needs to be acknowledged and celebrated"* (p.20). However, diver-

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[19] See also: www.admissions-review.org.uk

[20] e.g.: *"OFFA Letter of Guidance"* (DfES, 2004) and *press notice 2004/0188*; see also: www.offa.org.uk.

[21] See Figure 2, Annex A. Remarkable is the strong increase (127%) of investments in management, leadership and strategic development, which speaks for the ongoing trust in private sector methods.

[22] *"Harvard has an endowment fund of $18 billion, while Oxford University and its colleges have only £2 billion. This, though, will require a significant change in attitude from donors, including alumni."* (p.19)

[23] The Task Force, as one result of the White Paper, was established in July 2003.

[24] Eric Thomas, Vice-Chancellor of the University of Bristol, who was the Chair of the Task Force said in reference to the publication of the report: *"We have a lot to learn from our American counterparts. It is a myth that people in the UK are reluctant to give to universities, but we are not good enough at asking them. Most of us need to shift our efforts up a gear or two and adopt a more professional approach."* (*Annual donations to universities should top £400 per student* - Public Relations Office, University of Bristol, 2004).

sity is necessary for economic, i.e. budgetary, reasons. In a neo-classical/Ricardian way it is argued: *"scarce resources are applied in such a way as to produce a focus on comparative advantage: individual institutions focus on what they do best, while the sector as a whole achieves this much wider range of objectives."* (p.20) On the one hand, the celebration of diversity and the idea that diversity allows collaboration and reduces competition is in line with the 'governance' stream. As an example of the affinities with the Tory policies of 1991 onwards it is argued: *"One of the results of universities acting as if they all had the same mission has been that institutions across the sector view each other as competitors; more diversity will make collaboration easier as institutions with complementary missions associate."* (p.20) On the other hand, the notion of “scarce resources” and “competitive advantage” reminds us of two of the seven NPM doctrines in their classic formulation by Hood (1991) – first the importance of *competition* and second the promotion of discipline and *parsimony* in resource allocation (see also Walsh 1995 and Metcalfe/Richards 1990).

Until now, a mixture of ideas and beliefs on how to steer HEIs and how the future development of HEIs might be have been identified. On the one hand, the Government’s policy refers to the economic function of universities. That is, the policy language is often embedded in a managerial or NPM discourse. On the other hand, a more holistic approach with reference to concepts such as "civil society" and "cooperation", emphasising diversity, inclusion (i.e. "fair access") and the need for dynamic change is used. The 'need for change' metaphor and the reference to global processes and competition are both part of the scientific 'governance' discourse as well as part of the language and discourse of 'Modernization' (Pierre 2000b). This mixture gives evidence to Rhodes (1997) acknowledgement of 'hybrid' forms of governance, combining both 'old' and 'new' concepts of Government. It is also in line with Hams (1999) remark on an 'eclectic mix' of policy tools (see also Newman 2001, p.95ff.) and, more broadly, with the so-called "Third Way"[25]. Beside the NPM vs. ‘governance’ debate, our observation provides some evidence to the argument of Osborne/McLaughlin (2002), that NPM is very much part of a general shift in public administration in line with the idea of a “plural state”. Despite differences in language, the overall rejection of the classic “welfare state”, the emphasis on ‘individual needs’ and ‘freedom’ is the common ground of ‘Thatcherism’ and the politics of ‘New Labour’ (e.g. Clarke/Stewart 1998).[26]

[25] *"The Third Way suggests that it is possible to combine social solidarity with a dynamic economy, and this is a goal contemporary social democrats should strive for. To pursue it, we will need less national government, less central government, but greater governance over local processes."* (D'Alema, former Italian Prime Minister, cited in Giddens 2000, p.5).

[26] This is not the place to discuss the crisis of the welfare state and the general policy changes with their linkage to Post-Fordism, Globalization and so forth (e.g. Jessop 1991, Hoggett 1991; see also the classic work of Offe 1984).

The policy mixture and the role of the Government become clear in the 'vision for higher education', as formulated in the White Paper, which should be quoted at length

> *"Having presented a radical picture of a freer future, it is the duty of government to make sure that the transition is managed carefully and sensibly so that change is not destabilising. Therefore in some areas government will want to support the way in which institutions move towards new freedoms, and develop new patterns of provision. Government also has to retain a role because it is the only body that can balance competing interests between the different stakeholders. It will also have a responsibility to intervene when universities fail to provide adequate opportunities or when access, quality or standards are at risk. We see a higher education sector which meets the needs of the economy in terms of trained people, research, and technology transfer. At the same time it needs to enable all suitably qualified individuals to develop their potential both intellectually and personally, and to provide the necessary storehouse of expertise in science and technology, and the arts and humanities which defines our civilisation and culture."* (p.21)

By looking at the different topics of the reform, both the two streams and the different steering mechanisms will be reviewed in greater detail. As said before, it is important to make a distinction between the discursive or language level and the more or less concrete set of practices introduced in the White Paper and the other documents. Therefore, we have to be aware that the argumentation supporting the need for reform as reviewed before has much more to do with 'language' and discourse than with concrete practice. Nonetheless, the language of reform has the power to construct and enforce a specific view on HEIs, and therefore to enforce a specific type of steering, embedded in the 'Modernization', 'competition' and 'governance' discourses. Critically, one way to question the steering mechanisms of HEIs is to look for differences between 'talk' and 'action', 'language' and 'practice'.

III.2.3 Research

To start with the steering of *research activities,* we can identify the overarching topics of the White Paper in specific ways. There are three salient and interdependent policy strategies: collaboration, diversity and concentration. These issues are flanked by proposals for a reform of the research assessment exercise (RAE), a funding strategy, adjustments of payments, and a re-orientation concerning the relationship between research and teaching. The proposals are linked and partly based on the Government's strategy paper on science, engineering and technology ***"Investing in Innovation"*** (HM Treasury), published in July 2002.

To highlight *collaboration,* in the White Paper the Government *"proposes to encourage the formation of consortia, provide extra funding for research in larger, better managed research* *units, and develop criteria to judge the strength of collaborative work."* (p.23) The arguments for the encouragement of collaborations are twofold. In terms of the Government's idea of professionalism *"collaboration is a way of life for many researchers"* and *"[m]odern research is less amenable to the 'lone scholar' model"* (p.28). The analysis of the authorship of scientific articles[27] and a study on performance of research groups[28], serves as evidence for the changing role of academics.

In terms of efficiency, collaboration leads to economies of scale and to a more intensive use of plants and equipment. That is, to encourage collaboration corresponds both to 'governance' theory and NPM. In particular, the idea of direct controlling is neglected and endogenous forces related to the establishment of collaboration are addressed: *"Collaboration … cannot be imposed top-down. So we do not have a blueprint for particular sorts of collaboration – we want to encourage them to grow organically over time."* (p.29).[29] Nonetheless, in following Ferlie et al. (1996), the rejection of direct control is rather an adjustment or a new stage of NPM then a rejection of NPM in general.[30] Finally, both the idea of "governing at a distance" (Rose 1996) and ideas of organizational change as persecuted by neo-institutional theorists (e.g. Greenwood/Hinings 1996, Powell/DiMaggio 1991) can be identified.

The enforcement of *diversity* in research is linked to a number of practices. First of all, the distinction between teaching and research will be reinforced. The relationship between them is seen as only indirect and there is *"ample evidence of the highest quality teaching being achieved in circumstances which are not research intensive."* (p.28) Therefore, as a consequence of this argument, the Government's policy is to steer *"non research-intensive institutions towards other parts of their mission, and rewarding them properly for it, so that the RAE can be focused on the best research."* (p.26) This is in line with the language of diversity. However, it can be critically interpreted as an ongoing 'stratification' process (Henkel 2000) – similarly analysed in the 1991 paper. This enforcement of a division between teaching and research has been criticized in a number of responses to the White Paper, as published in ***"The Future of Higher Education. Commentary on responses received on the Higher Education White Paper and Paper on Widening Participation"*** (DfES 2003). The Government's commentary to the critics confirms the position articulated in the White Paper and indicates a concentration of research funding: *"We want universities and departments to con-*

[27] Smith, D./Katz J.S. (2000): Collaborative approaches to research. Final report for the HEFCE Fundamental Review of Research Policy and Funding, April 2000.
[28] *"The Role of Selectivity and the Characteristics of Excellence"* (HE Policy Unit, University of Leeds 2000).
[29] Collaboration can be seen as a kind of 'self-government' and therefore as part of the 'New Managerialism' (Reed/Deem 2002).
[30] According to Ferlie et al. (1996, p.10ff.), direct control is a quality of the "Efficiency Drive" model of NPM (see also Hood 1991). In difference, collaboration is a quality of the "Public Service Orientation" model.

centrate on what they do best. That may mean some tough decisions. In some cases, as with successful institutions abroad, it could include a preference for teaching, knowledge transfer, a greater regional focus and other forms of reach-out, rather than research. The Government is not seeking an artificial divide between teaching and research. We recognise and accept what the HE sector tells us: scholarship is essential to a successful university because it is required for good teaching. Lecturers need to keep up to date with their field through engagement in some form of advanced scholarly activity. But this need not necessarily be through participation in government-funded, leading-edge research." (p.6f) That is, it is not 'forbidden' to do research, even if you are a non-research intensive HEI[31]. However, you have to look by yourself how you can fund it.

