

# The future (r)evolution of HE?

*22<sup>nd</sup> Nov 2012*

Louis Coiffait, Head of Research

@LouisMMCoiffait

The Pearson Think Tank

*thepearsonthinktank.com*

# The future of HE



### 1. WHO?

More students, from and in emerging nations  
More older, working and part time students

### 2. WHERE?

Informally, outside classes, wherever suits  
More courses with multiple global locations

### 3. HOW?

Blended, online and personalised services  
Socially with others, virtually or in person

### 4. WHY?

Economic benefit, for them and their country  
But increasingly for a better world - **values**

# Quick introductions

1

# Pearson

PEARSON



FT

## Education

Our two divisions – Pearson International and Pearson North America – create curriculum materials, multimedia learning tools and assessment programmes that help to educate more than 100 million people in over 70 countries worldwide – more than any other private enterprise.

## Consumer publishing

Our world-famous Penguin brand is a label of quality around the world, publishing an unrivalled range of fiction and non-fiction bestsellers and classics in over 100 countries.

## Business information

Our Financial Times Group, one of the world's leading business information companies, provides a broad range of digital services to the international business community.

More than 45,000 staff in over 70 countries helping over 100m learners

# The world's leading learning company?

## THE WORLD'S LEADING EDUCATION COMPANIES

### EDUCATION REVENUES \$m



2010 data

\*2009 data

\*\*Year to February 2011

# Change at the top

Dame Marjorie Scardino

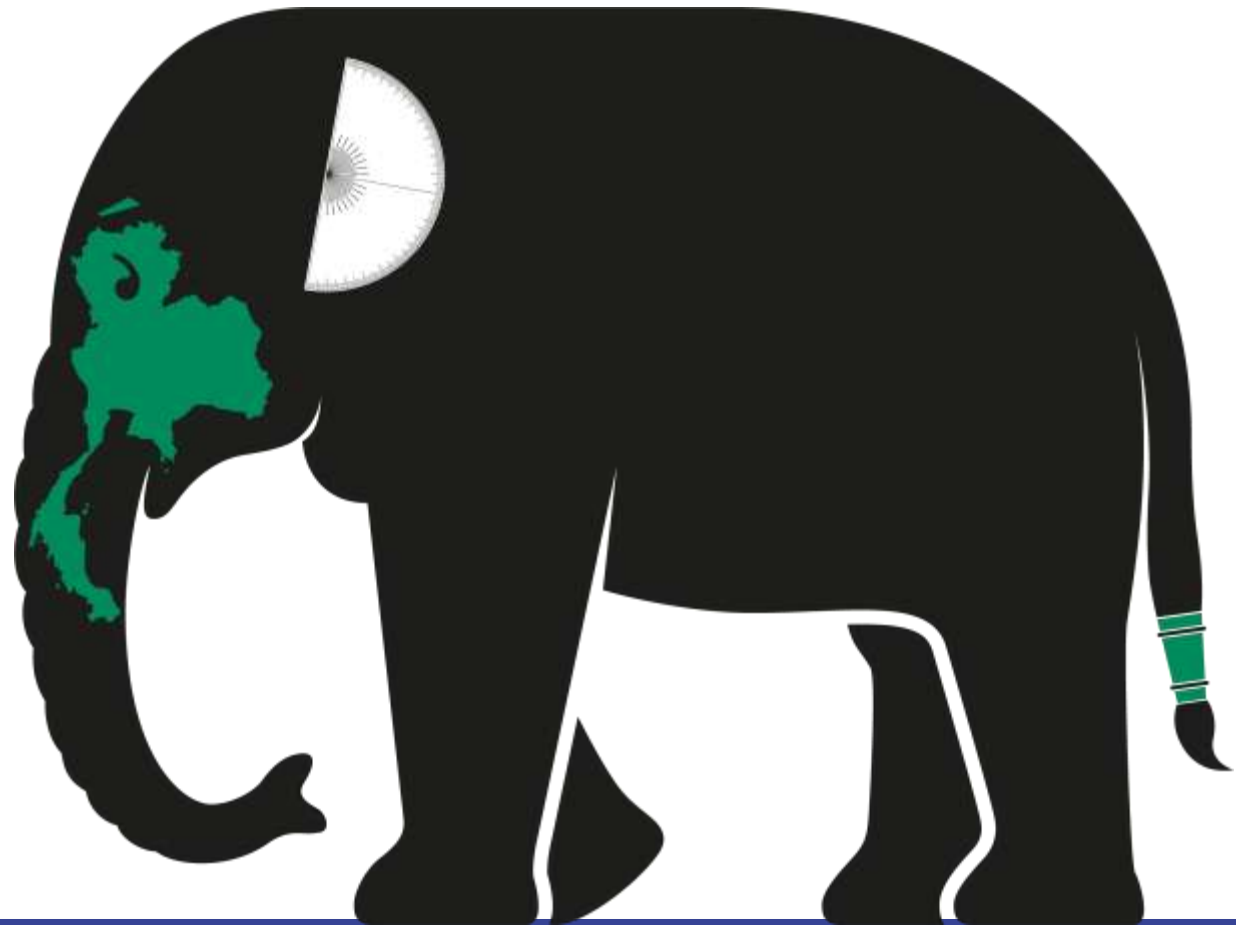


John Fallon



# Pearson in Asia Pacific and Thailand

Over 7,000 employees in the region  
Operating in 17 countries  
HQ in Hong Kong





# thepearsonthinktank.com

The screenshot shows the Pearson Think Tank website. The browser address bar displays 'thepearsonthinktank.com'. The main navigation bar includes 'PEARSON' and 'ALWAYS'. Below this is the site title 'The Pearson Think Tank' with a search box. A secondary navigation bar lists: Home, About Us, Research, Publications, Policy Watch, Events, Blogs, Contact Us, Sign Up. The 'Research' menu is open, listing various topics such as 'Careers 2020', 'A New Conversation with Parents', 'Blue Skies (live)', 'Enterprise and Entrepreneurship education (live)', 'Fair access to HE (live)', 'Future Universities', 'Rational Numbers: Maths to 18? (live)', 'Subject to Change', 'Teacher workforce – quality and quantity (live)', 'The Academies Commission (live)', 'The potential of open education data', 'Tweeting for Teachers', and 'Technicians and Progression'. A large image of a person looking at a computer screen is visible on the right side of the page.

