The more information students have on courses and their outcomes, the more their choices will drive universities to improve. (Lord Mandelson, CBI Higher Education Summit, 20 October 2009)

Better informed students will take their custom to the places offering good value for money. In this way, excellent teaching will be placed back at the heart of every student’s university experience. (Department for Business, Innovation and Skills, 2011b, paragraph 2.24).

Prospective students need access to a range of information so they can make effective choices on where and what to study. They will be more active and engaged learners if they understand the options available and choose the learning environment that suits their own needs and aspirations best. (Willetts, 2012).

Markets cannot discipline price without meaningful information about quality. (Massy, 2004, p. 31).

There are few indicators of teaching performance that would enable a systemic external assessment for teaching quality. [If universities know] the committee would be glad to be told how to do it. (University Grants Committee, Circular 22/85, quoted in Kogan and Hanney, 2000, p.104).

The perfectly informed consumer of economic theory is nowhere to be seen. (Winston, 1997, quoted in Newman et al., 2004, p. 91).

People investing in human capital through a purchase of higher education don’t know what they are buying – and wouldn’t and can’t know what they have bought until it is far too late to do anything about it. (Winston, 1999, p. 15).

At the bottom end of the market, the workings of status competition are different. Institutions must compete hard to attract students to fill their places and secure revenues: and their success is always provisional and contestable but these institutions do not receive full recognition of the quality of good programmes. In a status market, their attempts to improve the quality of their teaching are over-determined by their low status. Meanwhile, intermediate institutions, combining scarce high-value spaces with low-value access places, find it difficult to move up the ladder because of limits to the number of high-prestige producers. (Marginson, 2004, p. 190).

What the faculty and staff of both private and public institutions have learned is that in the end there is really no market advantage accorded to institutions that provide extra-quality education...What happens in this market is not quality but rather competitive advantage. (Zemsky, 2005, p. 287).
The best safeguard of academic standards is not external validation or any other form of external control, but the growth of the teaching institution as a self-critical academic community. (Lindop, 1985, p. X).

Judgements about resource allocation shift from being ‘authority-based’ (merit judged by ‘the authorities) to being market-based (merit judged by ‘the market’. (Marks, 2007, p. 173).

Education is a process pretending to be an outcome. (Trow, 1992, p. 9).

Introduction

One of the central planks of the Coalition Government’s higher education reforms is the empowerment of students through the enhancement of student choice. This is on the basis that both quality and efficiency will be improved as institutions respond to students’ decisions and ‘raise their game’. In this lecture I want to ask whether empowering students and strengthening student choice will actually deliver these benefits, or whether it will simply trigger a further set of distortions and detriments. I shall hope to persuade you that the Government’s policy actually represents the triumph of ideology over evidence, and that whatever gains there may be in quality or efficiency will be more than offset by the associated costs and detriments.

I shall first describe the various ways in which the Government is seeking to achieve this objective, before considering the beliefs and assumptions on which it is based. Drawing on material from higher education and other scholarship, I shall then consider how far these beliefs and assumptions, derived essentially from the economic theory of markets, are appropriate to student, and especially undergraduate, education. Finally, I shall look at the potential consequences. My conclusion is that, so far from improving the quality of student education, strengthening student choice through the provision of more information is actually much more likely to damage it.

Before coming to the main argument, let me just say, for the avoidance of doubt or misrepresentation, that I am certainly not opposed to students having and exercising choices about what, where and how to study. Nor am I against them having as much information as is feasible on which to base their decisions. My concerns arise partly from the weight being placed on this process as a driver of quality and efficiency, and partly from the very clear danger that, so far from improving educational quality, it could actually detract from – and even undermine - the things that really do make for quality and efficiency, namely the adoption of the best educational practices within a well funded, diverse and integrated higher education system. There is also a moral aspect that I shall come to at the very end. Ultimately, this is a question of resourcing: if we want to improve quality and efficiency, is this what we should be doing with our money, given what we already know about higher education, markets and consumer choice?

Enhancing student choice

Let us start by looking at how the Government is seeking to empower students as consumers of higher education. There are in fact six main ways:

1. A voucher system for funding teaching.
2. The partial deregulation of funded places.
3. Widening the range of suppliers.
4. Improving the quantity and quality of information for students.
5. Increasing the ways in which institutions are required or encouraged to consider student interests.