Beside the QAA (for teaching), the RAE scheme is one of the major policy changes for the funding of research over the last 20 years.[32] Critically, Keenoy (2004) sees the RAE as a main driver of a growing audit culture in HEIs[33], shaping the academic life and work of researchers, even if they profit from the RAE. In the White Paper there is no such critical reflection. On the contrary, it is proposed to enlarge the scheme by the introduction of a new category (6*), to divide the "strong" from the "strongest" to give extra support to the latter institution, departments or networks. In 2004/05 £23,9M will be allocated to this new category "Best 5*" through the HEFCE.[34] These extension and differentiation of the audit procedure of the RAE is in line with one of the qualities of the "Efficiency Drive" model of NPM (Ferlie et al. 1996), and the NPM doctrine of explicit standards and performance measurement (Hood 1991, Osborne et al. 1995).

As the set of practices concerning collaboration and diversity show, the idea of the *concentration* of research is a driving force for Labour in 2003, as it was for the Tory Government in 1991. To sum up this position, the Government *"intends to further improve the position of research by focusing resources more effectively on the best research performers, and by providing appropriate incentives for university researchers to collaborate among institutions and across traditional disciplines. Concentration brings real benefits, including better infrastructure (funding excellent equipment and good libraries), better opportunities for interdiscipli-*

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[31] The RAE scheme will be described in the next paragraph.

[32] The Research Assessment Exercise (RAE) was introduced in 1986. The RAE took place every four or five years through a process of peer review by panels of experts – both academics and users of research such as business people. The most recent RAE took place in 2001. Institutions were able to submit their research in up to 69 different subject areas and each submission was awarded a quality rating according to a standard scale. For an overview of the current RAE scale see figure 3, Annex A. Only HEIs ranked at least with category 4 get support from the HEFCE (see figure 4, Annex A for the funding weights according to the RAE ranking).

[33] Keenoy refers to the idea of an audit society (Power 1997, 2001; also Reed 2002).

[34] *"Funding higher education in England. How HEFCE allocates it funds"* (HEFCE, 2004), p.18. The overall research funding from HEFCE is £1,061.4 millions in 2004/05.

nary research, and the benefits for both staff and students which flow from discussing their research and collaborating in projects." (p.28)
Finally, the creation of an Arts and Humanities Research Council (AHRC), is recommended for the year 2005. The Arts and Humanities Research Board (AHRB) will then have the status of a research council. The Government expects: *"stronger links between researchers in different disciplines, more participation by the arts and humanities in national and international programmes, and reduced bureaucracy for institutions as AHRC systems are aligned with those of the other research councils."* (p.32)

research – doctoral programmes

Finally, the HEFCE is asked to set high minimum standards for the training of PhD students. In terms of diversity and concentration, this steering practice, *"may lead to larger graduate schools in fewer HEIs"* (White Paper, p.33). Concerning doctoral programmes, the White Paper draws on the review of Sir Robert Gareth ***"SET for Success"*** (HM Treasury 2002) of the supply of people with science, technology, engineering and mathematics skills[35], and the "***Review of Graduate Studies in the Humanities and Social Sciences"*** (The British Academy 2001)**.** In both documents, the steering proposals of doctoral programmes are more elaborated. In "SET for Success" two major problems of doctoral programmes are identified (p.111). First, at least in the short-term, a PhD study is financially unattractive.[36] The current financial support is one cause for the declining number of postgraduate science and engineering PhDs awarded: The National Minimum Wage (£7,477/year) is *"approximately equal to the current level of PhD stipends (£7,500 in 2001–2002), which are not taxable. This sends a signal to prospective students that undertaking a PhD is likely to result in a rather Spartan existence."* (p.118) Therefore, it is proposed to increase the stipend to a minimum of £10.000 and to an average of £12.000 a year. In addition, the stipend should take market conditions into account: *"It is also important that stipends better reflect the relative supply of, and market demand for, graduates in different disciplines."* (p.125). It can be assumed that this mechanism will affect the choice of students of their PhD subject, because of the importance of the financial support. That is, stipends can be seen as a new steering mechanism to make disciplines with a high market demand more attractive.
More emphasis is given to the second problem. The review concerns, that *"[c]urrently, PhDs do not prepare people adequately for careers in business or academia. In particular, there is*

[35] For engineering see in particular: *Doctoral Level Research Students in Engineering*: *A national concern.* Royal Academy of Engineering, February 2002.
[36] For a quantitative overview see figure 5 and 6, Annex A.

insufficient access to training in interpersonal and communication skills, management and commercial awareness." (p.111) Furthermore the report complains, that *"the postdoctoral research experience are not adapted to businesses' R&D needs, but reflect only the aims of the academic community."* (p.127). A lack on training in communication, management and commercial awareness is diagnosed. Researchers should be trained to face the demands of *"modern academic life and employment"* (p.128).[37] Therefore, a number of recommendations are made. First, a stronger quality control in PhD training is supposed. That means in detail, to:

- ensuring PhD students' work is creative and original;
- supporting and rewarding good PhD supervision; and
- increasing students' participation in and learning from training in transferable skills. (p.129)

Minimum requirements should be developed, which need to be fulfilled in order to be eligible for HEFCE funding. Therefore, the research assessment process should be extended.

Secondly, the training in transferable skills has to be enforced. The direction of this training has a clear business orientation. PhD students should develop their team-working and communication skills. This can be achieved by *"using 'active learning', a mixture of case studies and business games including simulations relating to research and development, product development, marketing and crisis management. Career development and awareness is promoted through hearing about the experiences of the young managers and in sessions on interviewing and CV-writing skills.*" (p.130)

Thirdly, the review addresses the self-management of the PhD students. PhD students should not be 'passive clients' of the HEI, but take ownership and the responsibility for their own learning.

Finally, it is recommended that HEIs should be given more flexibility to introduce 3 and 4 year programmes. Therefore, the Government and the Research Councils should fund their present numbers of PhD students on the basis that the average full-time student requires funding for 31/2 years. New PhD programmes as the Wellcome Trust PhD[38] and the New Route PhD[39] are introduced as possible role models.

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[37] See also: "*The Chemistry PhD – the Enhancement of its Quality*". Royal Society of Chemistry, April 1995. [http://www.rsc.org/lap/polacts/phd.htm]

[38] A 4-year programme in life science containing practical mini-projects and a 3 months programme on research technique and scientific writing. See also: *"Review of Wellcome Trust PhD Research Training: The Student Perspective"* (The Wellcome Trust, March 2000).

[39] A 4-year programme combining a research project and research training (comprising approximately 60-70 per cent of the programme) with a programme of formal coursework.

Overall, the review asks the HEIs that these measures are reflected in their human resources strategies.

The *"**Review of Graduate Studies in the Humanities and Social Sciences**"* emphasises the financial constraints. The review presents 13 recommendations[40], which highlight the weak financial support, the lack of flexibility in the support of PhD students and the improvement of academic pay and conditions.