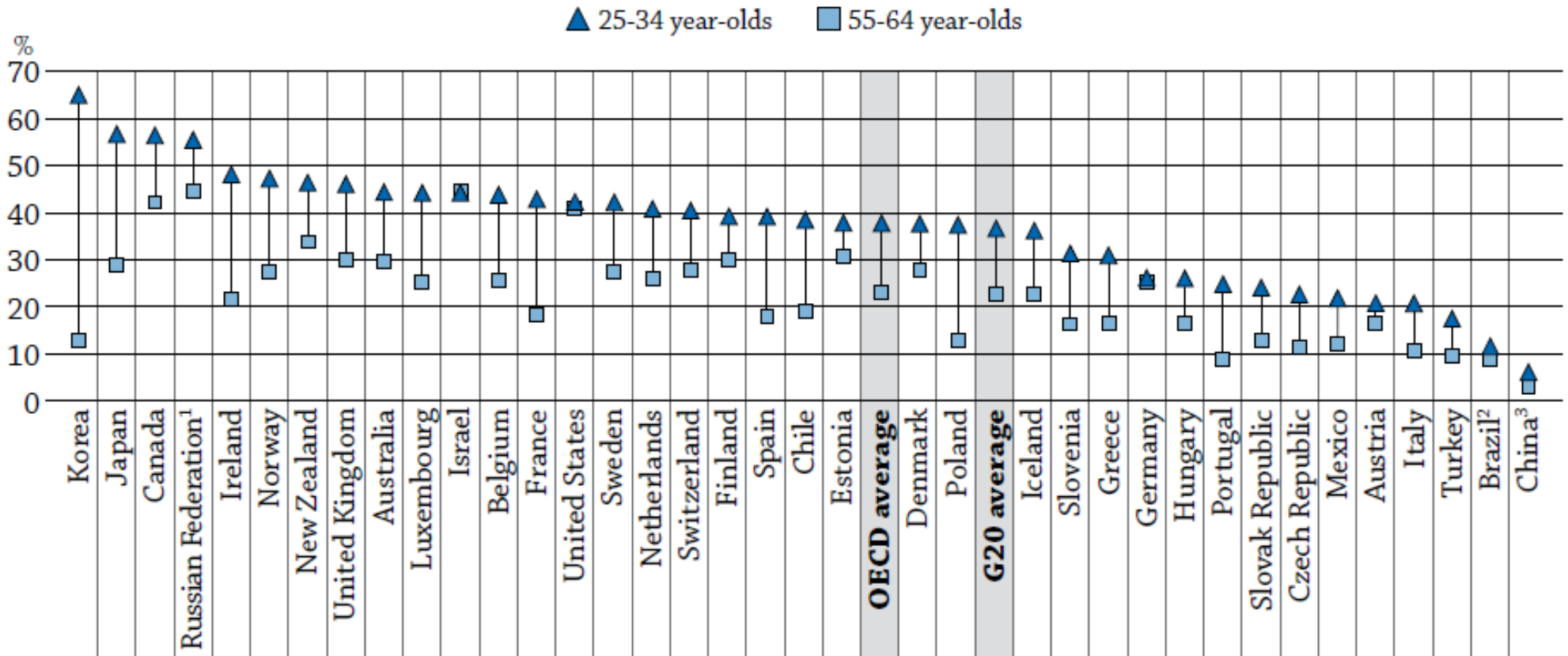
Independent  
education  
think tank  
focused  
on  
research  
into  
education  
access  
and  
quality

# A shifting global context for HE

2

# HE - a growing global phenomenon

Percentage of population with tertiary education by age

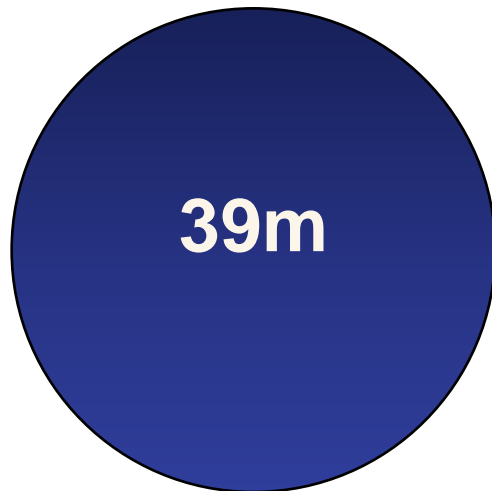


Sources: OECD (2012) Education at a glance <http://goo.gl/Y9Y3c>

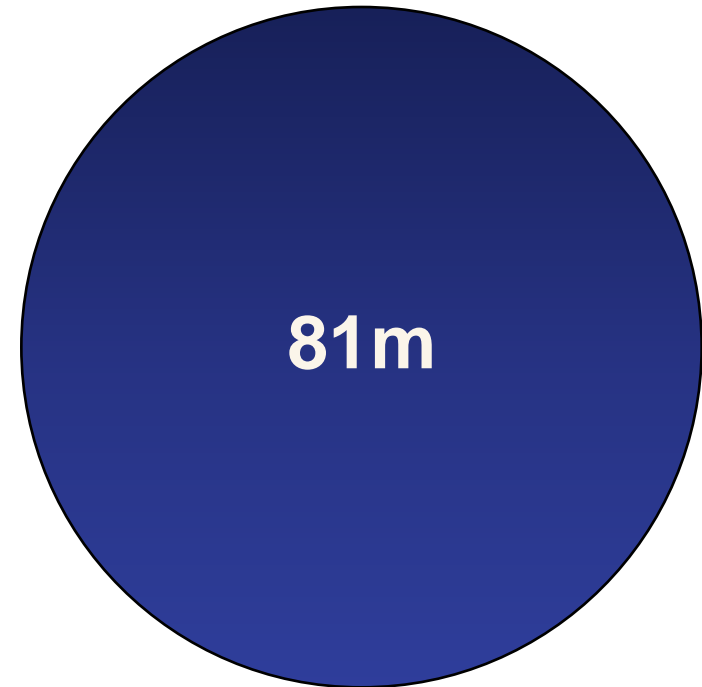
# Sustained growth in HE learners

In 36 countries covered by OECD data there are more than twice as many 25-34 year olds (81m) with degrees than 55-64 year olds (39m)

**Number of 55-64 year-olds**



**Number of 25-34 year-olds**

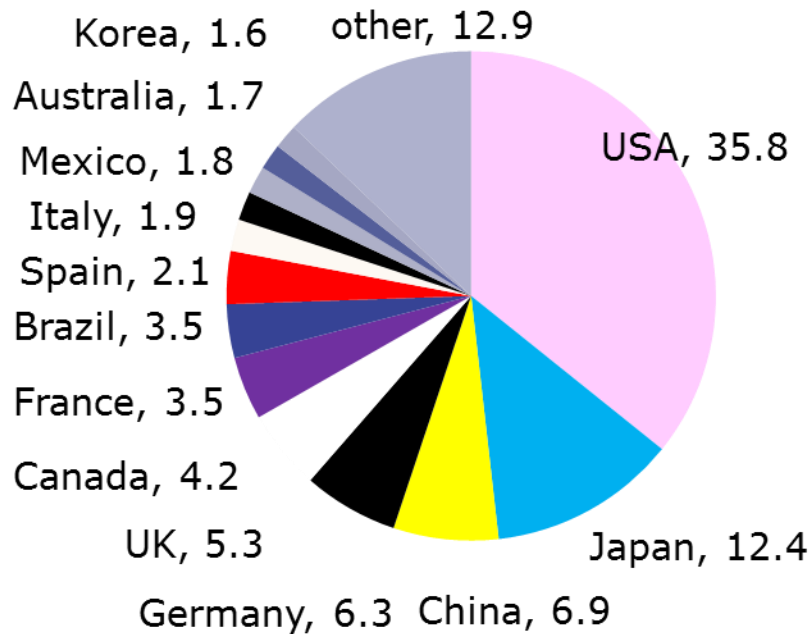


Sources: Andreas Schleicher (2012) What does the future hold for higher education?, OECD <http://goo.gl/sEpa1> based on data from Education at a glance (2012) OECD, <http://goo.gl/u9LbT>