6. Strengthening the ways in which students can obtain attention, action or redress for poor service.

First, the cost of teaching most subjects is now being met entirely from the student fee, with institutions competing on price (within an overall cap of £9,000) as well as on course quality and availability. This is in effect a voucher system. By mimicking as closely as possible a ‘real’ market where consumers choose with their own resources, voucher systems are seen by some economists as the best means of giving consumers leverage over publicly funded services (Friedman, 1962). However, so far the evidence about improved quality and efficiency is at best inconclusive (Belfield and Levin, 2005; Bekhradnia and Massy, 2009).

Second, the Government has removed the controls on the number of places for highly qualified students (those with AAB+ at A level and equivalent, ABB+ from this year). This is intended both to increase competition and to strengthen student choice. Whether it will expand supply will depend on the universities’ reactions: past experience in both Britain and America suggests that many prestigious institutions prefer to keep their numbers down in order to preserve their exclusivity, and indeed the Minister has recently complained about this (Hurst, 2013). In any case, whilst this partial lifting of numbers controls may increase choice, it will of course only do so for applicants with those qualifications.

Third, to widen the choice of supplier, the Government is encouraging new providers to enter the higher education market. 65 FE colleges (including two Sixth Form Colleges) now have direct funding agreements with the Higher Education Funding Council for England (HEFCE) for the first time (Lee, 2012). The Government is also lowering the rules for provider entry. To be eligible for a university title, a college with degree awarding powers now needs only 1,000 full-time equivalent higher education students compared with 4,000 previously; only 750 of these have to be studying at degree level. As a result there will soon be ten new universities to add to the present 115. At the same time, students on over 400 courses at non-HEFCE-funded colleges are now designated as eligible to receive state subsidised loans compared with 157 only a couple of years ago (Morgan, 2012a). These include ‘for profit’ institutions and indeed we now have our first ‘for profit’ university, the University of Law.

Fourth, to improve the quality of student decision making, the Government is further expanding the amount of information that institutions are required to publish about their provision. It is also encouraging private companies to use this information to provide fuller information and guidance, and the Consumers Association Which? has now introduced such a service: Which University? The centrepiece of this enhanced information drive – which actually goes back to the 2009 White Paper Higher Ambitions - is the so called Key Information Set (KIS). This sets out no fewer than seventeen items of information at undergraduate course level for each institution. These items include the proportion of time spent in various learning and teaching activities (by year/stage of study, with a link to further detail); the mix of summative assessment methods used (by year/stage of study); the destinations of graduates six months after graduation; of those employed, the proportion in managerial/professional jobs six months after graduation; and salary data (upper quartile, median, lower quartile) six months after graduation from the course concerned and for all courses in the subject across all institutions, six and 40 months after graduation (HEFCE, 2012). Universities are also being ‘encouraged’ to publish anonymised information about the teaching qualifications, fellowships and qualifications of their teaching staff (HEFCE guidance is expected). Incidentally, this is unlikely to be the final stage: Ministers have made
no secret of their desire that eventually they would like to see published the amount of unrepaid loans – the Resource Accounting and Budgeting Charge or RAB – for each individual course, so that individual universities would have an incentive to lower their own RAB charges (Morgan, 2012b; if this isn’t the economic view of education, I don’t know what is). In the meantime Ministers would like to see the KIS expanded to include course entry requirements.

Fifth, the Government is increasing the ways in which institutions are required or encouraged to consider student interests, strengthening the student ‘voice’. Now in its ninth year, the National Student Survey (NSS) - a survey of third-year students’ views on their institutional experience - is seen as a key indicator of educational quality by students, institutions and the media (in spite of its many limitations for this purpose: Brown, 2013, Chapter 6). Students are now full members of the review teams that periodically assess institutions’ quality assurance arrangements. They may also be able to trigger institutional reviews where there are serious concerns about quality.

Finally, the Government is strengthening the ways in which students can obtain attention, action or redress for what is perceived to be inadequate service. For example, all institutions are being required to publish student charters covering: diversity, respect and communication; teaching, learning, research and assessment; finance; complaints, appeals, discipline; personal development and employment; student services (non-academic); and community, sports and social activities (Department for Business, Innovation and Skills, 2011a). In fact, charters will play a dual role: internally, they will frame the expectations of existing students; externally, they will play a promotional role in presenting an image of the institution to potential students. Following the lead given in the White Paper, the Office of the Independent Adjudicator on Student Complaints (OIA) has consulted the sector on a number of ideas that could promote and deliver early resolution of complaints. As a result, the OIA is constructing a series of Campus Pilots on Early Resolution, run by universities and students unions and coordinated by the Office. It has also developed a ‘sector-wide, evidence-based, voluntary, Good Practice Framework’ which includes time targets for resolution. There is also to be a new funding model for the OIA (OIA, 2012).