The different measures and recommendation in relation to doctoral programmes addresses a number of different steering ideas and mechanism. The idea of a reinforced quality control are close to the traditional understanding of NPM, the idea of steering trough stipends addresses market-mechanism. More important, the recommended re-orientation of the PhD programmes indicates the changing understanding of first the role of academics and second the role of PhD programmes in general. For academics, a changing role and a changing idea of professionalism is addressed. Today, communication, management and commercial awareness is necessary and will play a more important role in the future. How, at which extent and in which direction the change in doctoral programmes affect individual and academic life can only be speculated.[41] The direction of steering – a stronger market-orientation - seems clear.

research – specific funding conditions

Besides the principles and practices presented in the White Paper and the reviews on doctoral programmes, additional changes related to the dual support system of research funding, are enforced in a number of documents. In the ***"Cross-Cutting Review of Science and Research: Final Report"*** (HM Treasury 2002), published in March 2002, and in the Government's Science Strategy ***"Investing in Innovation"*** (HM Treasury 2002)[42] it is recommended that Higher Education Institutions shall move to a full economic cost (FEC) basis for calculating, charging and recovering the costs of their research. Full economic costing includes direct and indirect costs; space/estates charges; depreciation; and an adequate recurring investment in

[40] In order of their priority: Allow phased waiving of student debt, Increase the level of stipend for PhD students, Allow postgraduates to apply for student loans, Introduce greater flexibility and special initiatives targeted at important 'endangered' and 'emerging' subjects, Improve academic pay and conditions, Develop greater flexibility in the support of research students, Increase the number of postdoctoral fellowships, Improve the marketing of postgraduate opportunities and research careers by the OST/Research Councils/AHRB/British Academy/Universities, Ensure that there is comparability between the grant levels for masters and PhD awards in the humanities, Increase the number of awards available in the arts, humanities and social sciences, Protect institutional support arrangements for research students, Review the subject classifications for national data on HE, and finally: Monitor the impact of changes in prior preparation for undergraduate studies.

[41] For the relationship of professionalism and managerialism and some tendencies see Poole et al. (1995), Birchall et al. (1995), Flynn (2002), and the book of Exworthy/Halford (2002). For academic identities Henkel (2000).

[42] see also: *University Research: Costs to Governments Departments* (letter from HM Treasury to OST and DfES) (HM Treasury, 2003).

infrastructure. Indirect costs of research include such items as the university's central library, university administration, etc. To reach FEC, the management system of HEIs has to be developed: *"institutions should be accountable for ensuring that they recover the full costs of research, taking one year with another and including any contribution that they wish to make to these costs from internally generated funds. To do this effectively, institutions will need to develop their management systems to be able to cost accurately at project level."* (Cross-Cutting Review of Science and Research: Final Report, p.4).

Furthermore, Full Economic Costing is seen as a condition for the so-called sustainability of research. In particular, transparency is needed to end the perceived low price culture. As notified in ***"The sustainability of university research. A consultation on reforming parts of the dual support system"*** (dti/OST, 2003), a paper based on the documents mentioned before: *"We intend to make explicit HEIs' central responsibility for the sustainability of their research; they will be placed under a responsibility at institutional level to recover the full economic costs of the totality of the research that they undertake."* (p.3) Therefore, the so-called TRAC (Transparent Approach to Costing) methodology has to be developed in the direction of FEC.[43] As articulated, in order to receive the full costs of research from the research and funding councils, FEC is required: *"If HEIs are to be able to recover the full economic costs of their research, they need to be able to determine those costs reasonably, accurately and in a way which research sponsors accept."* (p.10)

First, the ideas of FEC and TRAC show strong connections to NPM principles - accountability, transparency, the development of management systems and emphasis on "lean and purposeful" core values, as noted by Hood (1991) and Hood and Jackson (1991). Second, the idea of sustainability seems more in line with the "robust and resilient" value of public administration (Hood/Jackson 1991). To end the low price culture means to reduce the competition for research funding between HEIs. It can be questioned that on the background of the funding principles HEIs are 'responsible' and recover the FEC.

III.2.4 Teaching and Learning

The steering and reform proposals which refer to teaching and learning cover a wide range of issues and practices. Overall, we can identify three directions of reform in the White Paper. A first group of practices can be described as close to the ideas of measurability (quantification), standardisation, transparency and quality. That is, ideas following the NPM "Efficiency Drive" model – which includes an extension of audit and the monitoring of performance (Fer-

[43] Therefore, the OST works together with the Joint Costing and Pricing Steering Group (JCPSG) (p.10).

lie et al. 1996). For reasons of improving students choice and the proliferation of 'good practice', a higher transparency, an adjustment of quality measurement mechanism and a set up of national teaching standards is announced. Similarly as in the 1991 paper, students are directly addressed as 'customers': *"To become intelligent customers of an increasingly diverse provision, and to meet their own increasing diverse needs, students need accessible information."* (p.47) Therefore, an easy-to-use Guide to Universities, containing reports of external examiners and information about teaching standards, and a national annual survey, containing the views of the students, will be published from autumn 2003 on. Furthermore, the measuring and recording of student achievements will be enforced. In particular, the progress being made on the use of transcripts and personal development portfolios should be reviewed as well as new methods of *"measuring 'value added' – the distance travelled by the individual learner"* (p.48) introduced. In addition to the idea of choice and 'students as customers', the guarantee of good-quality teaching for everyone is highlighted. Therefore, a national professional standard by 2004-05[44], changes in quality assurance, and a higher robustness of degree standards[45] are proposed. In detail, quality assurance should be placed in the responsibility of the institutions themselves.

On the one hand, standardisation and measurement stand for a narrow NPM approach. On the other hand, the Government steers in following the *"principle of intervention in inverse proportion to success"* (p.50) – a principle related more to a 'governance' approach. Again, we can identify a kind of policy mixture – a strong regulation on the side and a “governing at a distance” (Rose 1996) and the idea of self-government and self-control on the other side. The latter can be interpreted as in correspondence to the idea to give power back to the institutions - a quality of the “Public Service Orientation” model of NPM (Ferlie et al. 1996). Furthermore, the emphasis on quality – and not only on costs, is another indicator for this NPM model.

A Task Group on quality assurance, chaired by Professor Sir Ron Cooke, Vice-Chancellor of the University of York, published a first consultation document in November 2001[46]. The final report (***“Information on quality and standards in higher education. Final report of the Task Group”*** - HEFCE 2002) addresses three principles of quality assurance (p.5):

[44] Introduced through the proposed foundation of the so-called Teaching Quality Academy.
[45] For this reason, first, a strengthening of training for internal (and maybe later external) examiners is proposed and second, a national development programme for external examiners will be set up in 2004-05.
[46] *“Information on quality and standards of teaching and learning: proposals for consultation”* (HEFCE 2001). See also: *“Quality assurance in higher education”* (HEFCE/UUK/SCOP/QAA 2001)

1. meeting public information needs - stakeholders – and above all students – can obtain information which is up-to-date, consistent and reliable about the quality and standards of teaching and learning at different HEIs;
2. recognising the primary responsibility of each HEI to operate robust internal mechanisms for setting, maintaining and reviewing quality and standards; for generating information about its quality and standards; and for publishing the key parts of that information; and
3. "lightness of touch" - the burden on HEIs should be reduced to the minimum, consistent with proper accountability and meeting information needs, and so that the greatest value is secured from the resources used.

The final report presents and recommends an extensive list of information, which should be available in all HEIs. The final report seems to follow a strong belief in auditing and the objectivity of information to steer HEIs. For the reason to give the impression of the detailed quality assurance recommended, the list is presented below:

a. Information on the institutional context:

i. The HEI's mission statement.

ii. Relevant sections of the HEI's corporate plan.

iii. Statement of the HEI's quality assurance policies and processes.

iv. The HEI's learning and teaching strategy and periodic reviews of progress.

b. Information on student admission, progression and completion:

i. Student qualifications on entry.

ii. The range of student entrants classified by age, gender, ethnicity, socioeconomic background, disability and geographical origin as returned to the Higher Education Statistics Agency (HESA).

iii. Student progression and retention data for each year of each course/programme, differentiating between failure and withdrawal.

iv. Data on student completion.

v. Data on qualifications awarded to students.

vi. Data on the employment/training outcomes for graduates from the First Destination Survey (FDS).

c. Information on the HEIs internal procedures for assuring academic quality and standards:

i. Information on programme approval, monitoring and review:

- · programme specifications
- · a statement of the respective roles, responsibilities and authority of different bodies within the HEI involved in programme approval and review
- · key outcomes of programme approval, and annual monitoring and review processes
- · periodic internal reports of major programme reviews
- · reports of periodic internal reviews by the institution of departments or faculties
- · accreditation and monitoring reports by professional, statutory or regulatory bodies.

ii. Information on assessment procedures and outcomes:

- · assessment strategies, processes and procedures
- · the range and nature of student work
- · external examiners' reports, analysis of their findings, and the actions taken in response
- · reports of periodic reviews of the appropriateness of assessment methods used.

iii. Information on student satisfaction with their HE experience, covering the views of students on:

- · arrangements for academic and tutorial guidance, support and supervision
- · library services and IT support
- · suitability of accommodation, equipment and facilities for teaching and learning
- · perceptions of the quality of teaching and the range of teaching and learning methods
- · assessment arrangements
- · quality of pastoral support.