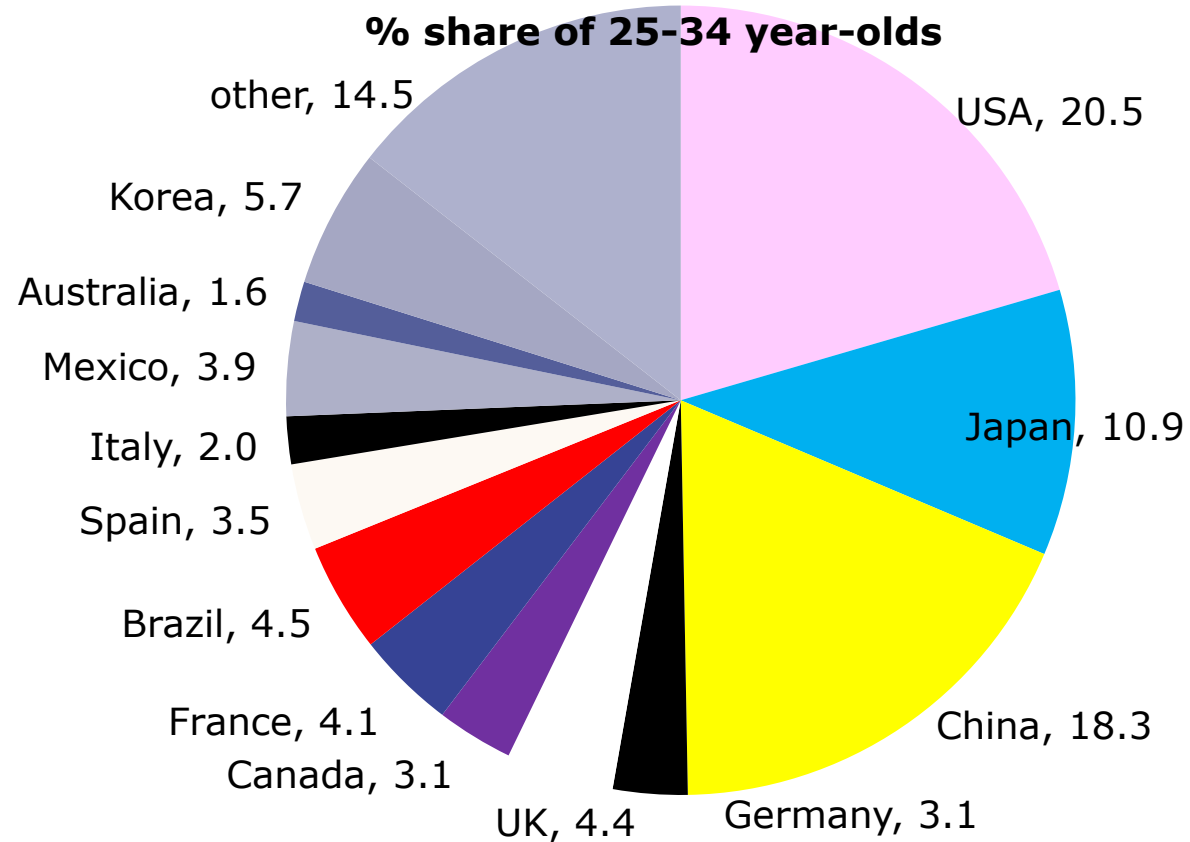
# Increasingly studying in, not just coming from emerging nations

