

A Response to the Global Alliance Report
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Further to our submission on your Discussion Document, we have had a second look at the Global Alliance Appendix chapter. Although there is much that is useful in the GAL chapter, particularly its encouragement of flexible learning, we believe that its analysis, conclusions and final scenarios are seriously flawed in a way that, if adopted, is likely to be detrimental to significant parts of our university system. They ignore what we now do well, and why we do it; and, by considering a part (and only a part) of what we might do in the future, they threaten our existing strengths. Put bluntly, their search for new business may reduce our capacity to deliver our core business.

The Global report acknowledges that undergraduate teaching in Australia is world competitive, that there would be little increase in participation if prices were reduced and that there is little capacity to extend that business. Since it is evident that most undergraduates still want to **attend** university, as a social as well as intellectual experience, Australian undergraduates, stimulated by good teaching staff, will remain our core business.

Our Existing Strengths

Why do we do it well? There are three reasons. First, universities combine teaching with the refurbishment and regeneration of knowledge that is achieved only in research. Indeed that is what makes a university different. Research is an activity, as Global recognises, that low-cost providers do not and need not include in their costing. In particular, since much knowledge is culturally bound, universities are the principal source of the regeneration of ideas developed in the Australian context -- not only in history, politics and literature, but also in those areas such as health and biology which must be understood in their environment. Institutions, with their debates, their contested ideas and their critical mass, develop intellectual capital. The Web may assist; it will not replace the intellectual context of institutional encouragement. Globalisation probably increases the need to understand what is Australian. Knowledge is not simply a transferable product that can move easily across national borders.

Second, universities have succeeded because they have provided access to students across the nation in a wide range of subjects. Students, if they do not wish or are not able to move elsewhere, can attend local universities without impossible cost to their parents. All states are able to provide, and in doing so benefit from associated infrastructure, a range of institutions and courses, both large and small, from which students can choose. The system is competitive, but still sensitive to local needs and demand.

Thirdly, the universities have flourished in part precisely because they have been protected and regulated. Regulation is appropriate where public funds are spent and, given that no-one is proposing a total absence of public funding, it is likely to continue in some form. The Global Alliance report seems to assume that any regulation is undesirable and that higher education should be treated like any another industry. It reaches that conclusion by resort to ridicule in its first paragraph in section 3.1, rather than by addressing the argument that propositions about national interest deserve. Then it applies its case for open markets to one part of the universities' product: the provision of courses that are suitable for teaching over the Web. But that is only a small part of universities' activities. The report does not consider, as part of its

calculus, the impact of its propositions on services to Australian undergraduates or on research. It accepts that some subjects are not suitable for teaching over the Web, and thereafter ignores them. We argue that there is a national interest in maintaining a flourishing intellectual community with teaching at internationally competitive standards, with wide access for students to a range of courses and with an appreciation of what is Australian.

Indeed it was precisely because of this broad base that universities were able to move so flexibly and effectively into the international FFPOS market in the late 1980s. The intellectual capital and the breadth and quality of available subjects allowed these initiatives to be sustainable.

I believe these points are worth restating, because we need to know how it comes about that we are internationally competitive in teaching our undergraduates and why Australia is able to provide more than its comparative share of international research. We otherwise may undermine the systems that allowed us to make these achievements possible.

The Global Alliance Solutions and their Impact

The Global Alliance report assumes there will be no increase in public funds. It asserts that there is little scope for any expansion in the undergraduate/first degree market and that the mature age student demand is static; it ‘suspects there is a significant potential demand for mature age students but cannot prove it’. It sees a scope for expansion in off-campus delivery and asserts that ‘for off-campus education to be successfully based in Australia, the producer needs to tackle world markets outside those areas where there are world scale markets in Australia’ (p23). Thereafter all its arguments are addressed towards how best these particular objectives can be achieved, without asking at all what impact its proposals may have on the delivery of courses to undergraduates attending local universities, still our core business.

Many of its assumptions can be questioned. The report argues that governments should have little participation in the provision of tertiary education. Their principal role is negotiating bilateral agreements with other nations as a means of ensuring open markets. That will take time, if indeed it is successful at all. There is room for scepticism as to whether Asian countries will continue to embrace cultural “free trade”; discouragement of offshore education seems to be growing, not declining.

Even where such agreements are reached, it is unlikely that governments generally will be as uninterested in government involvement in tertiary education as Global suggests. This is true also of Australian state governments. Universities will remain substantial recipients of government investment. State governments are unlikely to be unmoved by a decline in local provision. Australian cultural identity will need to be preserved, and a scientific research base will need to be guaranteed. None of these are regarded as significant under Global’s scenario. Yet electoral pressures for convenient access, the significant economic impact of regional universities, the widespread demand for university places as a means to family prosperity, will all ensure that universities remain politically significant. It will never be politically acceptable to reduce their grounds for existence to one criterion only: their ability to compete internationally in flexible learning.

