

# Universities should

by NORMAN MACRAE

It is plausible that Britain's great institutions, such as its universities and the National Health Service are at present operating at about a fifth of the productivity that with proper efficiency and lower taxpayer-spending they could attain.

This "one fifth" rule has proved true in tax sinks such as Soviet steelworks in Omsk, and in British Steel before privatisation. It will show when the first commercial British prison (whose tender contract terms are now being set) uses perhaps one third as many prison officers, but manages to civilise some inmates instead of making more brutalised criminals of nearly all.

In the NHS it may be hopeless to get the uneducated British to see this. The Thatcher government raised spending on the NHS by a third in real terms. The extra billions were sucked into multiplying most of the sorts of staff whose extra presence brings nil or minus improvement in waiting lists. One consultant says his hospital worked best in the winter of discontent, when all the grades who impose restrictive practices were blissfully out on strike.

The important question is

whether reform in British university will be similarly blocked. During the 1990s the loss to south Asia of British and other manufacturing jobs will greatly accelerate, as India and China join the mass of manufacturing mankind. Britain's hopes will lie in the knowledge industries. Because the real cost of using computers will again drop hugely in the next five years, the scope in these will be large. With remarkably little new investment, well paid, clever people in rich countries will work out radically new ways of understanding situations and trades and events. British universities ought to be particularly important players in at least two of the knowledge industries: education and training, including refreshing 50-year-old business executives' pre-computer-age knowledge; and research and development. Because of the awfulness of banks, I would like efficient universities to move also into financial advice and management of pension funds.

Unfortunately, universities in

Britain today have fallen into the same mire as the NHS. They operate "In a cartel whose output has been regulated by government" and they have therefore "institutionalised restrictive practices". That charge was laid last week by Professor Sir Douglas Hague, who has long been the favourite academic of Margaret Thatcher and myself, but of few of his fellow professors. His devastating 86 pages (Beyond Universities, published as Hobart 115 by the Institute of Economic Affairs) show how British universities should be, but probably won't.

As regards education and training universities by the year 2000 should desirably be paying (twice present salaries to under half as many lecturers, but teaching far more students in a much more scientific way. The least scientific

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## be efficient

way is the present droning in British universities through all those 'twas' lectures a week. Most could be better replaced by a videotaped lecture from the latest American or other scholarly star, with graphics and printouts and modern gadgetry. The local university teacher should hold a discussion on the matters raised afterward. More expensive sittings would bring the international star into video conferences, after his videoed lecture, and professors from other faculties would attend these. At present, professors from other faculties are discouraged from attending colleagues' lectures, lest they find out how bad these are.

Educational "impresarios" should make up packages of these video-conferences, into which retraining managers could telecommute. More than half of university

students by 2000 should not be sitting for a degree. Universities should profitably contact their old students now running large companies, and say: "What retraining packages would you like us to draw up for which of your management grades?"

At least the present cleverest one-eighth of the nation's 18 to 21-year-olds should also still come to university, but they should be financed simply through state scholarships or state loans. They themselves should decide to which university to go or telecommute, and at what stage of their lives. If nobody wanted to attend a particular university, there should be great relief, as it went bust. All universities' databases should be accessible to anybody—at a fee. Anybody should be allowed to sit for any university's degree exam, even if he had never attended the place.

As regards research and development, Sir Douglas wielded the right cane when in 1983 Mrs Thatcher made him her organiser

of university social and economic research. He found that half those whom the taxpayer expensively financed to do PhD research never produced any thesis. He told universities they would not get PhD funds unless at least 10% (later 50%) of theses arrived within a year of their being promised.

As Cambridge found that too hard work, its social science students are not being supported at present, while Oxford, the London School of Economics and Manchester teeter on the brink.

Sir Douglas sees any successful future university as "a holding company, with all kinds of subsidiaries". Some will attract particularly big firms as their clients. There could be either way take-overs, with the company eventually running the university, or the university the company. With a competitive structure, like this, one can see how universities could soon be producing more than five times their present usefulness per taxpayer's dollar spent.

Without such full-blooded reforms—not only in universities, but in schools and the NHS—protected overstaffing in Britain's public services will cause us fast decline.