Of these various steps, the one on which I wish to concentrate here is the fourth: the enhancement of information (for a more general review of the reforms, see Brown, 2013 and submitted for review). This is central and crucial because, as everyone agrees, student choice is only meaningful if students are able to make well informed decisions about their future studies. Let us start by looking at the Government’s rationale.

The rationale

The rationale was really indicated in the earlier quotes from recent Government statements. It can be broken down into three propositions: (a) markets are the most efficient way of allocating resources (b) higher education is basically a private good, therefore (c) a market-based system - or one as close to it as can be achieved - is the best means of providing higher education. If these propositions are accepted then the reform programme set out in the White Paper and now being implemented by the Government and its various agencies makes perfect sense. But if there are difficulties with them, markets may not be the best and most efficient way of organising provision. As the formulation implies, the argument turns on the answers to two questions:

1. What sort of a good or service is higher education?
2. Who are the main beneficiaries?
What kind of good or service is higher education?

I propose to refer here to the work of a number of writers who have considered how far higher education can be seen as a good or service (see also, Dunnett et al., 2012).

Zeitaml et al. (1985, p. 36) identified eight features that distinguish services from goods for marketing purposes: services cannot be stored; services cannot be transported; services cannot be mass produced; services cannot be protected by patents; service quality is difficult to control; service costs are difficult to calculate; demand for services fluctuates; consumers themselves are involved in the production process. Elsewhere (p. 43) the authors speak of four unique features of services: intangibility; inseparability; heterogeneity; and perishability (duration of benefits to the consumer is also identified). Because of these characteristics, service quality cannot be measured objectively; instead the focus has to be on ‘perceived quality’, which results from a comparison of customer expectations with their perceptions of actual performance (Voss and Gruber, 2006, p. 219).

Lovelock (1983) classified services, inter alia, by the scope for the exercise of customisation and judgement in delivery. Where, as in higher education, the service is created as it is consumed, and the customer is involved in the production process, there is far more room for tailoring the service to meet the needs of individual customers or clients. But by the same token it can never be clear, either to the customer or to the professional provider, what the actual outcome will be. Many writers (for example, Rothschild and White, 1995; Marginson, 2004; McCulloch, 2009) in fact emphasise the role of students as inputs into, and joint producers of, their higher education. Gibbs (2012, p.14) notes that graduates’ perceived employability may be influenced by whether or not they choose to participate in their institution’s (usually, voluntary) employability initiatives.

How do purchasers judge the quality of a good or service? Economists make a distinction between ‘search’ and ‘experience’ goods. ‘Search’ goods are those where product characteristics such as quality can be established prior to purchase: most ordinary consumer goods fall into this category (if you want to buy a dishwasher you go on the Which? or another website). ‘Experience’ goods are those where quality can only be assessed through consumption: restaurant meals, theatrical performances, holidays all fall into this category. However Weimer and Vining (1992) have categorised higher education as a ‘post-experience’ good, the quality of which can only be established well after it has been ‘consumed’, and perhaps not even then (see also, Hamlin, 1994). In the same spirit, Kay and Vickers (1998, p. 308) used the term ‘trust’ goods, the quality of which is not apparent even after consumption. Similarly, Lovelock et al. (1998, p. 219) spoke of ‘credence qualities’, characteristics that customers find it difficult to evaluate even after purchase and consumption (see also, Dulleck and Kerschbamer, 2006, and Bonroy and Constantatos, 2008). Nelson (1970) pointed out that the recommendations of others will be used more for purchases of experience goods than for search goods. But even with search goods, the costs of obtaining the necessary information can be high, and can reinforce existing inequalities where wealth and education enable some consumers to make better choices than others (Crouch, 2011).

Cave et al. (1992) drew attention to imperfect observability and infrequent purchasing as major difficulties in applying market theories to higher education, together with the difficulty of changing course or institution. As regards quality, they distinguished between the provenance of the degree awarded, the quality of tuition received, and differentiation in course content. Neither of the first two can be observed in advance. The third aspect - the
construction of the course - is more readily observable before purchase. But even here the relative merits of the course for a particular individual are less easily evaluated and there may be high search costs.

Rowley (1995) identified three features that distinguish higher education from other services:

- Exclusivity of access: most customers must meet stringent academic, and sometimes personal, criteria.
- The customer is an agent in not only their own education but that of others. This is the notion of ‘exchange’, what the customer gives to the service experience, which includes but goes beyond price.
- The longitudinal nature of the service: in measuring or assessing quality we need to consider not only the cumulative effect of the transactions but also the changes in students as learners, which may lead to developing or changing approaches to learning, learning styles as well as perceptions of the learning process, with varying views over time (see also, Bolton and Drew, 1991).

