

CONTINUING DEBATE OVER HIGHER EDUCATION: POWERHOUSES OR GRAVY TRAINS?

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Could the lack of attention to higher education during the election campaign be simple political arithmetic – not enough people care enough for this to be worthy of attention? As one observer inside the education bureaucracy observed informally, ‘Governments and Oppositions know in their heart of hearts that most punters still believe academics live in ivory towers and that university students have long hair and are lazy, and that there are few votes to be gained in higher education? I think this has been a (mis) perception in Australia for a long time but it still exists’.

Could the populace be right? There is a significant scholarly debate to be assessed about the virtue of the current quantity of public funds spent on post-compulsory education, especially in universities. Swimming against the conventional wisdom, Dean Ashenden has pursued this issue at length in a piece written for *Inside Story* and reproduced and discussed on the TJRyan Foundation website. He asks whether the university sector is a powerhouse driving Mr Turnbull’s thrust for innovation and growth or a gigantic self-serving gravy train.

[Ashenden D, [‘Powerhouse or Gravy Train?’](#), *Inside Story*, 15.6.16.]

This is a major contribution to a discussion of higher education. It is long (nearly 10,000 words) and deals with fundamental issues of economic analysis as well as contemporary policy issues facing government. It casts doubt upon the assumptions and premises which have led governments (and increasingly students) to invest large amounts of dollars in supporting and expanding the current range of activities in post-school institutions.

Put simply, Ashenden suggests that the money might be better spent elsewhere and that governments should concentrate on regulating the sector more closely to avoid the current misallocation of resources.

The flavour of his critique is captured mid-way through:

‘With social, political and ideological realities back in the picture we can also understand why a vastly expanded system, which has brought many benefits to many people, has nonetheless been a disappointment. We can see why governments have been on a policy treadmill, lubricated by an overweening and inadequate theory, tackling the same old problems over and over again in the belief that more and yet more education will make them go away.

The result is an increasingly bloated and self-serving university sector; a demoralised and marginalised VET system; stubborn inequalities in educational opportunities and outcomes; persistently high proportions of school leavers and adults who, as the euphemism goes, ‘lack the skills for full participation in contemporary society’; chronic grumbling by employers about the ‘job readiness’ of new employees; and, for many of those on the receiving end of it all, an ever-lengthening educational experience of variable quality, ever-increasing competitiveness and ever-increasing costs.’

Three prominent TJRyan Foundation Research Associates were divided when asked to respond to Ashenden's extended analysis:

John Quiggin:

I think the premise of the article is 100 per cent wrong. There is ample evidence to support the human capital model. Credentialism as a hypothesis has some immediate appeal but doesn't stand up to scrutiny. ... Here's what I wrote on this in 1999.¹

John Dungan:

I think (the Ashenden article) is excellent, balanced and a most welcome contribution to the education and training debate. It touches essentially on the dark side of decades of government policy in this area – the ways in which Commonwealth governments of all persuasions have emphasised the instrumentalist purposes of education to the detriment of all others (particularly the social and transformative possibilities of education) and making education an instrument of economic development and serving primarily the needs of 'the economy'. I like its broad-based nature in how it looks at the dangers of credentialism across various occupations and industry sectors, and highlights how governments have encouraged exponential growth in post-school education and training participation as a way of occupying the time of young people when they really don't know what else to do with them. In my experience, economists generally like human capital theory so it is good to see an economic take on this territory which is critical of this theory.

John McCollow:

It seems to me that considering this question without specifically mentioning the chill winds of neo-liberalism and their de-funding, downsizing and destabilising effects on public institutions is a serious omission. Simon Marginson is an internationally recognised (Australian) expert on higher education, now working from University College, London. His recent article '[The worldwide trend to high participation higher education: dynamics of social stratification in inclusive systems](#)' is directly relevant to the issues raised by Ashenden (and takes a much more measured approach).

The Conversation has 'a bob each way' in this debate with contributions from Chohan ('[Young, educated and underemployed: are we building a nation of PhD baristas?](#)' 15.1.16) and Withers ('[Higher education pays for itself many times over](#)' 1.7.16)

Finally, in a major policy paper which emerged from a specialist education think-tank during the election campaign, Peter Noonan offered another assessment of the debate over 'credentialism' and its policy consequences:

Despite the general benefits of completing school and obtaining a tertiary qualification we should not over promise on these benefits and outcomes for young people. The links between educational attainment and workforce participation are not straightforward. We can't and shouldn't promise automatic access to high skill jobs or suggest simplistic links between courses and careers....

Most importantly it is the quality and relevance of Australian tertiary education that will underpin outcomes for individual students, the economy and society more generally. Courses which entrench outdated practices and habits of mind will disadvantage rather than empower graduates in the workforce of the future.

[Noonan P, [Participation in Tertiary Education in Australia: Policy Imperatives and Scenarios](#)', Mitchell Institute, May 2016, p.4]

¹ Quiggin J, '[Human capital theory and education policy in Australia](#)' *Australian Economic Review* 32(2), 130-44, 1999.