

# The International Political Economy of Higher Education in the UK

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Received 15 June 2015

Accepted 20 December 2015

**Abstract:** The International Political Economy of Higher Education in the UK Deputy Vice Chancellor (Academic) and Professor Nora Ann Colton. There is no doubt that there is a correlation between the economic development of a country and its education (HE) system. It is less clear as to what the correlation is to economic growth and higher education (BIS 2013). Questions abound around variables, correlations and return. There are a number of unanswered questions in terms of the role higher education plays within the larger macro as well as micro economy of a state. In spite of these question marks, universities continue to be seen to generate innovation and ideas through research as well as training that prepares the labour force for employers.

Starting in the 1990s and accelerating since the global financial crisis of 2008, we have seen a debate around higher education ignite a number of controversial opinions on the role that higher education is playing in terms of the twin services it has been tasked with. This debate has been particularly vocal in the USA where students pay increasing sums of money at private universities and where completion rates at public universities are low. In the UK, higher education (HE) also appears to be at a historical turning point in redefining the mission of universities and their role within society. In this paper, it will be argued that the growing disquiet with HE is due in part to the global financial crisis and the undermining of

government funds. This situation has created a new economic paradigm in terms of the historical narrative of higher education being a positive externality on society. In fact, the international political economy is defining and shaping our perceptions of institutions of higher education in a way never seen before. This situation is leading to radical changes in higher education institutions (HEIs) in the UK where higher education is viewed more generally within society as a service in the economy that no longer merits a privileged place. Furthermore, the internationalisation of higher education has led to a commodification of HE that makes national origin of institutions and pedagogical approach less relevant.

This paper will use an international political economy framework to look at the

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relationship between higher education and the local and global economy. The paper will provide a historical context to UK higher education while proffering a wider critique of the political economy that higher education in the UK has had to adapt to. The paper will demonstrate that higher education in the UK is going through a third historical shift that

represents the privatization of UK HE that has been accelerated due to the global financial crisis. Furthermore, it will be argued that this privatisation of UK HE can only be understood in the context of the global economy and the market forces that are reshaping higher education internationally as well.