Lomas (2002, p. 76) noted that:

Quality as transformation, unlike quality as fitness for purpose, does not lend itself to the atomisation of clearly stated purposes because the achievement of knowledge and the satisfaction of the mind are holistic (Harvey and Knight, 1996). In higher education, the service the lecturer provides for the student is less clear-cut because the development of learning is rather more open-ended than the service provided in the ‘fast-food’ restaurant. It is also a relationship where, unusually, the consumer is subject to criticism from the service provider. This criticism is in the form of regular academic assessment (Barnett, 1992). In addition, as Pring (1992) points out, learning is an incremental process and not something that can be defined in absolute terms. With knowledge being acquired slowly over a period of time, it is sometimes difficult to be sure when and how it has developed.

So it seems clear that higher education – both student education and research, where the same arguments apply to an even greater extent – cannot simply be treated as a product, about the quality of which consumers or beneficiaries can make timely and accurate judgements. This leads neatly to my second question: who should be making those judgements? Who are the beneficiaries?

Who are the beneficiaries?

Clearly, the student is not the only beneficiary of higher education:

Perhaps the most important way in which education differs from simple consumer products is that it is not just the primary customer who benefits. The strangest aspect of the idea that the market can ensure quality is that it implies that there is only one customer, or type of customer... Schooling is unlike a consumer product because there are multiple stakeholders – multiple customers – who make multiple demands on schooling and also benefit from particular forms of schooling. Schooling and, more important, education, is not an individual benefit where quality can be judged solely in terms of the individual preferences of the person who is educated. Education is essentially a social and a moral affair. It is an activity in which the society within which an individual lives is actively involved. (Walford, 2006, pp. 60-61).

In passing, one could say that perhaps the most fundamental difficulty with the current reforms is that, like the Browne Committee Report on which they are based (Independent
higher education is essentially seen as a private good and, moreover, one where those private benefits are seen overwhelmingly in economic terms (earnings, employment, benefits, rather than personal development, for instance). Per contra, the public interest is mainly seen in terms of ensuring that taxpayers’ money is properly spent, as Dodds (2011) and others have pointed out.

Let me sum up this stage of the argument. We have a situation where (a) it is impossible for an individual to know in advance what quality of education they will receive if they enrol on X course at Y institution in Z mode, not least because they (and their fellow students, who will also be unknown to them at this stage) will be inputs to, and co-producers of, that education; and (b) the range of potential beneficiaries goes far wider than the individual student or students. A number of corollaries flow from this, and it is with these corollaries that the rest of this lecture will be concerned.

Before we come to these, however, there are three further points that may be worth noting at this stage.

First, I am of course aware of the enormous amount of work that has been done, principally in the US but also in Britain and Australia, to specify the conditions in which students are more likely to have a worthwhile educational experience (e.g., Pascarella, 2001; Pascarella and Terenzini, 2005). However, there is still the matter of the student’s individual attributes, motivation, disposition, preferences, commitment, etc, to be taken into account.

Second, even if these problems with information could be overcome, there are many other reasons why market-based approaches have severe limitations when applied to the provision of higher education. These include (a) the need to protect the supply of public goods such as a skilled labour force, an active citizenry, etc (hence state subsidies, regulation and, sometimes, supply), and (b) the fact that universities cannot easily be left to close if there is insufficient demand for their courses (in spite of the rhetoric about failing institutions, not a single major, multi-disciplinary, institution has so far been allowed to close by any administration) (for a full review, see Brown, 2011).

Third, none of the indicators included or ever likely to be included in the various information sets tells us anything very much about educational quality, which I define here as the extent to which students are getting a worthwhile experience leading to a worthwhile qualification. Yet even if we had valid, reliable and accessible indicators of educational quality, in every part of every institution, that could be customised in advance for every individual student or potential student - and the challenges of conveying such indicators in an accessible way that avoids distortion and does not mislead the user should not be underestimated (Baldwin and James, 2000) - there is little to indicate either from the literature on consumer decision making generally or from what we know of student choice making in higher education that students will necessarily make use of them (Naidoo et al., 2011). On the contrary, we know that in reaching decisions about which product to buy, consumers generally, and students certainly, are influenced by a whole series of factors, of which perceived quality is only one. To quote one of the most authoritative surveys:

*Our research found little of the calculative, individualistic consumer rationalism that predominates in official texts (Ball, Macrae and Maguire, 1999). (Reay et al., 2005, p. 58).*

Like many other consumers, in fact, student behaviour tends to be ‘adaptive’: students act in accordance with how they are normally expected to in the circumstances in which they find
themselves (Hutchings, 2003; Jongbloed, 2003; Kay, 2003; Vossensteyn, 2005; Stothart, 2007; Cremonini et al., 2008; Diamond et al., 2012).