The % share of graduates by nationality is shifting from West to East

**% share of 55-64 year-olds**

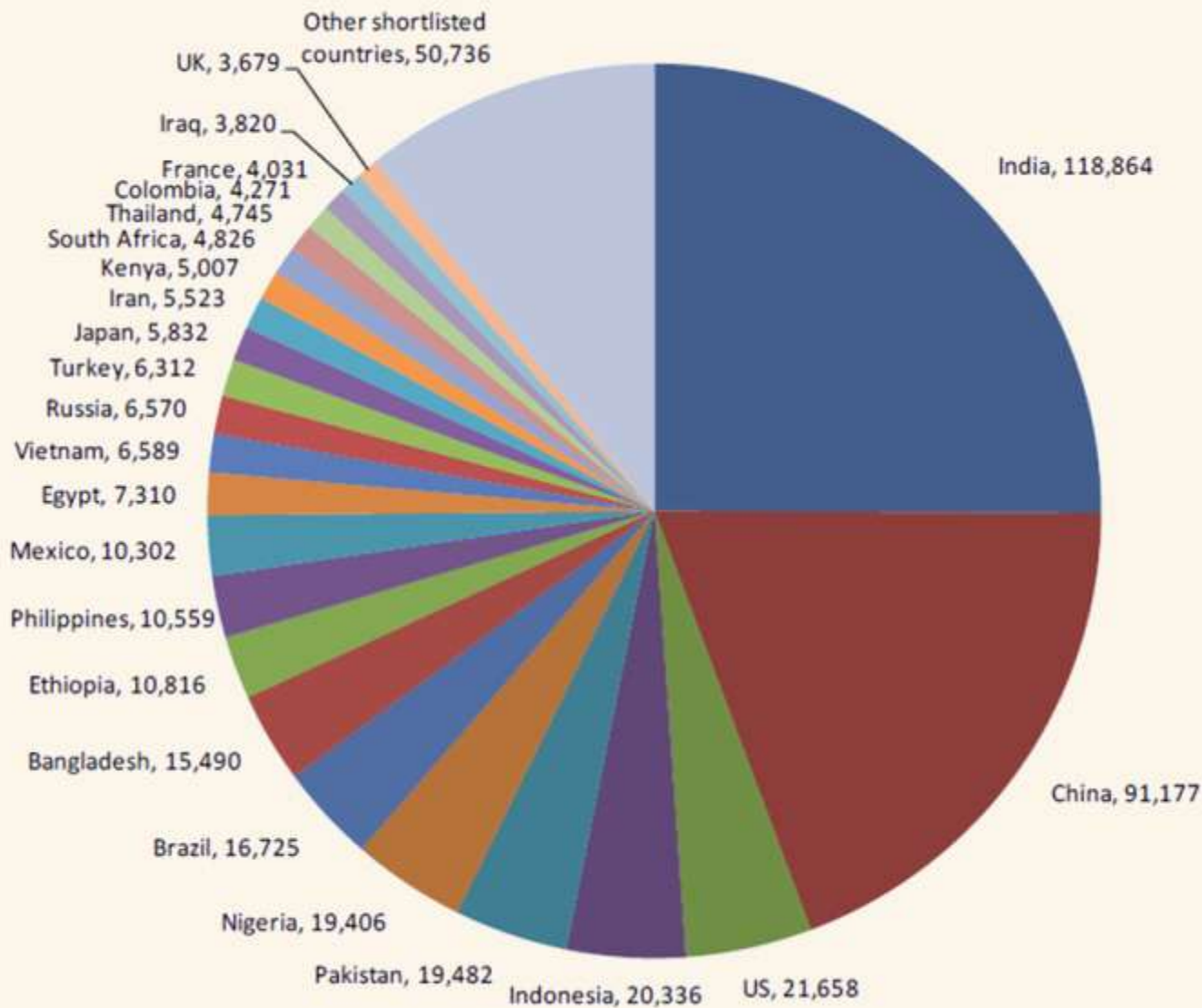


**% share of 25-34 year-olds**



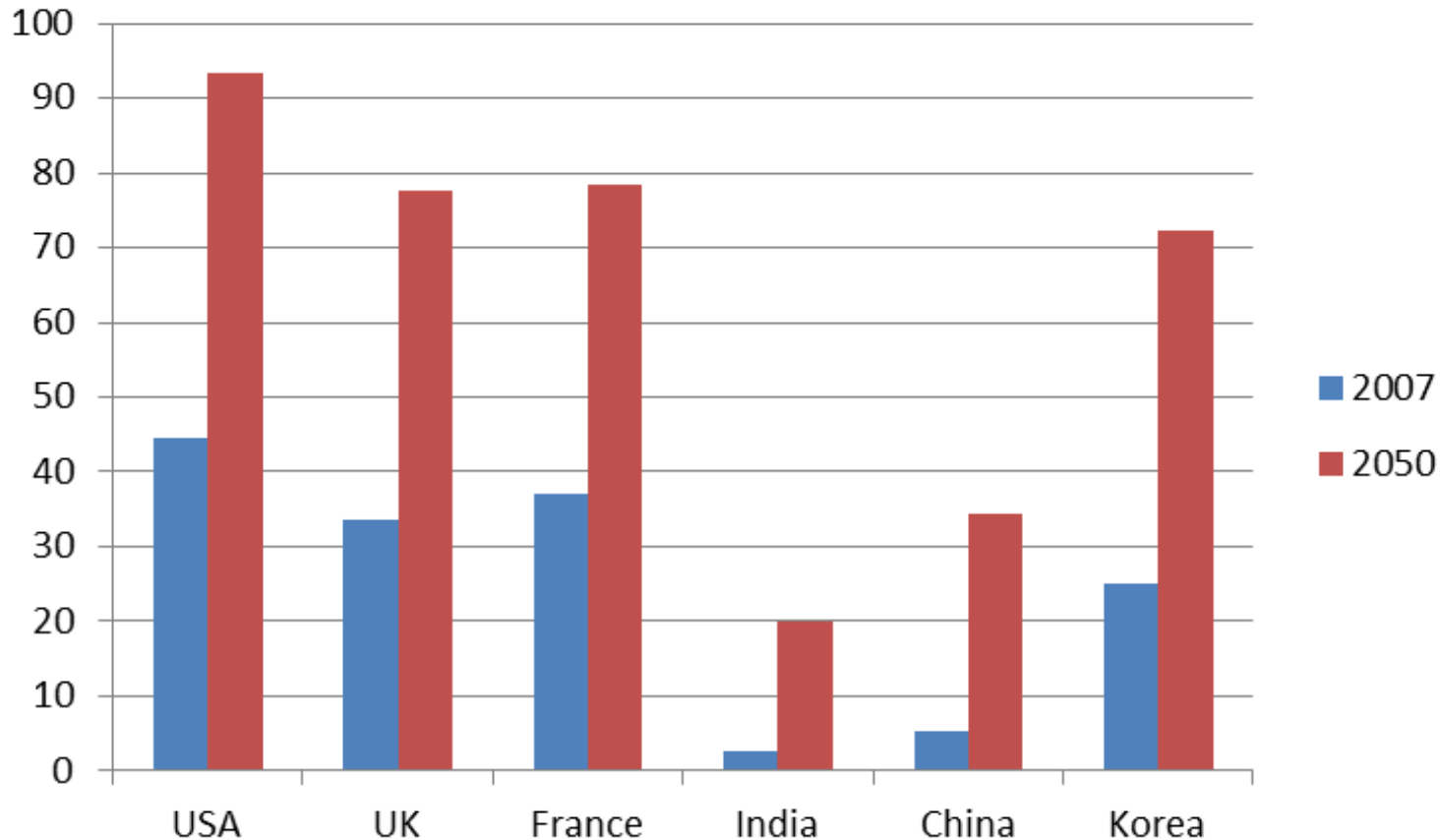
Sources: Andreas Shleicher (2012) What does the future hold for higher education?, OECD <http://goo.gl/sEpa1> based on data from Education at a glance (2012) OECD, <http://goo.gl/u9LbT>

# Future 18-22 year-old population by 2020



Source:  
UN Population Division,  
Oxford Economics (2011)

# Increasing ability to pay, projected *per capita* GDP (US\$ PPP at 2006 prices)

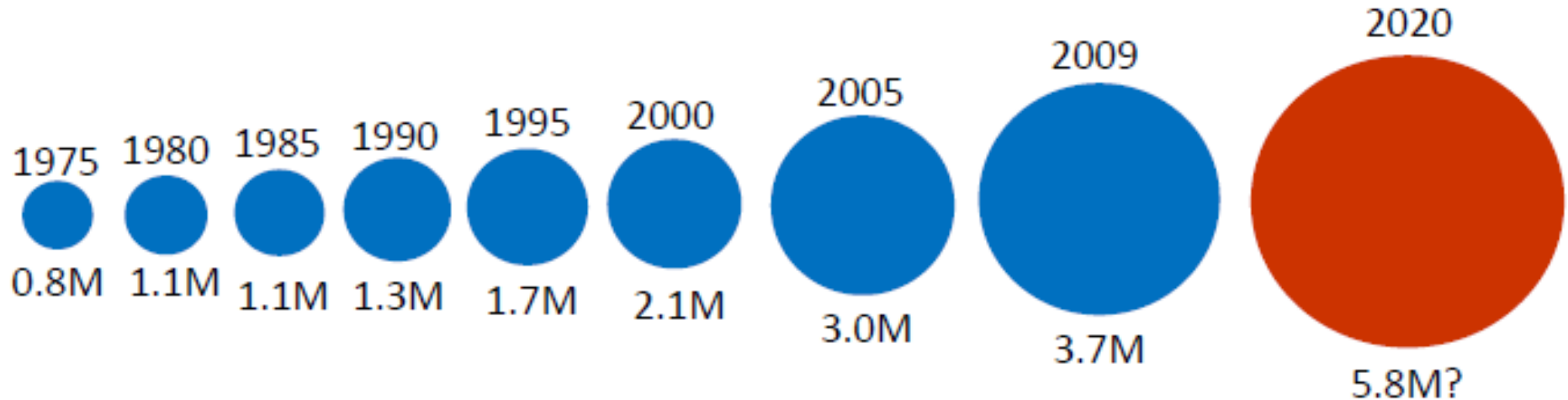


Source: PWC, The world in 2050 - Beyond the BRICs: a broader look at emerging market growth prospects (2008) <http://goo.gl/1iTIIf>

