

Corporate blueprint predicts “death” of higher education in Australia

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A report issued this week by the global corporate consultancy firm EY, formerly known as Ernst & Young, provides a naked picture of the financial aristocracy’s exploitation of the COVID-19 pandemic to accelerate the pro-business restructuring of tertiary education.

The report, entitled *The Peak of Higher Education*, issues a blunt threat. It demands the end of universities as they currently exist, to be replaced by corporate vocational and research services, tailored to the dictates of the corporate elite. It declares in capital letters:

“HIGHER EDUCATION IS DEAD. LONG LIVE THE KNOWLEDGE SERVICES SECTOR! THE FUTURE IS CLOSER THAN YOU THINK. CHANGE MUST START NOW—OR NEVER.”

Based on interviews with 32 vice chancellors and other senior figures in Australian and New Zealand universities, the report reveals the far-reaching agenda being pursued by university administrations, as well as governments.

The report underscores the warnings issued since the start of the pandemic by the Socialist Equality Party (SEP) and the Committee for Public Education (CFPE). The unprecedented destruction of jobs, conditions and courses underway across the country and internationally can be fought only on the basis of a completely opposed economic and political perspective, one that rejects entirely the dictates of the financial markets and employers, i.e., a socialist program.

Worldwide, the wealthy elites are using the global COVID-19 disaster, for which they themselves are responsible, to ratchet up their decades-long offensive against the jobs, conditions and essential social programs of the working class, including public education and healthcare.

According to EY: “The pandemic proved that, while universities have been with us for centuries, they are not immune to the business reinvention that is taking down giants in media, automobiles and energy...”

“By 2030, a quarter of universities could go bankrupt, merge, restructure or close as the sector is reinvented. Survivors will need to have forged ever closer commercial relationships with industry, disrupted themselves or coalesced into new networks of alliances.”

Outlining EY’s vision, the report states: “Universities are just

one category of a plethora of knowledge services providers accessed via digital platforms, which reduce the marginal costs of distributing content to almost zero while enabling almost infinite scale and reach.”

This involves halving the number of educators and handing over “knowledge services” to corporate outfits. “Traditional higher education revenues decline by \$5-6bn and the non-research workforce shrinks by more than 50 percent as new learning services proliferate. Winning universities pivot early, think ahead of the market, embrace learning platforms and acquire new capabilities.

“Revenue declines for incumbents as industries digitise; rise of services like Clubhouse, Substack, YouTube and podcasts to replace pre-recorded lectures; availability of \$500 Google career certificates and free corporate MBAs as substitutes for university degrees.”

Due to the pandemic, EY brought forward by a decade the “bold forecast” it made in 2018, that such a “reinvention” of tertiary education would be imposed by 2030. “Because of COVID-19, much of the 2030 we predicted arrived in 2020. And the sector was not ready,” it proclaimed.

Universities would lose their monopoly on course accreditation and government funding, and “non-degree credentials” would become “mainstream.” Employers and industry bodies would “compete directly with the traditional accreditation system while others partner with universities to develop bespoke credentials.”

EY’s modelling builds on the shift in funding already made by Prime Minister Scott Morrison’s Liberal-National Coalition government, to tie university revenues to the churning out of “job ready graduates” and providing short courses to deliver “micro-credentials” that meet the immediate needs of employers.

The report predicts that “first movers in digital accreditation (e.g., stackable micro-certifications)” would “gain access to a new \$10bn marketplace.” In some instances, corporates would buy “enterprise learning licenses from universities.”

The global education market would feature “the full spectrum of learning providers (many offshore).” Any public universities that survive would “compete with different value propositions.” These “value” offerings would include

“innovative and effective pedagogical approaches,” “close partnerships with industry and potential employers” and “simply value-for-money.”

Private universities would be free to cherry pick profitable courses. They would “enter markets where they can apply agile commercial models to selective courses at scale.” Increasingly, universities would shift to cheaper, online, forms of education—a shift propelled by the shutdowns of many campuses during the pandemic.

Research and the futures of post-graduate students would be subordinated to the narrow profit interests of the corporate giants as well. “University research shifts to prioritise commercial, demand-driven research and development, creating closer collaboration between universities and industry and capital markets. Universities repurpose their under-used campus assets for business incubation. PhD students have clear career paths into industry, eventually working for companies whose commercial research they undertake.”

EY’s report celebrates the crisis created by the loss of international student enrolments, on which the universities have become increasingly dependent, because of billions of dollars in spending cuts by the current Liberal-National government and the previous Greens-backed Labor government. “The COVID-19 pandemic is a systemic shock that brings our higher education sector to the fork in the road.”

In line with the EY report, an *Australian Financial Review* editorial on August 17 reported that “Baroness Alison Wolf, who works for Boris Johnson at 10 Downing Street,” told the newspaper’s “Higher Education Summit” this week that “the traditional model of post-school university or vocational education is no longer fit for purpose, and that a flexible lifetime learning entitlement being planned in the UK would allow for upskilling and retraining throughout working lives, as required in a modern, dynamic economy.”

The editorial concluded: “This suggests that far beyond debates about shoring up the pandemic-hit business models of universities in the short term, the longer-term future of higher education could involve much bigger disruption.”

While the EY report sets out the agenda of the capitalist class in stark terms, its “vision” is erected upon and based on the same pro-corporate logic as the “education revolution” imposed by the last Greens-backed Labor Party government from 2010 to 2013.

That funding regime, continued by the Coalition government since 2013, forced universities to compete with each other for enrolments in the most lucrative courses, tailor their teaching programs to the needs of employers, and seek alternative sources of revenue, including from exorbitant international student fees.

From the outset, the *World Socialist Web Site* warned that this “education revolution” was a “third wave” of economic restructuring, in favour of the corporate elite. As Prime Ministers Rudd and Gillard themselves boasted, their measures

expanded the first two “waves” of privatisation and attacks on working class conditions that were implemented by the Hawke and Keating Labor governments of 1983 to 1996, in partnership with the trade unions.

By contrast, the National Tertiary Education Union (NTEU) supported Labor’s “Demand Driven System” and has enforced it ever since, via enterprise bargaining agreements negotiated with individual university managements. That is because the NTEU shares the underlying outlook that universities must serve the interests of the ruling class, always hailing the billions of dollars in revenues they generate for Australian capitalism every year.

The EY blueprint makes it clear that public education cannot be defended without a fundamental break with the thoroughly pro-corporate NTEU, as well as the political servants of big business: Labor and the Greens.

What is essential is the formation of rank-and-file committees of staff and students, totally independent of all the trade unions, and a turn to other sections of educators and workers, in Australia and internationally, facing this intensified onslaught.

Such a struggle requires a socialist perspective that fights for the complete reorganisation of society in the interests of all, not the soaring wealth accumulation of the billionaires. That would provide the billions of dollars needed to establish free, high quality education, from kindergarten to university, and the basic right of all education workers to full-time employment, with decent pay and conditions.

This is the program advanced by the CFPE, established by the SEP, as part of the worldwide fight for the formation of the International Workers Alliance of Rank-and-File Committees. We urge all those who want to take forward this global struggle to register for and participate in the CFPE’s online public meeting this Sunday: “Form rank-and-file safety committees to oppose school reopening amid COVID-19 pandemic.”



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