Let us now return to the corollaries of this fundamental problem with information about quality in higher education. There are four main issues:

1. Should student choice be the sole, or even the main, determinant of what is provided by universities and colleges?
2. Should consumers have recourse to information substitutes, and if they do so, what are the potential consequences for educational quality?
3. What does effective regulation look like in these circumstances?
4. How can wasted effort be avoided?

The difficulties with information for students: the consequences for educational quality

Let me start with the consequences of student choice. The underlying rationale of the Government’s approach is that it is consumers, rather than producers, who can and should determine what is produced. But if information about product quality is not available, and students are unlikely to use it rationally even if it were, should higher education be provided on market lines in the first place? Ben Jongbloed (2006, p. 25) has put the issue very well:

*If individuals are fundamentally rational and the problems are [uncertainty, imperfect information], the potential role for policy would be to try to address these market imperfections by helping students make the decisions they want. If, on the other hand, students are fundamentally irrational, then giving them more information or eliminating market imperfections will not necessarily improve outcomes. In the latter case there may not be a need to strengthen consumer choice in higher education, as it might be better to, for example, let educational authorities offer the programmes they deem best for students rather than let student preference drive programme selection.*

Following the Browne Committee, the Government has in fact accepted that student choices should not be the sole determinants of all that is offered. It has decided to continue direct state subsidies for some ‘strategically important and vulnerable subjects’ and certain other priority areas – the fact that these subjects are overwhelmingly taught in the more selective institutions is I am sure just a coincidence: whether you call this hypocrisy in the face of market failure, or simply institutional elitism, is something I leave you to decide. This policy of selective direct support of course reflects the desirability of not simply leaving to students the choice of what subjects should be taught. As Williams (1999, p. 149) wrote:

*Higher education provision determined solely by the wishes of large numbers of individual students would be unlikely to meet their real long-term needs, or those of society as a whole, as effectively as a system in which significant resource allocation authority is held by a democratic government, advised by expert agencies that can interpret the economic and social processes with which tertiary education interacts.*

Nevertheless, we are already seeing pressures within the system, encouraged by Ministers (Matthews, 2012b), to reduce support for subjects and programmes that do not receive sufficient direct market – i.e., student – support, but require cross-subsidy. If this continues it will inevitably mean these less popular subjects being offered in fewer centres. A UCU (2012) survey found that the number of different undergraduate degree courses offered in UK universities had dropped by more than a quarter in the past six years, with one English region (the south west) seeing a fall of almost a half; the decline in England was much greater than
in Scotland or Wales. In subject terms, the biggest falls were in arts and humanities provision for single subjects like French and German studies. There was a 12 per cent reduction in the number of separate courses for 2012 entry advertised through UCAS. The ironic outcome of the reforms could actually be less student choice, as would-be students of undergraduate physics and chemistry have already discovered. (In physics, the number of universities offering honours degrees dropped from around 72 in the mid-80s to 47 or so in the mid-2000s. This was largely due to the combined effects of the RAE and reduced funding per student, although declining student demand was also a factor. More recently there has been some resurgence of interest). So there is a fundamental issue about whether introducing or increasing market competition will actually increase student choice.

What do consumers do in the absence of direct indicators of quality?

The second corollary, if higher education is to be organised on market lines but suitable indicators are unavailable, is that consumers will seek information substitutes. This happens in other situations where competition is intended to operate but where direct information about product quality is hard to find (McPherson and Winston, 1993; see also, Kay and Vickers, 1998). In higher education, it is well established that it is prestige or reputation that typically acts as the substitute (Brewer et al., 2002; Eckel, 2008; van Vught, 2008). Hence price is a key indicator of (perceived) quality: with all the experience of what happens when providers are allowed to set their own prices in positional markets, the Coalition Government really had no excuse for being taken aback when so many institutions went for the upper end of the fee possibilities for 2012.