# Growth in internationally mobile learners

This growing pie represents a huge opportunity

- to help educate the 'next billion'
- to build institutional capacity
- to develop 'world class' institutions

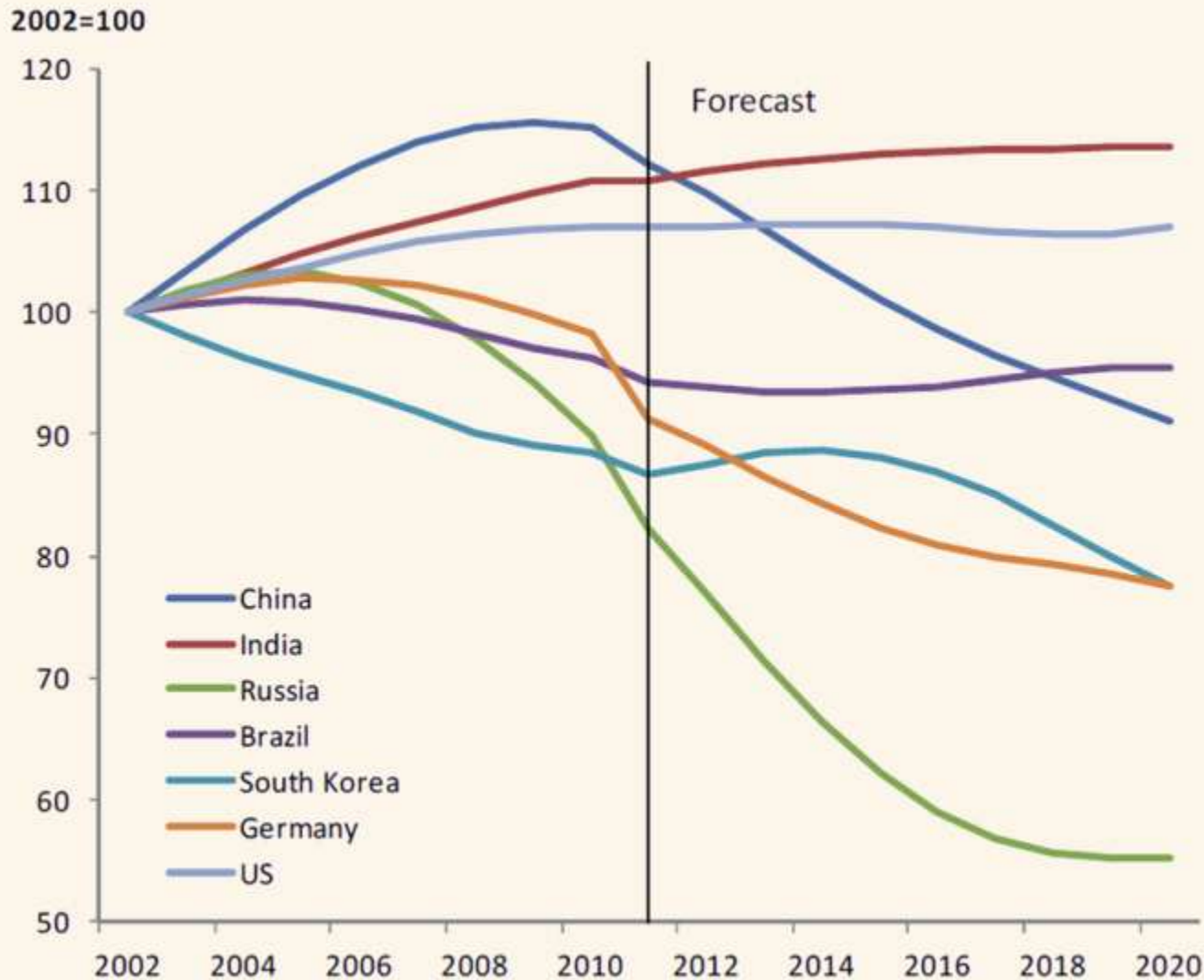


But it's not the answer to all HE's prayers...

Sources: Altbach et al (2009) Trends in Global Higher Education: Tracking an Academic Revolution, UNESCO <http://goo.gl/Khw2s>;  
Opening Doors – International mobility (2012) Institute of International Education (IIE) <http://goo.gl/ohi19>; The  
shape of things to come (2012) British Council <http://goo.gl/ibeJq>, Education at a glance (2012) OECD, <http://goo.gl/u9LbT>