iv. Information and evidence available to teams undertaking HEIs' own internal reviews of quality and standards in relation to:

- · the effectiveness of teaching and learning, in relation to programme aims and curriculum content as they evolve over time
- · the range of teaching methods used
- · the availability and use of specialist equipment and other resources and materials to support teaching and learning
- · staff access to professional development to improve teaching performance, including peer observation and mentoring programmes
- · the use of external benchmarking and other comparators both at home and overseas
- · the involvement of external peers in the review method, their observations, and the action taken in response.

d. Information for publication:

i. Quantitative data:

- HESA data on student entry qualifications (including A-levels, access courses, vocational qualifications, and Scottish Highers).
- Performance indicators and benchmarks published by the higher education funding bodies on progression and successful completion for full-time first degree students (separately for progression after the first year, and for all years of the programme).
- HESA data on class of first degree, by subject area.
- Performance indicators and benchmarks published by the higher education funding bodies on first destinations/employment outcomes for fulltime first degree students.

ii. Qualitative data:

- Summaries of external examiners' reports on each programme.
- A voluntary commentary by the HEI at whole institution level on the findings of external examiners' reports.
- Feedback from recent graduates, disaggregated by institution, collected through a national survey.
- Feedback from current students collected through HEIs' own surveys, undertaken on a more consistent basis than now.

- A summary statement of the institution's learning and teaching strategy as presented to the HEFCE under the Teaching Quality Enhancement Fund programme.
- Summary statements of the results of, and the actions taken in response to, periodic programme and departmental reviews, to be undertaken at intervals of not more than six years.
- Summaries of the HEI's links with relevant employers, how the institution identifies employer needs and opinions, and how those are used to develop the relevance and richness of learning programmes. These should be included as part of learning and teaching strategies and in individual programme specifications.

The idea of the use of student feedback to improve the quality of teaching was developed in an elaborate manner in a report to HEFCE in May 2003, an outcome of the Cooke report: ***"Collecting and using student feedback on quality and standards of learning and teaching in HE"*** (Centre for Higher Education Research and Information/NOP Research Group/SQW Limited 2003). The major aim of the project team carrying out the report was to identify good practice by HEIs in collecting quantitative and qualitative feedback from students and to make recommendations on the design and implementation of mechanisms for use by individual institutions. In particular, the purposes, mechanism, and the collection of questionnaires are discussed.[47] Furthermore, the project team makes recommendations on the design and implementation of a national survey of recent graduates. The use of student feedback is in line with another quality of the "Public Service Orientation" model of NPM – the *"reliance on user voice rather then costumer exit as the characteristic source of feedback"* (Ferlie et al 1996, p.15).

In the White Paper, s second group of practices is related to pay conditions and HRM practices. For better payment and more funding for research, the Government expects the introduction and enforcement of (modern) human resource management strategies from the HEIs. That means: *"once individual institutions have human resource strategies that demonstrate to HEFCE that they will take steps to move towards market supplements or other differentiated means of recruiting and retaining staff, and commit themselves to rewarding good performance, their earmarked funding will be transferred into block teaching grants."* (p.52) The ideas articulated in the paper are to differentiate the pay for teachers, reward "excellence" and set incentives for a stronger engagement in teaching. In consequence, the rewards for excellence (£50,000 to 20 outstanding teachers), offered by the National Teaching Fellowship Scheme, will be enlarged. On the institutional level, centres of teaching excellence (with a

[47] The report contains also an extensive literature review on questionnaires and student feedback, written by Professor John T. E. Richardson, Institute of Educational Technology, The Open University.

funding of £500,000 a year for five years) will be introduced.[48] Again, a mixture of new NPM ideas ("teaching excellence" and a market-based steering are combined.

The last two practices, rewards & centres for excellence, lead to another point, which is important to understand the Government's position. The paper refers frequently to the weak reputation of teaching in HEIs, in particular in comparison to research activities. Therefore, besides the practices already mentioned, the Government proposes to award the title "University" to institutions, which only have the power to award taught degrees, not research degrees, which are necessary to be awarded.[49] It can be argued, on one hand, that a number of practices are driven by the idea of an improvement on the reputation of teaching. On the other hand, it could be assumed that the pressure on the teaching staff, as result of the increasing measurement mechanism, standardisation and the 'student as customer' philosophy increases substantially. At least, tensions between the two streams could be expected.

In completion, beyond the question of reputation, the relationship, in particular the interdependence between teaching and research is mentioned. As, even more vaguely, formulated in the research chapter, the Government sees no relation between the quality of teaching and the quality of research.[50] The denial, based on two reports, of a positive relationship between teaching and research serves the Governments recommendations on diversity and concentration. Critically, the problem of 'stratification' is addressed (Henkel 2000).

III.2.5 Higher Education and Business

Overall, the proposals made to adjust the relationship between HEIs and business are more of sketches than concrete measures. At the moment of the publication of the White Paper, the ***"Lambert Review of Business-University Cooperation"*** (HMSO, 2003), a review of connections between the higher education sector and the business sector, on which the Government would draw in formulating her strategy, was not yet published. The rather vague proposals can be divided into three core topics. For all three topics, the Government's policy draws in a substantial extent on regional networks, partners and collaborations. That is, what is more advocated here, is a network-'governance' approach, which is less directional but more influential through specific policy mechanisms (Pierre 2000, Newman 2001).

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[48] These centres, located in HEIs, will be identified through a peer review managed by the HEFCE.

[49] See also: *"Renewable Degree Awarding Powers. Discussion Paper"* (DfES, May 2004) and *"Consultation Report. Analysis of Responses to the consultation on renewable degree awarding powers – discussion paper"* (DfES, 2004).

[50] This argument takes its evidence from two reports: First: Hattie J./Marsh, H.W. (1996). This report looked at 58 studies which contained ratings of both research and teaching, and found no relationship between the two. Second: *"Interactions between Research, Teaching and Other Academic Activities: Report to the HEFCE as part of the Fundamental Review of Research Policy and Funding"* (HEFCE 2000).

The first measure in the White Paper, in line with the idea of 'diversity', addresses less- or non-research intensive universities. It is expected, that these HEIs intensify their knowledge transfer and knowledge exchange in cooperation with, above all, the regional economic and business. In a somewhat ‘threaten’ language, the Government wants to *"see staff in these institutions acquiring a group of leading edge technologies and exploiting them by creating innovative solutions to real world problems and needs, rather than themselves making breakthroughs in science or technology. To do this, they will need to link with industry in ‘communities of practice’ as part of their day to day teaching and research."* (p.38)

Secondly, to identify best practice between HEIs and business, networks of 20 knowledge exchanges will be funded. To be funded, following a network-'governance' approach, a Knowledge Exchange will, among other criteria outlined in the paper, need to demonstrate, *"strong support from employers and good partnerships with key stakeholders, including the relevant RDA, and Sector Skills Councils, and a demonstration of how its work fits into the RDA strategy, and helps serve the local and regional economy"* (p.38).

Thirdly, with reference to the idea of "civil society" HEIs and, in particular, RDAs are asked to take a leading role in strengthen regional partnership and networks to enrich social life and support regional business. Therefore, the proposal is meant to strengthen the position of RDAs. In terms of steering HEIs, it is proposed that RDAs will play a growing role in the distribution of funds from the HEIF (Higher Education Innovation Fund)[51]. The HEIF should only promote activities which meet the following criteria:

- a concentration on acquired knowledge/technology;
- cooperation with regionally based companies;
- exploiting acquired technology by creating innovative solutions to “real world” problems;
- linking with business in “communities of practice”;
- providing routes to reach SMEs and less “technologically sophisticated businesses”; and
- developing an appropriate balance between market-priced interactions and contributions to social and cultural knowledge transfer needs. (“***Science & innovation investment framework 2004-2014”*** - HM Treasury, July 2004, p.76)

The steering through RDAs should guarantee that HEIs support the local economy with their research, through knowledge transfer, and skills development. To be funded, a *"strong support from employers and good partnerships with key stakeholders, including the relevant*

[51] The Higher Education Innovation Fund was founded in 2002. HEIF is an England-only fund. The devolved administrations have similar programmes of support through their own Funding Councils

RDA, and Sector Skills Councils, and a demonstration of how its work fits into the RDA strategy, and helps serve the local and regional economy" (White Paper, p.39), will need to demonstrate. In its focus on non-research intensive HEIs, the increasing role of HEIF as third stream funding[52] is in line with the first measure. The central role of RDAs in strengthening business-university links is particularly announced in the ***"DTI Innovation Report"*** (2003), the ***"Lambert Review …"*** (2003), the ***"Science and Innovation: working towards …"*** (March 2004) paper and the final ***"Science & innovation …"*** (July 2004) framework. In the framework, in line with proposals of the Lambert Review, RDAs are asked to deploy their own funds related to research by meeting the needs of the local business. In addition, the RDAs have agreed that business-university collaboration will be one of the measures of RDA performance. Furthermore, all RDAs are setting up a Science and Industry council until the end of 2004.

