

# 'Value for money' rhetoric in higher education undermines the value of knowledge in society.

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1/28/2014

*Over the past 15 years, reiterated across successive governments, the concept of value for money has been internalised throughout the higher education sector. [Joanna Williams](#) outlines the reasons why it is problematic to use student choice and value for money as a means of holding universities to account. Universities should be concerned with knowledge not skills; and intellectual capital not economic capital. Seeing the university as a financial investment in employability skills undermines the authority and value of knowledge.*



That fee-paying students should seek value for money in their purchase of a degree has become accepted as common sense. Young people are encouraged to perform complex calculations whereby they subtract tuition-fees paid and income lost while studying from potential future lifetime earnings, in order to determine whether or not their investment in higher education will be worthwhile. Not only do such crude economic calculations make no sense at all, but worse, they encourage potential students to see a degree as a financial investment. This degrades higher education. Immersing yourself in your chosen discipline, critiquing existing knowledge and advancing new knowledge are all missing from economic calculations. Even just enjoying being a student, making new friends, trying out new ideas, engaging with politics and culture, are left out when we become fixated on putting a price on everything.

Almost fifteen years ago, Sir Ron Dearing in his [report of the National Committee of Inquiry into Higher Education](#), argued that government and universities must 'encourage the student to see him/herself as an investor in receipt of a service, and to seek, as an investor, value for money and a good return from the investment' (1997, 22: 9). This is now echoed in every university in the country as courses are marketed on the basis of the employability skills students can expect to acquire and statistics on post-graduation employment and earnings.

Such claims are misleading. They are based on the premise that because graduates earn, on average, higher wages than non-graduates there is something inherent in 'graduateness' that leads to increased profitability for employers. The links between education, productivity and profitability are presented as causal. However, a correlation between having a degree and earning more money does not necessarily mean that one causes the other. Instead, it may be the case that education is used as a legitimate means of ranking individuals according to the employment vacancies available, and, as Professor Alison Wolf notes, as more people attain higher level qualifications, or the number of job opportunities decreases, employers merely raise the entry threshold (see [Wolf, 2002](#)). Investing in higher education, as the Swedish academic Mats Alvesson suggests, is a 'zero-sum game' and a matter of positionality.

The financial returns on a degree vary enormously by individual, institution and subject. For some students university may indeed lead directly into a well-paid career, but for others it may not. The logic of individuals seeking to maximise financial returns is that all students would choose to study Economics at a top-ranked university. But if every student did this the effect of wage differentials would immediately be negated. As the economist Fred Hirsch put it back in 1976, if you're in a crowd and you want to get a better view then standing on tiptoes is a rational thing

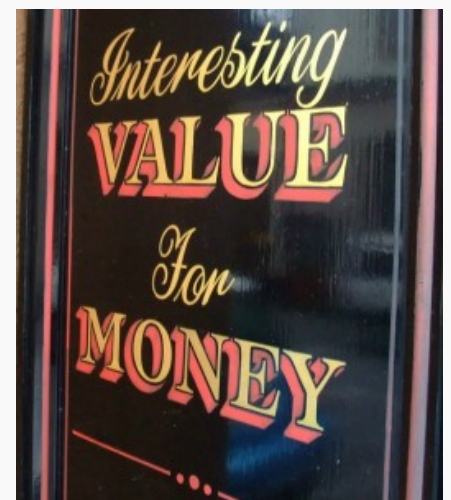


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to do. At an individual level it works. However, if everyone then stands on tiptoes the effect is negated. A degree as an investment in future earnings might be rational at an individual level but it does not logically follow that the same relationship between a degree and earnings holds true at the aggregate level. The wage differentials paid to individuals having a degree depend more upon supply and demand, social prestige and cultural cachet than on any particular skills gained.

The zero-sum qualifications game has a number of consequences. Pierre Bourdieu argued that academic devaluation increases the significance of an individual's social and cultural capital. A student's social class background thus becomes more relevant to their future career prospects, not less. In a similar way, certain degree courses such as Law and Economics, and degrees obtained from particular institutions such as Oxbridge are more attractive 'commodities' – a fact some students will be aware of through school and family connections. Promoting education, a positional good, as one with inherent value also leads to qualification escalation. More undergraduates feel under pressure to gain an MA (and with it more debt) in order to distinguish themselves in the labour market.

### **Instrumentalism is anathema to education**

The focus upon gaining a qualification that can be traded in the post-graduation labour market shifts attention away from what is really valuable about education. From the rational student's perspective, engaging in intellectual struggle makes no sense at all if your aim is to secure a certificate in as risk-free and time-efficient way as possible. Exploring interesting and challenging ideas is a distraction to be avoided. Most university lecturers will have been confronted by students asking the dreaded question: 'Will this be on the exam?'. Students adopting such an instrumental approach are least likely to immerse themselves in learning and exploring new knowledge. When students engage with new knowledge they cannot know what their 'learning outcomes' might be.

Because learning in higher education cannot be pre-determined, it is problematic to use student choice and value for money as a means of holding universities to account. The assumption behind successive government policies seems to be that student choice will drive up quality in higher education. In [Students at the Heart of the System](#) [pdf] it is claimed: 'Better informed students will take their custom to the places offering good value for money. In this way, teaching will be placed back at the heart of every student's university experience'. This assumes students can know – in advance of taking up a university place – what excellent teaching looks like. It assumes a direct relationship between the quality of teaching and the quality of learning without any acknowledgement of the efforts students make themselves. Furthermore it is assumed that surveys such as the National Student Survey, which form a key component of many league tables, provide a measure of teaching quality and do not just act as a proxy for student satisfaction.

### **Value for money is not a measure of quality**

For some students, value for money may just mean getting what they want – satisfaction in the short term and a high level qualification – for minimal effort. The role of universities should be to challenge this assumption. But the notion that educational quality can be driven upwards by a market based on perceived value for money is more likely to lead to a race to the bottom in terms of educational standards as branding, reputation management and the perception of quality all become more important than confronting students with intellectual challenge. Demands for accountability will further erode the academic autonomy of universities, leading lecturers to teach a predetermined curriculum in a way that demonstrates 'value added' most effectively. Educationally, this may lead to a focus on learnt facts or the demonstration of a narrow range of skills. Qualitative measures of educational development or intellectual engagement are all more difficult to measure effectively.

Universities should be concerned with knowledge not skills; and intellectual capital not economic capital. For students, university should be about mastering disciplinary knowledge; not unquestioningly – but knowing what has been thought and said by scholars who have studied a subject before you leaves students better placed to interpret, critique and ultimately add to society's collective understanding of the world we live in. As a society we can only properly value universities when we value knowledge. Seeing university as a financial investment in employability

skills undermines the authority of subject knowledge and risks jettisoning the hard-won intellectual gains of previous generations of scholars.

*Joanna Williams is one of four speakers at this evening's panel discussion at the Strategic Society Centre on [Value for Money in Higher Education: What is it and how can it be achieved?](#). Twitter hashtag: #vfmHE*

*Note: This article gives the views of the author, and not the position of the Impact of Social Science blog, nor of the London School of Economics. Please review our [Comments Policy](#) if you have any concerns on posting a comment below.*

## **About the Author**

**Joanna Williams** is a Senior Lecturer in Higher Education and Academic Practice at the University of Kent. Her book *Consuming Higher Education Why Learning Can't Be Bought* was published by Bloomsbury in 2013. Joanna is particularly interested in the impact of marketisation upon universities, knowledge and the public good in higher education, and academic freedom. She is the education editor of the online current affairs magazine [Spiked](#).

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