America is the most important market where there is a significant measure of unrestricted price competition. As well as charging the maximum the market will bear, the leading US private colleges and universities invest in improving admissions selectivity, lowering acceptance/yield rates and increasing student consumption benefits: dormitories, eating facilities, fibre-optic networks, etc. (Dill, 2003). Other strategies to enhance prestige include renaming the institution and creating ‘honors colleges’ to attract higher scoring students (Newman et al., 2004). There is of course a very strong correspondence between institutional prestige, longevity and wealth. In both the US and Britain there are huge differences in levels of institutional resourcing: even after allowing for subject differences, Cambridge has over four times the income per student of Edge Hill (the differences in net assets are even greater). Calhoun (2006, p. 25) has acutely observed that the availability of elite status actually depends on huge inequalities of funding for different categories of institution. Current Government policies will of course increase these disparities (Thompson and Bekhradnia, 2011; Brown, 2013 and in press). If input factors like resourcing levels or student qualifications matter, then equity suggests that any differentials should be reduced, especially as the more expensive and better funded institutions tend to attract students who have already had more spent on them than their less fortunate contemporaries.

A recent study of UCAS applications in 1996, 2000, 2004, 2006, 2008 and 2010 (Croxford and Raffe, forthcoming) confirms that in both England and Scotland there has been virtually no change in the hierarchy of Russell Group, other pre-1992 and post-1992 institutions. This again is what one would expect in a positional market where competition is essentially about the enhancement of status (Hirsch, 1976).

Hansmann (1999) argued that much in higher education can be explained by the notion of student education as an ‘associative good’, one where a major consideration for purchasers
is/are the personal characteristics of the other customers. What a university or college is selling is therefore, in large part, the ‘quality’ of its students. This is still another consequence of the difficulty of obtaining direct information about product quality. Markets in such goods do not function like other markets. In particular, when not-for-profit firms produce such goods, there is a strong tendency for customers to become stratified across firms according to their personal characteristics. The incentive to sell by choosing only the best customers is especially strong for such organisations because they are effectively constrained to charge their customers, on average, no more than (and, often, much less than) the cost of producing the service. A private for-profit college would have a stronger incentive to use price as a basis for rationing admissions. At the same time, competition is dampened, partly because of larger gaps between the market segments, and partly because of the high degree of inertia in the student body, over centuries in many cases.

The whole situation has been well summarised by Dill:

*Because the new competitive market is characterized by inadequate and inappropriate information, an ambiguous conception – “academic prestige” – comes to represent academic quality in the public mind, which can lead to a price-quality association that undermines productive efficiency. The distorting influence of prestige in both the US and UK markets means that the educational costs of elite universities provide a “price umbrella” for the rest of the system and present spending targets for less elite institutions that wish to compete by raising their prices (Massy, 2004). Competitive markets thereby encourage an academic “arms race” for prestige amongst all institutions, which rapidly increases the costs of higher education and devalues the improvement of student learning. As noted in both the US and UK, an unregulated academic market can lead to a situation in which no university constituency – students, faculty members or administrators – has a compelling incentive to assure academic standards. This is a recipe for a classic and significant market failure in which the rising social costs of higher education are not matched by equivalent social benefits (Teixeira et al, 2004) (Dill, 2007, p. 67).*

If anyone doubts the power of institutional status in these circumstances, they should refer to a 1999 report for the Australian Government (James et al., 1999) which found that, when asked whether they would prefer indifferent teaching in a high status institution or excellent teaching in a medium-status one, nearly all students preferred the former. Similarly, Harvard’s public admission that its teaching is not very good (Gibbs, 2012, p.14) is most unlikely to damage its ability to recruit well-qualified students or reduce its graduates’ attractiveness to major employers. This is not good news for those institutions – the great majority – that aim to compete in the new education market through the quality of their teaching.

**What sort of regulation?**

The third corollary, as both Jongbloed and Dill have noted, is the need for effective regulation. There is a paradox here. The 2011 White Paper and associated official statements speak of the need to reduce regulation if market competition is to flourish, hence fewer controls on funded student places, greater price competition, lower market entry barriers, etc. There is also to be a ‘risk-based’ approach to quality assurance, so that some institutions receive less frequent or intensive assurance visits than others. But what if the resource squeeze on the sector as a whole (with a 40 per cent planned reduction in current spending to 2014-15) or on individual institutions (increasing disparities again) leads to more cutting of corners and risks to quality, either generally or on the part of the most hard pressed
universities? It certainly seems ironic that at the very time when institutions are, by Government decision, facing an even more risky environment, that same Government should be introducing ‘risk-based’ regulation: hopefully, this will help to get risk-based management a deservedly bad name.