Beyond the demonstrated network and 'governance' approach, the role of RDAs gives evidence to another idea, formulated in a number of articles. Delanty (2002), referring to a study of Gibbons et al. (1994) diagnoses a dramatic change of the role of universities – from an institution producing knowledge and truth to an institution serving the needs of users: *"there is a new mode of production which will undermine the role of the university which is becoming irrelevant to the emerging applied and user-shaped kind of knowledge that is now required."* (p.42).[53]

Finally, supporting this diagnosis, the role and the future of foundation degrees[54] are highlighted and discussed in this part of the White Paper agenda.[55] A development funding is provided to design new foundation degrees, which suit the requirements of key employment sectors. Furthermore, it is proposed that, *"We now need to embed foundation degrees and ensure that they are widely accepted and valued both by employers and students. As they become the major vehicle for expansion in higher education overall they will help to radically improve the delivery of technical skills to industry, business and services, not only for young people, but also for adults returning to training to update their technical skills."* (p.43) It is obvious, although not explicitly articulated, that foundation degrees lack of reputation. Therefore, it is proposed to, *"[r]ecognise that foundation degrees are ends in their own right, giving them*

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[52] The Government is increasing the size of HEIF from £80 million available in 2004–05 to £90 million in 2005–06 and £110 million in 2007-08. The role of HEIF in supporting and steering non-research intensive universities is also articulated in *"Investing in Innovation"* (2002) and the *"Science & innovation"* (2004) framework.

[53] See also: Slaughter/Leslie (1997), and Etzkowitz/Leydesdorff (1997).

[54] The Foundation Degrees were introduced from the academic year 2001-02 on. See also: *"Foundation Degree Prospectus"* (HEFCE, 2000)

[55] The problem of foundation degrees plays a major role in the policy mechanism of the expansion of higher education – see chapter III.2.6.

enhanced status as qualifications. Those with foundation degrees will have the right to use the letters 'FDA' (for arts based subjects) or 'FDSc' (for science based subjects) after their names." (p.44). A national network of Universities, the "Foundation Degree Forward" (FDF) will be established. The aims of the FDF are the establishing and validation of Foundation Degrees, and the dissemination of good practice (p.57). The reasons, measures and the present and future of Foundation Degrees and the FDF are also highlighted in "***Foundation Degrees. Meeting the need for higher level skills"*** (DfES, 2003).

To sum up, on the one hand, we could identify a more network-'governance' approach in the White Paper and the related documents. At least the non- or less-research intensive universities are asked to build networks with the regional business and cooperate with regional agencies, particularly the RDAs. On the other hand, there was some evidence of the idea of an adjustment of HEIs to economic or business needs, particularly for non- or less-research intensive universities and in the case of foundation degrees. The latter gives evidence to the tendencies articulated by Delanty and others.

As mentioned at the beginning of this chapter, the relation of HEIs and business is central to the so-called ***"Lambert Review"*** from December 2003. In short, the review recommends a stronger role of third-stream funding, a growing role of spin-outs, an emerging role of RDAs, and the development of governance codes for HEIs (see chapter III.2.8). In addition, it is worth to notice that the report criticises the ongoing 'stratification' in research funding. The enforced division between research and non-research universities makes business-university collaborations more difficult: *"If resources are increasingly concentrated on a small number of world-class research departments, there is likely to be a negative impact on the level of business-university collaboration in the UK."* (p.14). It could be a point of further analysis, to look at the tensions or contradictions between a policy of stratification and the support of local networks.

III.2.6 Expanding Higher Education

In terms of quantity, the overall aim, concerning the expansion of higher education, is to increase participation to 50 per cent of those aged 18-30 by the end of 2010. Actually, the participation rate is already 43 per cent. The reasons for the expansion are mainly economic, embedded in the discourse of 'Modernization' and 'dynamic change': *"Society is changing. Our economy is becoming ever more knowledge-based – we are increasingly making our living through selling high-value services, rather than physical goods. These trends demand a more* *highly-skilled workforce. […]A comprehensive review of the academic literature*[56] *suggests that there is compelling evidence that education increases productivity, and moreover that higher education is the most important phase of education for economic growth in developed countries, with increases in HE found to be positively and significantly related to per capita income growth."* (p.58) Therefore, the aim of the expansion is to serve the needs of employers and the economy. In addition, the benefits for individuals are addressed: higher earnings, graduates are half as likely unemployed then non-graduates, personal and intellectual fulfilment. Moreover, in reference to the discourse of 'citizenship', graduates are likely to be more engaged citizens, and therefore graduates bring social benefit. However, the aim of expansion is clear. What is needed are *"new and employer-responsive types of degree."* (p.59)

In detail, three areas are addressed. Most important, the Government emphasises on the expansion of the two-year foundation degrees (see also the discussion in III.2.5). Foundation degrees should become the seminal higher education qualification focussing on vocational skills. Therefore, it is necessary to overcome *"social and cultural prejudice"*[57] (p.61) against work-focused higher education courses. To change the pattern of provision into the direction of foundation degrees, a number of steering practices are introduced. On the one hand, following a more economic or adaptive approach[58] (Donaldson 1999), additional funding for institutions and incentives (bursaries) for students are proposed. On the other hand, following the idea of 'networks' and partnership, the Government wants to establish a new national network of universities – the "Foundation Degree Forward" network, as discussed before. Furthermore, the paper recommends and welcomes partnerships between FECs and HEIs for providing "ladders of progression" for students: "*We believe that structured partnerships between colleges and universities – franchise or consortium arrangements with colleges funded through partner HEIs – will be the primary vehicles to meet these aims and will deliver the best benefits for learners."* (p.62). Finally, a number of practices for a more flexible teaching and learning, i.e. to better serve the needs of the 'economy' and of mature students, are proposed: First, "2+" models should give the opportunity to combine a foundation degree with an honours degree and switch between different institutions. Secondly, the spread and the consistent use of credit systems will be pushed. On the one hand, credit systems can be used by individuals to break off and start again in HEIs without having to repeat their passed courses. On the other hand, HEIs are able to develop flexible curricula but also face the problem of

[56] As source is mentioned: Sianesi, B./Reenen, J. Van (2002): The Returns to Education: A Review of the Macro-Economic Literature. Working Paper 2002/05, Institute for Fiscal Studies.
[57] It is notable that graduates with honour degrees earn 50 per cent more then those without degrees plus those who passed two-year work-focused courses.
[58] *"We believe that these stimuli are necessary to break the traditional pattern of demand."* (p.62)

comparability. Thirdly, the Government will support e-learning and therefore has set up the UK e-Universities project. Finally, the DfES will establish a pilot of a compressed two-year honours degree, with a different pattern of terms and shorter holidays[59].

Beyond the clear focus on networks, all these measures support the diagnosis of Delanty (2002) but also refer to the “Public Service Orientation” model (Ferlie et al.), particular in their reflection of the user.

III.2.7 Fair Access

Fair access means, *"[e]ducation must be a force for opportunity and social justice, not for the entrenchment of privilege. We must make certain that the opportunities that higher education brings are available to all those who have the potential to benefit from them, regardless of their background. This is not just about preventing active discrimination; it is about working actively to make sure that potential is recognised and fostered wherever it is found."* (p.67)

Both main discourses of the Governments policy – social justice and economic success, are synthesised in this quotation. The problem of fair access and discrimination was not articulated in the 1991 paper. That is, at least at the language level a policy change is addressed. We will see how the practices contribute to these ideas. First of all, a more holistic approach, referring to the whole educational system, can be identified. Wider access *"depends on building aspirations and attainment throughout all stages of education."* (p.68) The idea is, that *"education is the best and more reliable route out of poverty and disadvantage."* (ibid.)[60]

Therefore, a number of initiatives, e.g. in the frame of the Governments 14-19 strategy[61], or the "Success for All" programme for further education[62], frame the higher education measures. Concretely, to attract more young people from disadvantaged areas, the "AimHigher"[63] programme will be introduced, based on the previously Excellence Challenge programme (linking universities with schools and colleges) and the Partnerships for Progression initiative. On the one hand, an overall emphasis on partnership and networks can be identified.[64] On the other hand, some proposals to attract young people for higher education following the idea of

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[59] The idea of such a degree goes back to the Flowers report during the time of the Tory Government: *“The Review of the Academic Year. A report of the Committee of Enquiry into the Organization of the Academic Year.”* (HEFCE 1993.)