The Global Alliance paper is also wrong in assuming a relatively seamless world-wide market accessible to flexible educational product. The recent DEETYA commissioned report: New Media and Borderless Education raises serious questions about this assumption. There are

cultural screens that will ensure segmented, differentiated markets, with national and regional – rather than global – reach being the norm. Australia is much better placed in this context, much less prey to competition from an international “top ten” than is suggested. But success in these national and regional markets will derive from intellectual exchange and knowledge production within Australian institutions: the ‘hollowing out’ proposed by Global Alliance will make continued development impossible.

We see here a link with the way Australian Universities have capitalised on provision for foreign fee-paying students. We have been able to offer them high quality educational opportunities by leveraging off our core business, and in the process generate significant returns for Australian education and the Australian economy. Similarly, success in international flexible educational provision (and its concomitant economic rewards) will depend on the way we can transfer our intellectual capital – initially generated by attending to core business – into the new modes. It will not derive from ‘hollowing out’ institutions. It will build on, and extend, our human resources, not replace them. It will generate new and bigger returns from public investment, not substitute for it. The notion of augmented multiplier effect from what we already do well seems entirely to have escaped the authors of this paper.

Even if a globalised level playing field were achieved, governments are still unlikely to tilt the field to private profit providers who are often extra-territorial, who are concerned only with subjects that have a mass market and who have no interest in research in general, let alone Australian research in particular.

But a greater problem with the Global Alliance vision of world universities is the question of where innovation and regeneration of knowledge will come from, particularly that which has an Australian content. Let me explain by reference to the scenarios in chapter 7. These may be caricatures, but since their simplicity gives them an apparent persuasiveness, they should be addressed as they stand.

Scenarios 2 (Middle Asia Web U) and 3 (Low Cost Provider U) are effectively hollowed out universities concerned with the delivery of educational product on a mass basis, utilising cheap tutorial assistance where it is available, Tutors may be used in the Philippines or in India — Global’s examples (For courses in Australian literature or the environment?!). The universities and their for-profit competitors will have driven the tutorial price down to \$4 to 5 an hour (their price). One of these low cost universities will only teach those courses where it can ‘reach economies of scale that allow it to reach it’s[sic] production target’ or where it can ‘be number one or two in the region’(p83). So offerings will be limited to large courses and there is no scope for specialism or local content. The search is for large subjects of interest to masses of students. Yet school leavers usually, and mature age students often, have shown a preference for courses which reflect their interests and locality. It seems perverse to reduce those options now and force them to study homogenised units at a distance.

In neither type of university, with its emphasis on low cost provision of mass courses, is there scope for research into the knowledge incorporated in the courses; nor will there be a need for the course to be culturally sensitive if it is to be exported to both north Queensland and the Philippines. All students, even the local ones, are seen as consumers at the end of a terminal.

Presumably then the new knowledge needed to maintain the relevance of these courses will be franchised from elsewhere. The problem is finding where. The obvious answer, at first blush,

will be the Harvard in Australia U. But only at first sight. For these universities will become highly specialised after they have shut down all schools not in the world top 10. Consider this proposal for just a moment. If (listing ten at random,) Oxford, Cambridge, London, Harvard, Yale, Princeton, UCLA, Berkeley, Stanford and the Sorbonne were to be named as the top ten, then for a school to survive in Australia in a Harvard in Australia U it must not only be better than one of the above but also better than every other university in the world. Even if the criteria were relaxed to be judged against the top 30, few departments would survive, they would be unevenly spread across the country and none of these universities would teach more than a few disciplines. And there is no scope for the survival of a good department working currently outside those limited areas.

Two immediate implications emerge. First, there would be no research departments concerned with Australian-specific cultural, historical or scientific research, since under any system it would be impossible to have them classified as top 10, or even top 30, in an academic world that, fairly, sees Australian concerns as of peripheral world significance. Educational product will be transnational, equally applicable in any market in the world.

Second, there may be whole areas of scientific research unrepresented in Australia. If no physics area qualified, do we close down all physics research? If only one engineering department survives the world test do we concentrate all research there, with the resulting conservatism that comes from a lack of intellectual competition? Will students only be able to attend a research-active engineering department in one place in the country? And parenthetically will postgraduate education be concentrated in one place only? If, as Global in effect proposes, Harvard in Australia Universities are limited to a few departments, and others have no capacity for research, whither the clever country?

We do not think, in its narrow emphasis on low-cost teaching product, that Global Alliance has considered how the national interest and the national educational research endeavours are best served. The report claims it has provided ‘ a logical set of propositions, but with limited proof of the veracity of many of them’. So it has, if it is accepted that the core business of teaching undergraduates can be decoupled from the regeneration and extension of knowledge and that the only criterion for success is international competitiveness in product delivery. But we have would argued its propositions are wrong.

We need instead to build on what we do well. That is why we support a national system, with widespread course offerings and a differentiated research effort, with rewards on the basis of performance rather than brand name. Such a system can be competitive in terms of student education and research, while benefiting the national interest.

Global Alliance’s report has an initial persuasiveness. It has some good ideas, but it excludes from its analysis fundamentally important parts of our university system and then applies inadequate economic reasoning that ignores political sensitivity and national interests. Its conclusions are narrow and dangerous.