However there is a further difficulty. The regulation of quality in most higher education systems is a mixture of state, academic and market mechanisms (Clark, 1983; Dill and Beerkens, 2011, and in press). In reality, most experts agree that in developed systems the key mechanism is academic self-regulation within, usually, a state legislative envelope (Kells, 1992). But market competition shifts the balance of power away from the academic community as the primary custodians and judges of quality and standards, as the earlier quote from Denton Marks (2007) suggested. Quality control is exercised by students as customers – or, in reality, the commercial media – rather than by the academic community. So we have student surveys, commercial league tables, websites like ratemyprofessor.com, and countless formal and informal internet reviews. Moreover, quality is increasingly seen in terms of economic criteria such as fitness for the labour market. At the same time, the focus of institutional quality assurance shifts away from quality enhancement to reputation management and from educational quality to student ‘satisfaction’ (for the full argument, see Brown, 2009).

Value for money?

The fourth and final corollary of the information problem is the amount of waste involved. Institutions put huge amounts of effort into producing, checking, manipulating, publishing and ‘spinning’ vast amounts of data, yet not one of the various moves to increase student information has been subject to a proper cost-benefit analysis. So for example, the projected autumn 2012 HEFCE evaluation of the Key Information Set (HEFCE, 2012, pp. 14-15) envisages looking at:

- The user experience of the KIS widget, the KIS and the new Unistats website
- Whether the process from HE providers’ perspectives can be improved on
- An audit of the data provided by institutions.

In spite of strenuous looking, I can find no reference here to an analysis of institutions’ costs in producing this information, let alone the wider costs and distortions, or whether these are or could be offset by quantified or quantifiable benefits. This is shamefully poor policy making.

Similarly, universities and colleges invest increasing amounts of money in activities - marketing, branding, student recruitment - which have little to do with educational quality but are thought to be attractive to students and their sponsors. Hearn (2008, p. 209) refers to Luettger’s (2008) estimate that the amount of money spent on marketing and communications by colleges and universities in the US has risen by over 50 per cent since 2000; this is the average: the recent Senate report on ‘for profit’ colleges (Stone, 2012) found that such institutions spend an average of 23 per cent of their revenue on marketing compared to 17 per cent on instruction. This may be why many American students pay far more in tuition than their colleges spend on educating them, something we shall increasingly see here as tuition fees increase. Much of this expenditure is of course in response to what students, as consumers, need or say they need.

In the UK, a number of writers (e.g., Rolfe, 2003) have drawn attention to increased expenditure on marketing and branding as universities seek to maintain and improve their
position in the market, even though much of this effort is ineffective (see also, Matthews, 2012a). There has so far been less comment about dysfunctional expenditure on the US pattern but this can surely be only a matter of time. Most serious of all, however, is the waste involved where institutions invest resources in seeking prestige - for example, through raising the entry tariff or investing in expensive research ‘stars’- when only a small number of institutions can ever be truly prestigious. This is a zero-sum game with a vengeance. These of course are resources that could and should have been invested in improving educational practices and facilities. This latter expenditure is what we should be tracking and publishing, not virtually meaningless student surveys, early and unreliable employment data or even - at least without much further contextualisation- class contact hours.

Conclusion

It is time to draw these unhelpful comments to a conclusion. Let me offer a few final reflections.

Even someone with even less understanding of our higher education system than the present government can see the contradiction between the idea of offering every student and potential student the widest possible choice, so that every student has the best chance of fulfilling their potential by studying on a course and in a manner that best meets their particular needs, on the one hand, and the homogenising tendencies of having a single set of - mostly input-based - data to indicate institutional ‘quality’, on the other. The former is the aspiration that every one of us shares; the latter is the reputational hierarchy that sees a small subset of favoured ‘top’ universities given special treatment and every other provider seen as second- or third-class. There are in fact several sets of paradoxes here.

First, partly because of the informational problems described, and in spite of much official rhetoric about the beauties of competition as each institution finds its distinctive niche, etc., a greater degree of marketisation in higher education actually leads to a lower level of institutional diversity, as many students, institutions, employers and national agencies ‘migrate’ to the single preferred model of a well-resourced, highly selective, multi-faculty research-based university (see Brown, 2011, Chapter 3 for the full argument); the ‘league tables’ of course reinforce this. At precisely the same time as Ministers are preaching diversity and choice their policies are actually reducing it.

Second, the governments that have been advocating greater student choice are also the very ones that have been cutting public expenditure on universities over the years, so that institutions’ ability to offer a ‘personalised’ curriculum - for example, by increasing the amount of face-to-face contact between students and lecturers/tutors, reducing the size of teaching groups, and/or improving the speed and quality of feedback (all things that surveys consistently put at the top of students’ wish lists) - has been significantly reduced. Student/staff ratios in the universities are now, at 17.1, nearly two points above those in the state secondary schools, 15.3; in the private schools they are about half the state school figure. This is both a local management problem and a major strategic issue. Of course, the priority given to research over teaching, even in many non-research-intensive institutions, does not help. Research that does not contribute to or support student learning at some level should not be conducted in universities at all.