[60] It could be said, that the borders of this holistic are lying in the hope it attributes to the educational sector. Therefore, economic issues & stratification are 'mere' context. The idea to end up social stratification through education refers, for instance, to ideas related to the work of Basil Bernstein (1971).

[61] *"14-19 Curriculum and Qualifications Reform. Final Report of the Working Group on 14-19 Reform"* (DfES, October 2004).

[62] For details: “*Success for all: reforming further education and training*” (DfES, 2002).

[63] For an overview: *Departmental Report 2003* (DfES 2003), Chapter I. see also: http://www.aimhigher.ac.uk.

[64] E.g.: *"London has a large number of higher education institutions, and is uniquely well placed to offer opportunities for young people in its schools and colleges to understand and experience what higher education can*

'direct control' and 'direct steering'. For example, the Education Maintenance Allowances (EMA), of up to £30 a week is given to young people if they stay at school or college and sign a learning agreement.

The second point highlighted is the question of admission to HEIs. On the one side, *"it is not for the government to prescribe admissions systems, for which universities themselves are responsible."* (p.72). On the other side, a number of practices will be introduced or sharpened, which show clear links to the general ideas of NPM, esp. driven by the idea of transparency, monitoring, performance indicators and benchmarks. First of all, a new Access Regulator[65] is set in position to *"overseeing fair entrance"* (ibid.). One of its targets is the bearing down of drop-out rates. Although not explicitly mentioned, there seems to be an abuse of funding for fair access.[66] Furthermore, benchmarks and PI's are introduced to steer fair access: *"Performance indicators published by the Funding Council give information on how well each institution recruits low participation groups and how that compares to 'benchmarks' based on what would be expected for an institution in similar circumstances, taking the qualifications and background of applicants into account. HEFCE have set improvement targets for year-on-year progress, initially up to 2004 and then to be revised up to 2010."* (p.73). Finally, targeted funding, to compensate institutions for extra costs related to fair access, should be based on more differentiated indicators than the actual postcode analysis. In addition, drop-out benchmarks should be developed.[67] As mentioned in chapter III.2.2, the policy of fair access is also highlighted in the paper ***"Widening Participation in Higher Education"***[68] (April 2003), in the final report of the Steering Group of the Admissions to Higher Education: ***"Fair admissions to higher education: recommendations for good practice"*** (September 2004), and in a

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offer. We are keen to test some innovative approaches to partnerships through workshops, mentoring, taster courses, and in some schools, close involvement with higher education staff in schools with low progression to higher education so that parents and pupils come to see higher education as a natural choice." (p.70)

[65] All HEIs that wish to charge variable fees (see next chapter) are obliged to have Access Agreements, determined by an independent Access Regulator.

[66] *"But we must make sure that institutions are not exploiting their most vulnerable students by making up the numbers with students who cannot cope…" (p.75)*

[67] *We will ask the Access Regulator … to develop a system of drop-out benchmarks which take into account the composition of the student body. The Regulator will have the power to fine those institutions that persistently fail to meet their benchmarks, and will be responsible for working with them to improve the position in other ways." (p.75)*

[68] In the paper four conditions for fair access are pointed out:
attainment – gaining qualifications, either academic or vocational, that demonstrate achievement and give a guide to potential;
aspiration – having the desire to enter higher education and realise personal potential through gaining a higher education qualification, and being encouraged by parents, friends and teachers, as well as universities themselves, to do so;
application – knowing enough about the alternative universities and courses to put in an application to an institution which can satisfy the potential student's aspirations, and for which the student has the appropriate qualifications and qualities; and
admission – having achievement, potential and personal qualities recognised through prior attainment and in a number of other ways, and beginning a course which the student is capable of completing. (p.5)

number of documents related to the foundation of the OFFA. The Office for Fair Access is the institutional body for the regulation of access. Its main purpose is to control the access agreements of HEIs, if they wish to rise to tuition fees above the new minimum of £1.000 (see the chapter III.2.8). However, reading the ***"OFFA Letter of Guidance"***, carried out by the DfES in October 2004 leaves the impression of a relatively weak institutional body. For instance, the possibilities of sanctions are limited. It can be argued, that the idea of fair access can collide with the idea of additional funding of HEIs through higher tuition fees. The next quotation gives an idea of the possible tensions: *"However, one of the Government's objectives, in allowing institutions to charge variable fees, is to increase the resources available to the HE sector. It would be in the spirit of this policy for the lion's share of any extra income raised by any institution from its higher tuition fees to be available to that institution to spend as it sees fit, rather then required to be spent under its access agreement."* (OFFA Letter of Guidance, 6.1)

III.2.8 Funding, Management & Governance

The last chapter of the White Paper is named "Freedoms and funding". Although wrapped up in more emphatic language and discourse, freedom means first of all to have the liberty to look for other funding streams. Critically, it can be said that freedom means more pressure to HEIs to raise funds. The Government's position on this is clearly formulated: *"… to be really successful, universities must be free to take responsibility for their own strategic and financial future."* (p.76) Freedom means, at second, to improve leadership and management: *"As the sector develops more freedom and self-determination, excellent leadership and management will become increasingly important."* (p.78) This overall discourse corresponds with the positions already formulated by the Tory Government in 1991.[69] Explicitly, ideas of NPM and "managerialism" are addressed: *"Greater freedom and competition will compel institutions to improve their efficiency and management. Although there is some excellent leadership and management in the sector, some weaker institutions have been propped up rather than turned round. This is not in the interests of the student or the sector as a whole. There is still more scope to rationalise resources to improve cost effectiveness."* (p.80) This is combined and added with, first, a view of HEIs which act in a dynamic and complex environment, following a 'governance'-approach[70], and, second, with references to new managerial vocabulary and

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[69] To compare: To compete for private funding, *"can enhance considerably the independence of individual institutions."* (Higher Education: a new framework, p.10).

[70] *"Universities are multi-million pound organisations with a vast array of different functions and components. They must split their resources between providing the capital infrastructure for both teaching and research, compete for the best staff, and often act as both landlord and major social centre for a large body of students.*

fashions, as empowerment: *"[W]e want to empower them to use the ones they already have to their fullest potential, so that they can be dynamic and self-determining institutions."* (p.77)

In detail, four major fields, related to 'freedoms and funding' can be identified:

- the improvement of leadership;
- the reduction of bureaucracy by maintaining or improving accountability;
- funding via endowment funds; and
- funding via tuition fees.

Related to leadership, the creation of a Leadership Foundation is proposed. This Foundation (created by the universities and the HEFCE) shall *"identify and meet key leadership and management needs across the sector, and build a cadre of professional leaders and managers. The Foundation will draw on the best international expertise in leadership and management…"* (p.78). In addition, the assessment of larger research units will be linked to measures on "good" governance and management. The importance of leadership in HEIs is also addressed in the ***Five Year Strategy*** of the DfES.from July 2004.[71] Again, the next quotation taken from the strategy paper presents a mixture of 'governance' (*"complex system"*), 'customer' and 'managerial' policy ideas and orientation: *"In a complex and demanding system, characterised by a wide range of costumer and stakeholder needs, it will be increasingly important to have highly skilled leaders and managers in our universities."* (p.102)

Better leadership, accountability and the reduction of bureaucracy are combined under the "corporate governance" label. Corporate governance concepts, which play a growing role in the profit-sector, are transferred to HEIs by the Government. The document ***"Accountability and Audit: HEFCE Code of Practice"*** (HEFCE 2004) from June 2004, contains a corporate governance codex.[72] These codex transports the general idea of corporate governance – self-regulation combining internal control mechanism and external audit[73]. The idea of corporate governance is in line with the "Efficiency Drive" model of NPM (Ferlie et al. 1996), in particular, *"a shift of power to the strategic apex of the organization"* (Ferlie et al., 1996, p.11) can be supposed.

They have a key role within their communities and in their contribution to community leadership. In such a complicated environment, management poses exceptional challenges …" (p.78)

[71] *"Department for Education and Skills: Five Year Strategy for Children and Learners. Putting people at the heart of public services"* (DfES 2004).