# Future 18-22 year-old population over time



Huge falls for China, South Korea, Russia and Germany

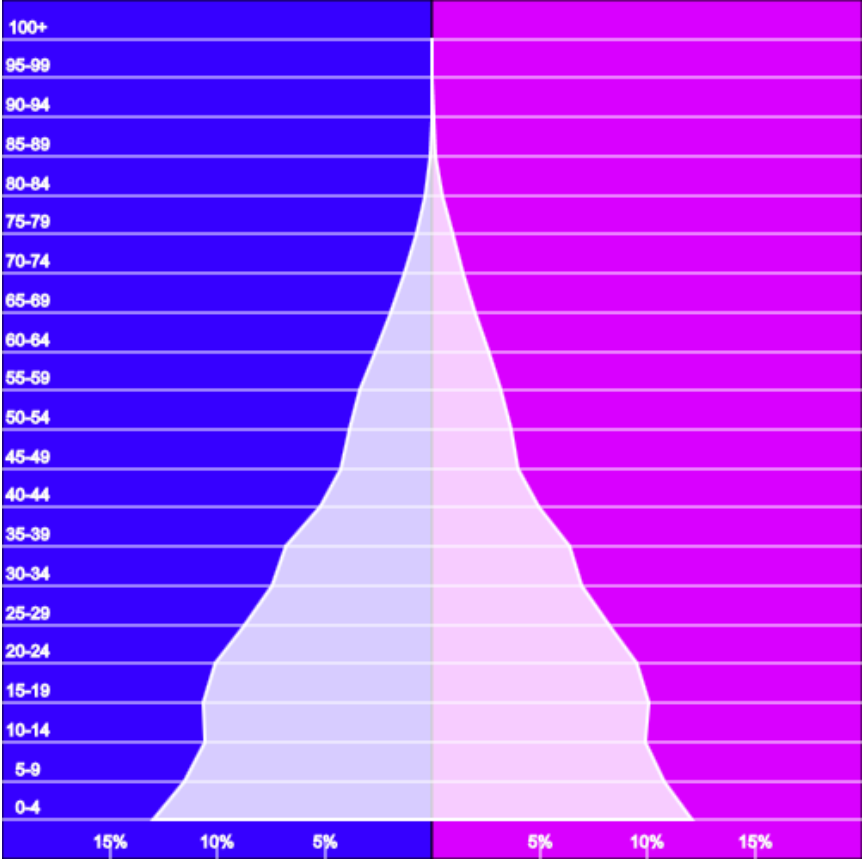
Steady levels for the USA and Brazil

Steady growth for India

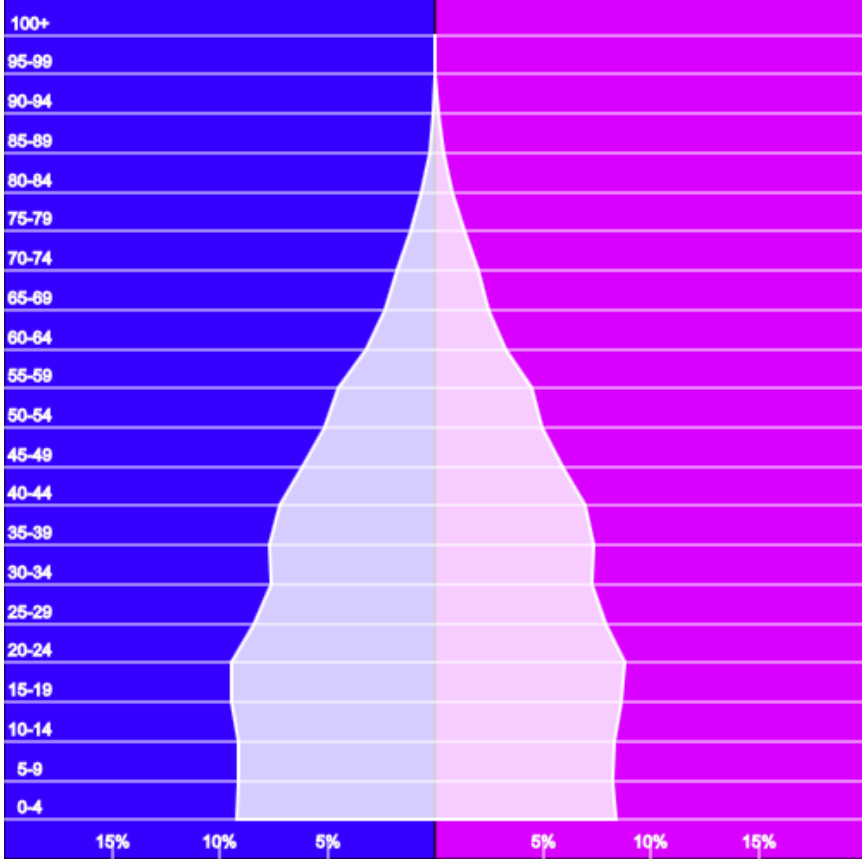
Source:  
UN Population Division,  
Oxford Economics (2011)

# Asia's changing population pyramid

1990

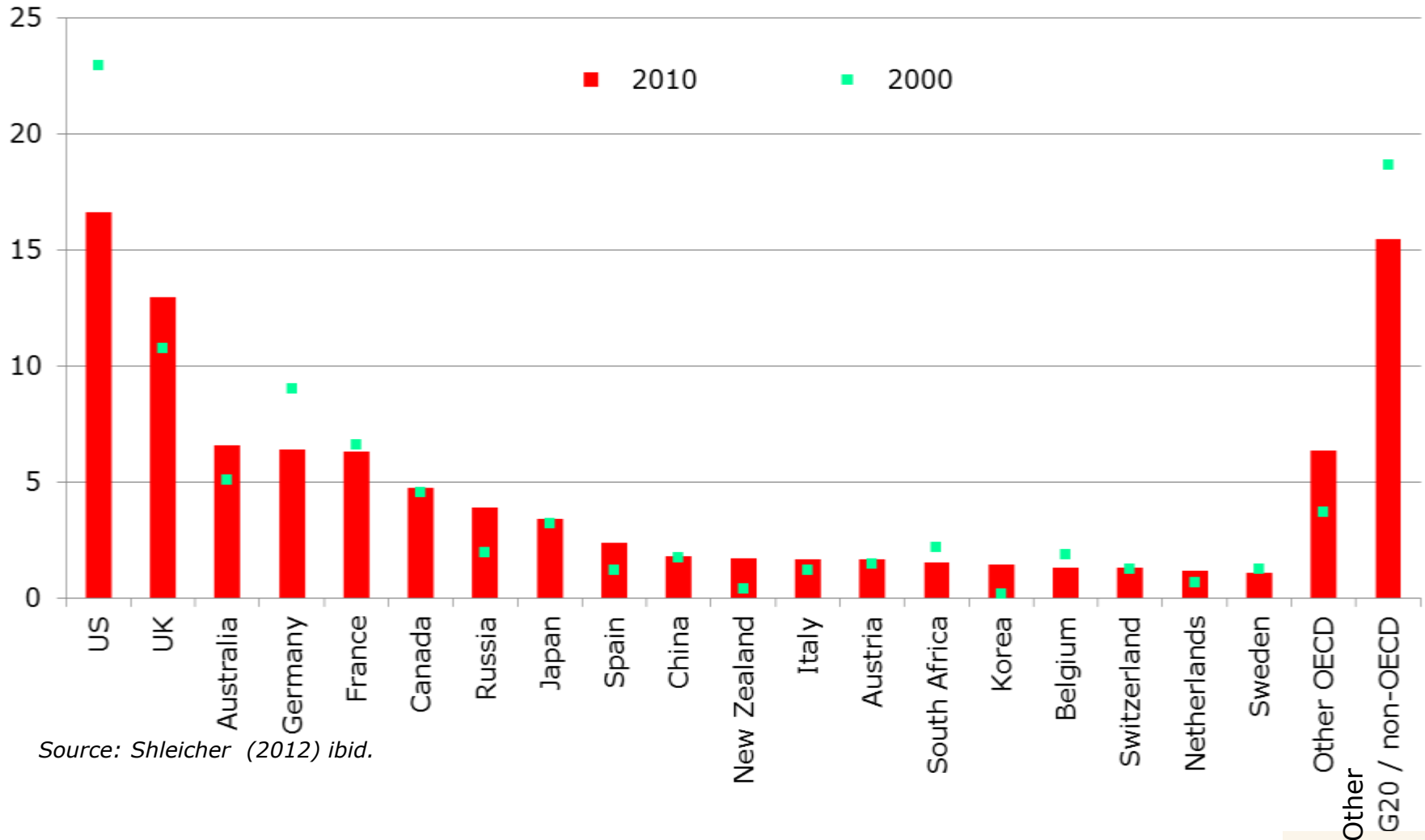


2010



Source: Population Division of the Department of Economic and Social Affairs of the United Nations Secretariat