It is in fact strongly arguable that if the Government was actually serious about student choice and empowerment, it would be increasing the resources for teaching in all institutions, something already desirable on economic grounds alone (McMahon, 2009). It would also require those institutions that obtain large amounts of public money for research
to say exactly how they are using that money to improve student learning, and so justify the £9,000 fee: I think we can guess the answer from the reported comments of Sir Stephen Wall, Chair of the Council of University College London, in December 2010, that the institution would be using the increased teaching revenue to ‘fund the shortfall in government support for science and other research’ (Baker, 2010). The Government would also commit more of its own resources to develop information tools and dissemination: Thompson and Bekhradnia (2011, paragraph 84) pointed out that the Government proposed to spend £150,000 on information provision yet the running costs of the Student Loans Company and Her Majesty’s Revenue and Customs increased by £10m per annum with the introduction of the new fee and repayment schemes. Finally, the Government would also be increasing, rather than cutting back, resources for information, advice and guidance for school-age students and their families (in fact, it has abolished the independent Connexions service and returned it to the schools). The Government’s hypocrisy here is only surpassed by its posture on widening participation (Brown, in press).

I have so far said very little about the implications for equity of the Government’s push on information. Advocates of league tables often argue that they are a way of increasing equity by providing information to students who might otherwise lack the necessary social capital. However, it is a commonplace of surveys of league tables that they are used overwhelmingly by students from middle class homes who are already ‘in the know’. More generally, it seems clear that, again contrary to the claims of market advocates, instead of empowering consumers’ choices and potentialities, market methods of coordination actually reproduce the social inequalities that consumers bring to the market place. As Ranson (1993, p. 337) wrote:

Within the market place all are free and equal, only differentiated by their capacity to calculate their self-interest. Yet, of course, the market masks its social bias. It elides, but reproduces, the inequalities that consumers bring to the market place. Under the guise of neutrality, the institution of the market actively confirms and reinforces the pre-existing social class order of wealth and privilege. (see also, Hemsley-Brown, 2011).

Whatever else markets may produce it is not social justice, but perhaps the Government sees ‘student choice’ as a means of further legitimising existing inequalities (a point I owe to John Brennan).

Let me now try to sum all this weary stuff up.

It is impossible to avoid the conclusion that, at the very least, the current push on student information will increase stratification, both of the institutions and of the constituencies they serve. This will be to the detriment of the notion of a diverse system, where differences in resourcing, status and quality between institutions are kept within a controlled range. It will almost certainly weaken self-regulation, which is the chief reason for our still generally well-deserved reputation for attention to quality. And it will lead to a lot of nugatory effort on the part of institutions and students and their families, at a time of almost unprecedented economic pressures, without any corresponding benefits.

Even worse, though, is the reinforcement that it provides for the notion of higher education as a consumer product just like any other (Williams, J., 2012). This is completely contrary to the vision which many of us still have of higher education as essentially a process of intellectual and moral transformation, where the end ‘product’, if there is one, is a more enlightened individual better able to stand on their own feet intellectually through participation in a community which is devoted to searching out and understanding what is
believed to be the truth through established scholarly means, and without any reference to any economic implications. Instead of a vision of higher education in which students are essentially consumers of a pre-specified product, we should be talking about an engaged partnership, where the key information is not what students can elicit before entering, but what all parties learn in the course of the process about educational aims and how individual students may best achieve them. This is what is really at stake in the enhancement of student choice and information.

Finally, there is a moral dimension. Is it fair to load upon students, at the ages of 16, 17 or 18, or their parents or advisers, the main responsibility for making a choice of subject, course and institution, and for correcting it if it turns out to be wrong? Surely it should be our responsibility, as the academic community, to protect students by ensuring that, whatever, wherever and however they study, they receive a good learning experience leading to a suitable qualification? We also need to be far more flexible in cases where they turn out to have made the ‘wrong’ choice. The very worst aspect of the renewed push on student choice and information is that it will almost certainly weaken our ability to provide those reassurances, without putting anything worthwhile in its place.

You may now be able to see why I believe, on the basis of all that we know about higher education markets, that enhancing student choice through more and better information, is a myth, and a dangerous myth at that.

Thank you for listening to me.

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