[72] This codex supersedes the former *"HEFCE Audit Code of Practice"* (HEFCE 2002). Another important document the actual code refers is the *"Guide for Members of Governing Bodies of Universities and Colleges in England, Wales and Northern Ireland"* (CUC 2001).

[73] For example: The Higher Education Information Management Taskforce (IMT) is designed to enable a consistent and co-ordinated approach to information policies across the UK higher education sector. Its coverage extends to all forms of information - student, staff, finance, and estate information. (see: *"Interim report …"* – DfES 2003).

In the context of corporate governance, the concept of "risk management" plays also a growing role.[74] On the one hand, in difference to the private sector, risk management should be oriented on public goals: *"The main focus of private sector risk management is on maintaining and enhancing profitability. In contrast, the public sector focuses on the fulfilment of objectives and delivery of a beneficial outcome in the public interest."* (Assurance Framework, HEFCE 2003, p.7). In Annex A of the "Assurance Framework", four core strategic aims (Widening participation and fair access, enhancing teaching/learning and research excellence and enhancing the contribution of HE to the economy and society) and derived from that 20 key risks are identified. These 20 key risks, on the other hand, are referring to a more 'managerial' approach in general. For example, risk number 5 *"That stakeholders perceive that the quality of leadership, governance and management within HEIs is poor, leading to an increase in the accountability burden"* (ibid., Annex A).

Finally, the reduction of bureaucracy is highlighted in a number of documents. In general, bureaucracy is seen in opposition to effective management. Therefore, the Government introduced the "Better Regulation Task Force" followed by the "Better Regulation Review Group".[75]

Related to funding HE, one idea of alternative funding favoured by the Government, are endowment funds. Therefore, a *"culture of giving"*, has to be established.[76]. In order to establish such a culture, the Government will promote individual and corporate giving and ask former students, who benefited from HEIs, to 'give something back'. In addition, the HEIs task is to serve the donors needs and claims as well as possible: *"The professionalisation of fundraising activities can also be a driver for good financial management. Donors want tangible evidence of how their money has been used, and what could not be done without it. In order to gain funds the organisation has to be demonstrably excellent both in its fundraising and in its management of those given funds."* (p.82). A clear 'adaptation' view on organizations is articulated here (Donaldson 1999).

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[74] Important for risk management in HEIs is the so-called Turnbull Report – *"Internal Control: Guidance for Directors on the Combined Code (the Turnbull report)"* (ICAEW 1999); see also *"Assurance Framework"* (HEFCE 2003).

[75] See also: *"Higher Education: Easing the Burden"* (BRTF 2002), *"Interim report of the Better Regulation Review Group to the Minister for Lifelong Learning, Further and Higher Education on the status of the recommendations of the Better Regulation Task Force report 'Higher Education: Easing the Burden'"* (DfES 2003) and *"Higher Education. Better Regulation towards a new culture of autonomy and accountability The Government response to the Interim Report of the Better Regulation Review Group"* (DfES 2004).

[76] Frequently, Harvard and other US elite universities serve as models for the new practices and proposals.

The last point, addressed in this chapter and in the White Paper at all, is the reformation of the system of tuition fees.[77] In general, students are *"asked to contribute more to the cost of their education."* (p.82) That is, universities are 'free' to set their own rates for graduate contributions, between £0 and £3,000 a year from 2006 on.[78] The relationship between variable tuition fees and the aim of fair access and widening participation is seen as challenging. Therefore, a number of so-called 'safeguards for students' are introduced (cap on fees, agreement on access (see Chapter III.2.7 for a discussion), covering up to £1,100 of the fee[79], introducing a Higher Education Grant up to £1,000 a year). In addition, the students have not to pay up-front fees. They can choose to pay their Graduate Contribution after they leave university, and are earning.

IV. Outlook

The document review above presents a huge number of policy mechanism, steering practices and, not at least, some examples of 'language games'. Overall, the picture of the recent ideas in steering HEIs is a disparate one. We can find evidence for a policy which is oriented on NPM principles, both referring to 'older' or 'new' versions (Ferlie et al 1996). For instance, the role of the RAE, the quality assurance in teaching or the re-orientation of doctoral programmes support the view, that NPM doctrines still play an important, maybe even a growing role in the steering of HEIs. We can find evidence for a more 'network' approach too. For instance, the increasing role of RDAs, the promotion of research collaboration or the greater responsibility of HEIs in a number of fields indicate an important role of 'networks' in the Government's policy.

Sometimes, tensions between the *proposals* referring to the different doctrines could be identified. Further research is needed to identify or to reject these supposed tensions on the practical level.

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[77] The actual tuition fee has an amount of £1,100. The idea of tuition fees is not questioned. It is remarkable, that the Government refers to the establishment of tuition fees under the Tory Government.

[78] For a discourse analysis, not carried out here, it is most interesting to take a closer look at the huge number of arguments for higher tuition fees. What we can identify is a kind of closure of the discourse, immunizing against critical arguments (Laclau Mouffe 1985, Foucault 1972). Discursive closure is one 'strategy' to dominate a discourse. The next quotation can stand as one example: *"Currently students who pay the full £1,100 fee are only contributing about a quarter of the average cost of their university teaching and education – the taxpayer still pays the rest. Our student support package is one of the most generous in the world. Graduates derive substantial benefits from having gained a degree, including wider career opportunities and the financial benefits that generally follow. On average those with a higher education qualification earn around 50% more than non-graduates. Given these benefits to an individual from the investment in a university education, the government has decided that it is fair to allow universities, if they so determine, to ask students to make an increased contribution – as they do in Australia, New Zealand, Canada and the United States. We believe that this will also have the benefit of enhancing the independence of universities by making them less reliant on government funding."* (p.83)

[79] That is, the Government prolonges the actual practice

In comparison to the 1991 framework, beside a number of similarities and differences identified in the review, two aspects should be highlighted. First of all, the steering of HEIs is embedded in a wider discourse referring to concepts as ‘civil society’ or the ‘Third Way’. Secondly, concepts as networks, institutional and individual responsibilities underlie the policy mechanism in general. Again, tensions to steering mechanism following a ‘direct control’ approach can be expected.

Finally, further research is needed to take a closer look at the differences between the language or discursive level and the set of practices recommended in the documents. There is some evidence, that the language, e.g. of fair access and social harmony, does not always ‘fit’ with the concrete measures and practices announced. Therefore, it would be of high interest, how the policy discourse and the concrete social practice in HEIs ‘work together’.

V. Annex A – Figures

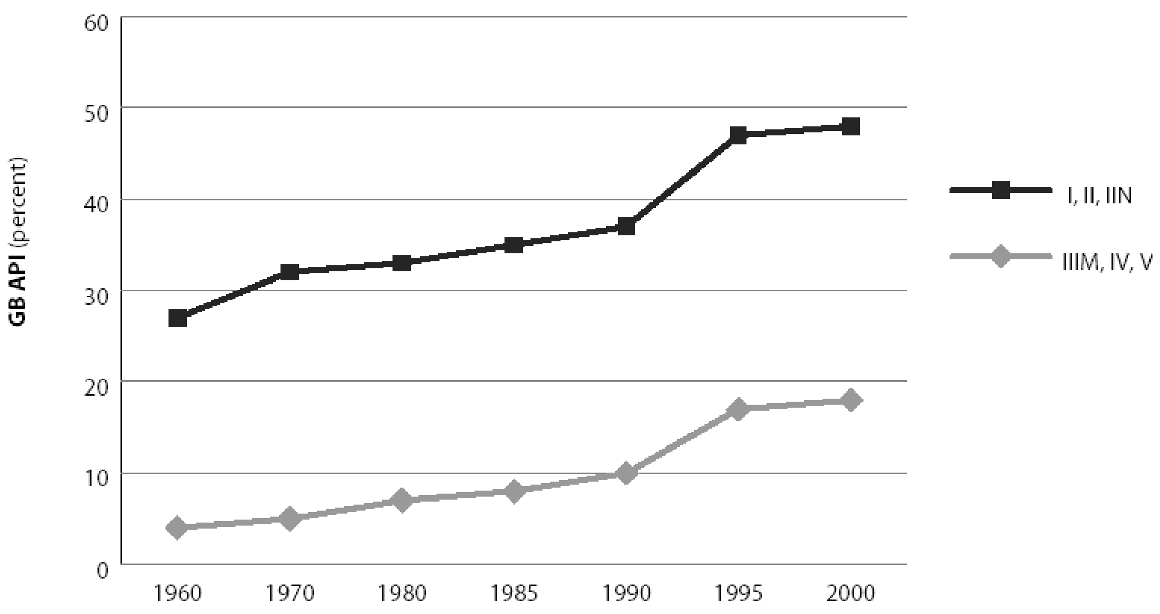

Figure 1: Higher Education entrants by social class groups (1960–2000)