# Changing market share (%) of foreign HE students enrolled, by destination, 2000-2010



Source: Shleicher (2012) *ibid.*

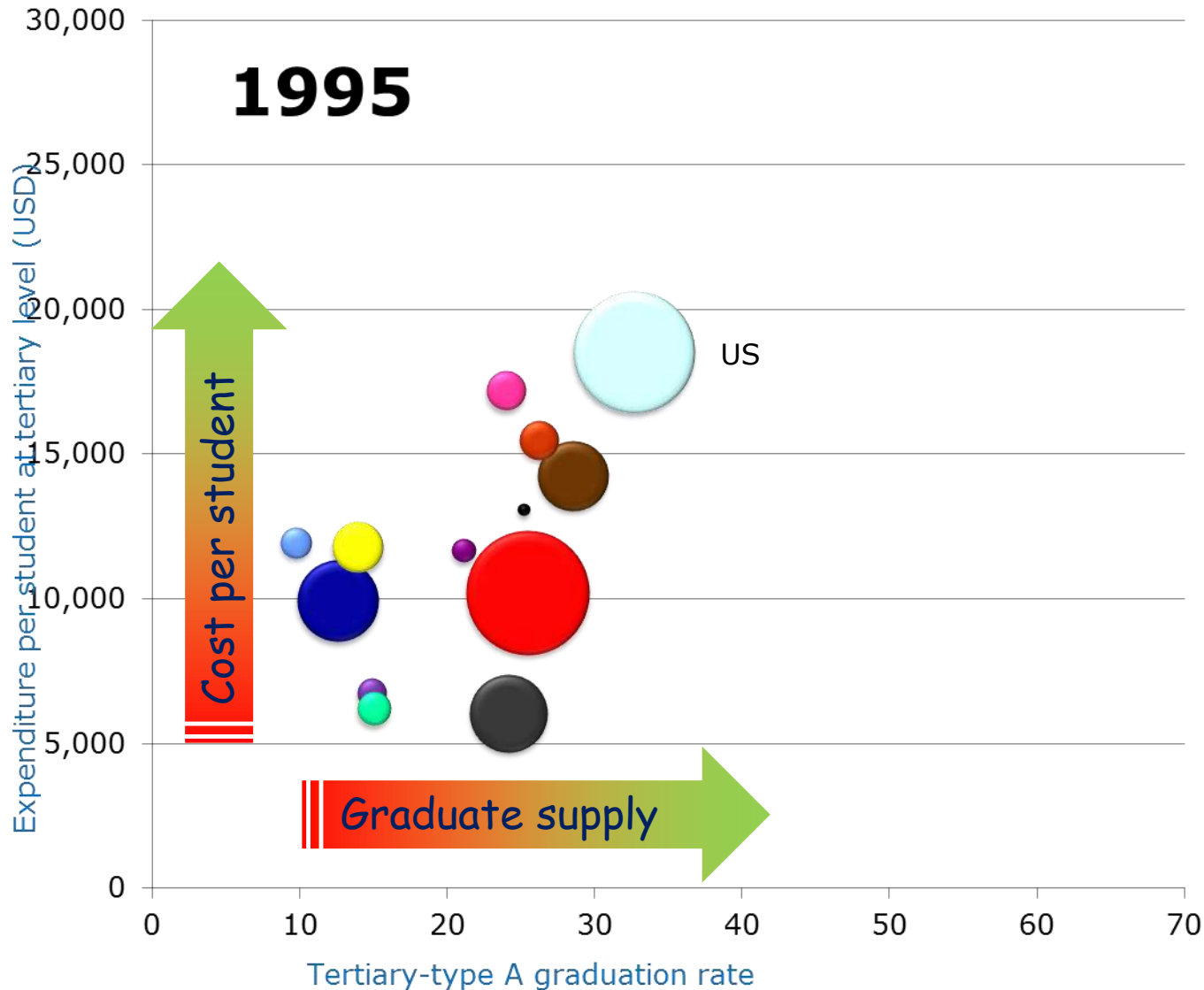
# Particularly strong growth in vocational learner numbers in emerging countries

Annual Change in Students by Region<sup>4</sup>

Region	Average Change in Vocational Students	Average Change in Academic Students
Central & Eastern Europe	-4%	-1%
Central Asia	-1%	-1%
North America & Western Europe	0%	3%
Arab States	7%	8%
Latin America & the Caribbean	7%	3%
East Asia & the Pacific	10%	5%
Sub-Saharan Africa	20%	16%
South & West Asia	41%	12%

Source: *The Education Advantage (2012) The Research Base* <http://goo.gl/o7AeS> based on US Census Bureau, World Bank and UNESCO data