Summary of the Spending Review Settlement for Higher Education in England (£million)

	02–03	03–04	04–05	05–06	per cent Increase in in cash terms 05–06 over 02–03
Research*	1,910	2,144	2,318	2,633	38
of which capital*	256	364	453	453	77
Knowledge transfer*	62	82	101	114	84
Teaching and learning	3,943	4,230	4,604	4,963	26
of which capital	155	207	377	442	185
Expansion	0	9	21	32	
Access and widening particpation	86	119	130	132	53
Management, leadership, and strategic development	15	23	32	34	127
Student support**	1,578	1,691	1,839	1,996	26
Other	2	11	12	14	
Total recurrent	*7,185*	*7,738*	*8,227*	*9,023*	
Total capital	*411*	*571*	*830*	*895*	
Grand Total	7,596	8,309	9,057	9,918	31

* Including estimates of the amount of the Office of Science and Technology's UK wide funding that is likely to go to HE institutions in England. These estimates are forward projections based on spending in previous years by OST and the OST Research Councils.

** Estimated share of student support likely to go on HE student domiciled in England. These estimates are based on the most recent data from the Student Loans Company.

Figure 2: Spending Review HE 2002-2006

Rating	Description
*5** *(5 star)*	Quality that equates to attainable levels of international excellence in more than half of the research activity submitted and attainable levels of national excellence in the remainder.
5	Quality that equates to attainable levels of international excellence in up to half of the research activity submitted and to attainable levels of national excellence in virtually all of the remainder.
4	Quality that equates to attainable levels of national excellence in virtually all of the research activity submitted, showing some evidence of international excellence.
3a	Quality that equates to attainable levels of national excellence in over two thirds of the research activity submitted, possibly showing evidence of international excellence.
3b	Quality that equates to attainable levels of national excellence in more than half of the research activity submitted.
2	Quality that equates to attainable levels of national excellence in up to half of the research activity submitted.
1	Quality that equates to attainable levels of national excellence in none, or virtually none, of the research activity submitted.

Figure 3: The RAE ranking scheme

2001 RAE rating	Funding weights in QR model
1	0
2	0
3b	0
3a	0
4	1
5	2.793
5*	3.362

Figure 4: Funding weights of the HEFCE

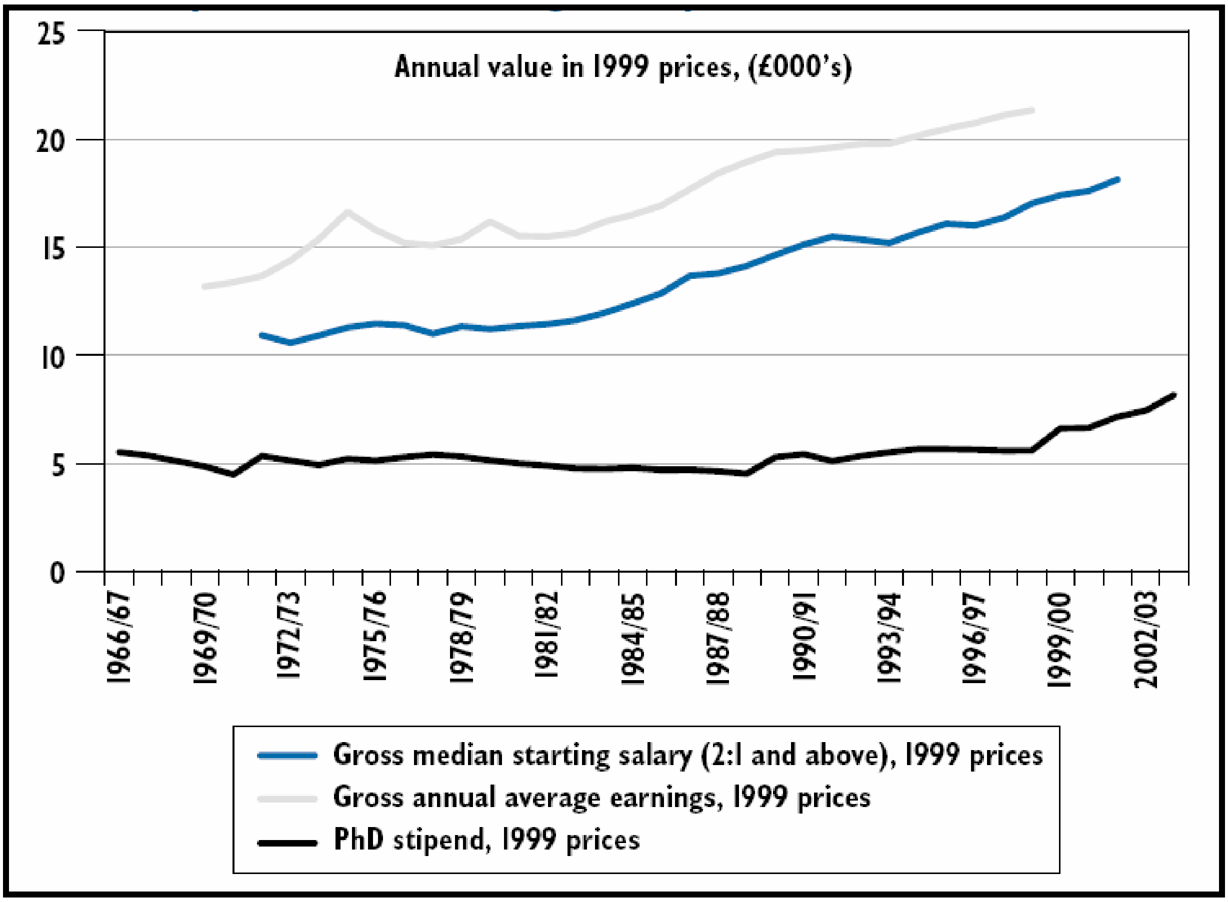

Figure 5: Comparison of PhD stipend, graduate starting salary and national average salary, 1966/67 to 2002/03 (taken from "SET for Success" 2002, p.118)

Annual income level	Net of tax & NI £ p.a.
National Minimum Wage (40 hours/week, 52 weeks/year)	7,477
PhD stipend 2001-02 (not taxable)	7,500
PhD stipend 2002-03 (not taxable)	8,000
PhD stipend 2003-04 (not taxable), minimum[150]	9,000
Mean graduate expected salary in 2000 (first job)	12,285
Wellcome Trust PhD stipend (bioscience, outside London, Year 1)	13,085
Median starting salaries of graduates with 2:1 or above	13,442
High calibre graduate job (e.g. consulting) starting salary	20,600

Figure 6: Comparison of PhD stipend levels with available salaries (taken from "SET for Success" 2002, p.119)

VI. Annex B - Abbreviations

AHRC	Arts and Humanities Research Council
BRRG	Better Regulation Review Group
BRTF	Better Regulation Task Force
CUC	Committee of University Chairman
DfES	Department for Education and Science
DTI	Department of Trade and Industry
FDF	Foundation Degree Forward
FEC	Full Economic Costing
FEC	Further Education College
FECs	Further Education Colleges
HE	Higher Education
HEFCE	Higher Education Funding Council for England
HEIF	Higher Education Innovation Fund
HEIs	Higher Education Institutions
HESA	Higher Education Statistics Agency
JCPSG	Joint Costing and Pricing Steering Group
NCUP	National Conference of Universities Professors
OFFA	Office for Fair Access
OST	Office for Science and Technology
QAA	Quality Assurance Agency for Higher Education
RAE	Research Assessment Exercise
RDA	Regional Development Agency
SCOP	Standing Conference of Principals
TRAC	Transparent Approach to Costing
UUK	Universities UK

VII. Annex C - References

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Department for Education and Skills:	www.dfes.gov.uk
DTI	www.dti.gov.uk
Higher Education Funding Council for England:	www.hefce.ac.uk
HM Treasury:	www.hm-treasury.gov.uk
Homepage Foundation Degree:	www.foundationdegree.org.uk
Office for Fair Access:	www.offa.org.uk
Office for Science and Technology:	www.ost.gov.uk
Quality Assurance Agency:	www.qaa.ac.uk
Research Assessment Exercise:	www.rae.ac.uk

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