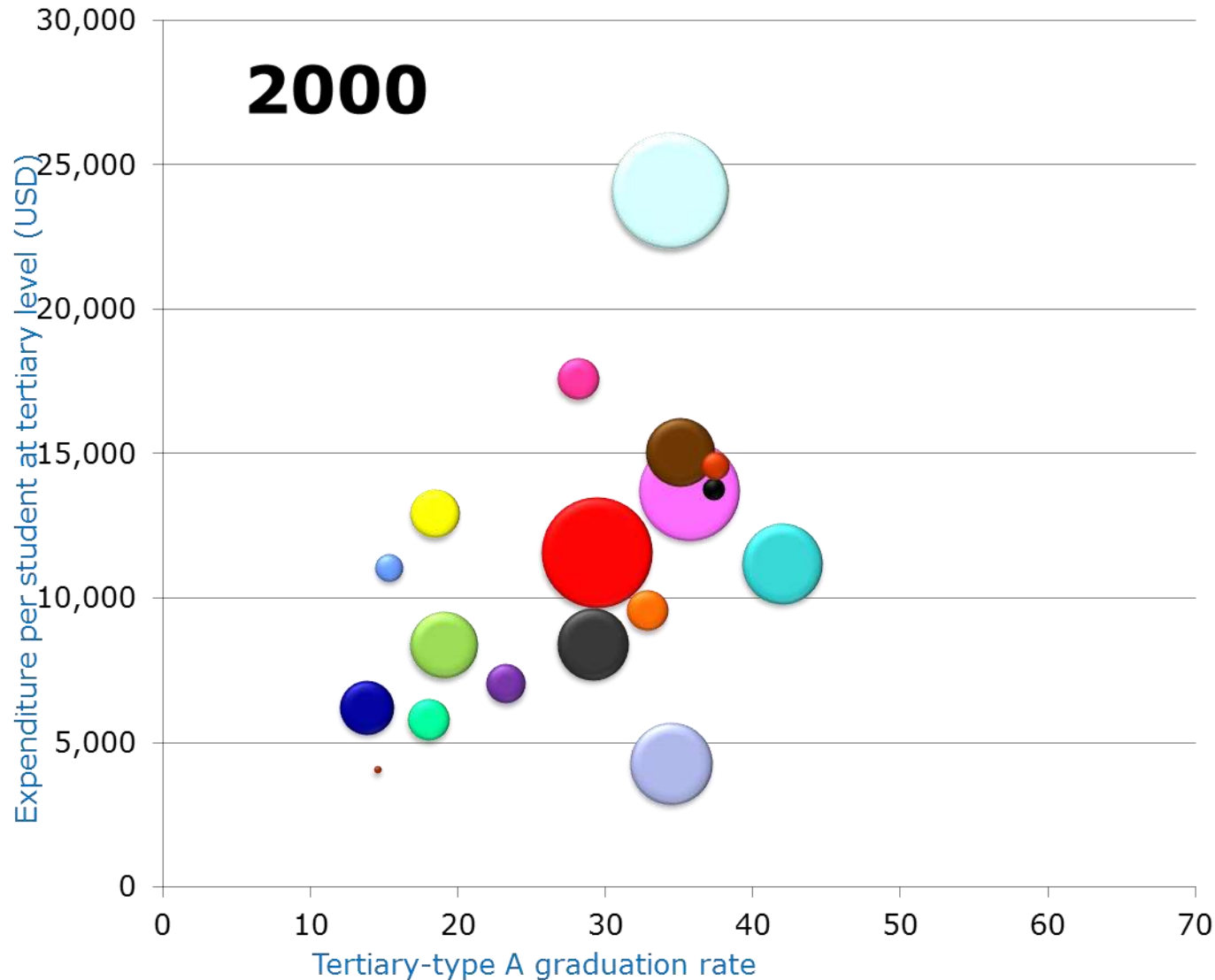
# Costs and graduation rates over time



Source:  
Shleicher  
(2012) ibid.

- Australia
- Austria
- Belgium
- Canada
- Chile
- Czech Republic
- Denmark
- Estonia
- Finland
- France
- Germany
- Greece
- Hungary
- Iceland
- Ireland
- Israel
- Italy
- Japan
- Korea
- Luxembourg
- Mexico
- Netherlands
- New Zealand
- Norway
- Poland
- Portugal
- Slovak Republic
- Slovenia
- Spain
- Sweden
- Switzerland
- Turkey
- United Kingdom
- United States

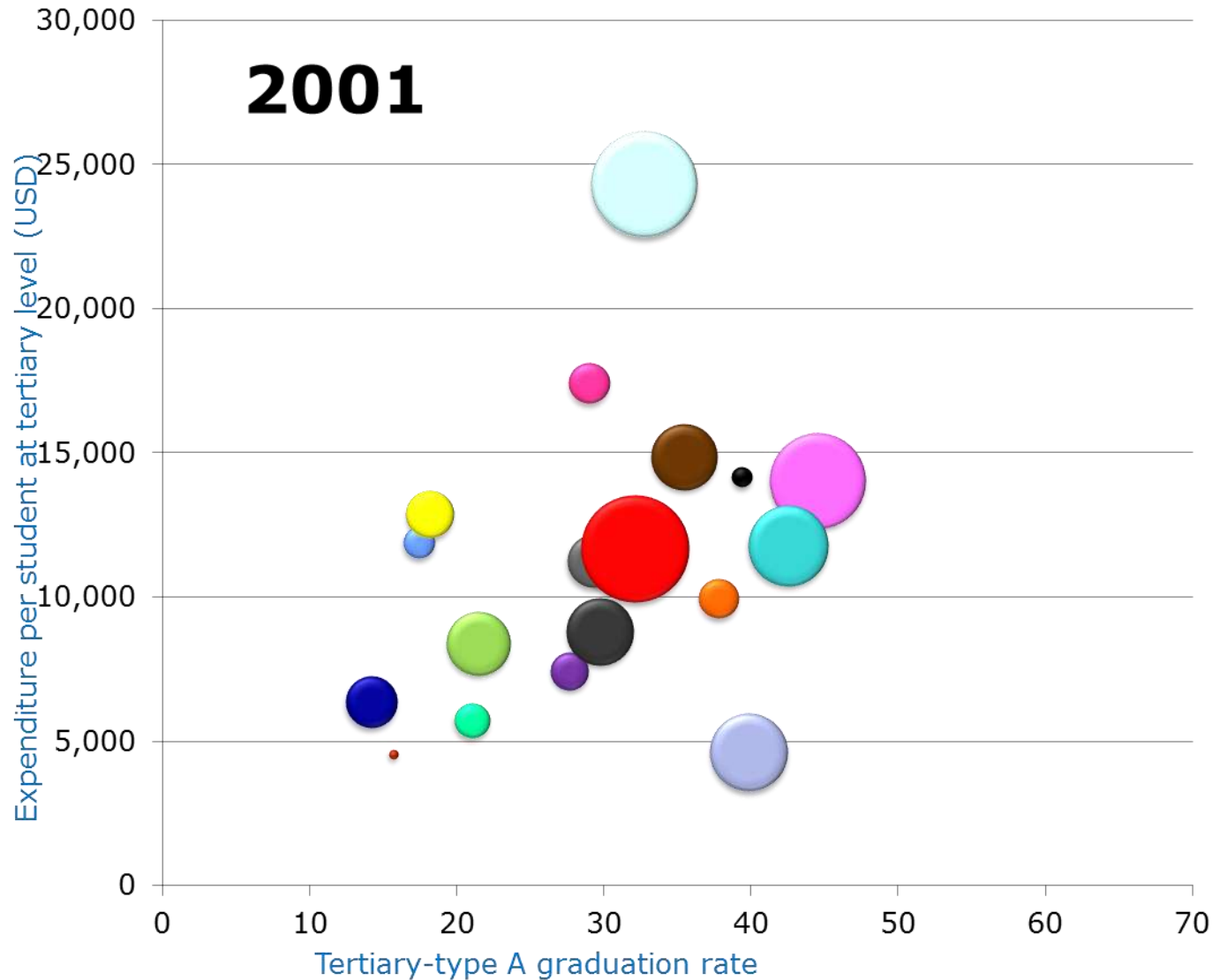
# Costs and graduation rates over time



Source:  
Shleicher  
(2012) ibid.

- Australia
- Austria
- Belgium
- Canada
- Chile
- Czech Republic
- Denmark
- Estonia
- Finland
- France
- Germany
- Greece
- Hungary
- Iceland
- Ireland
- Israel
- Italy
- Japan
- Korea
- Luxembourg
- Mexico
- Netherlands
- New Zealand
- Norway
- Poland
- Portugal
- Slovak Republic
- Slovenia
- Spain
- Sweden
- Switzerland
- Turkey
- United Kingdom
- United States

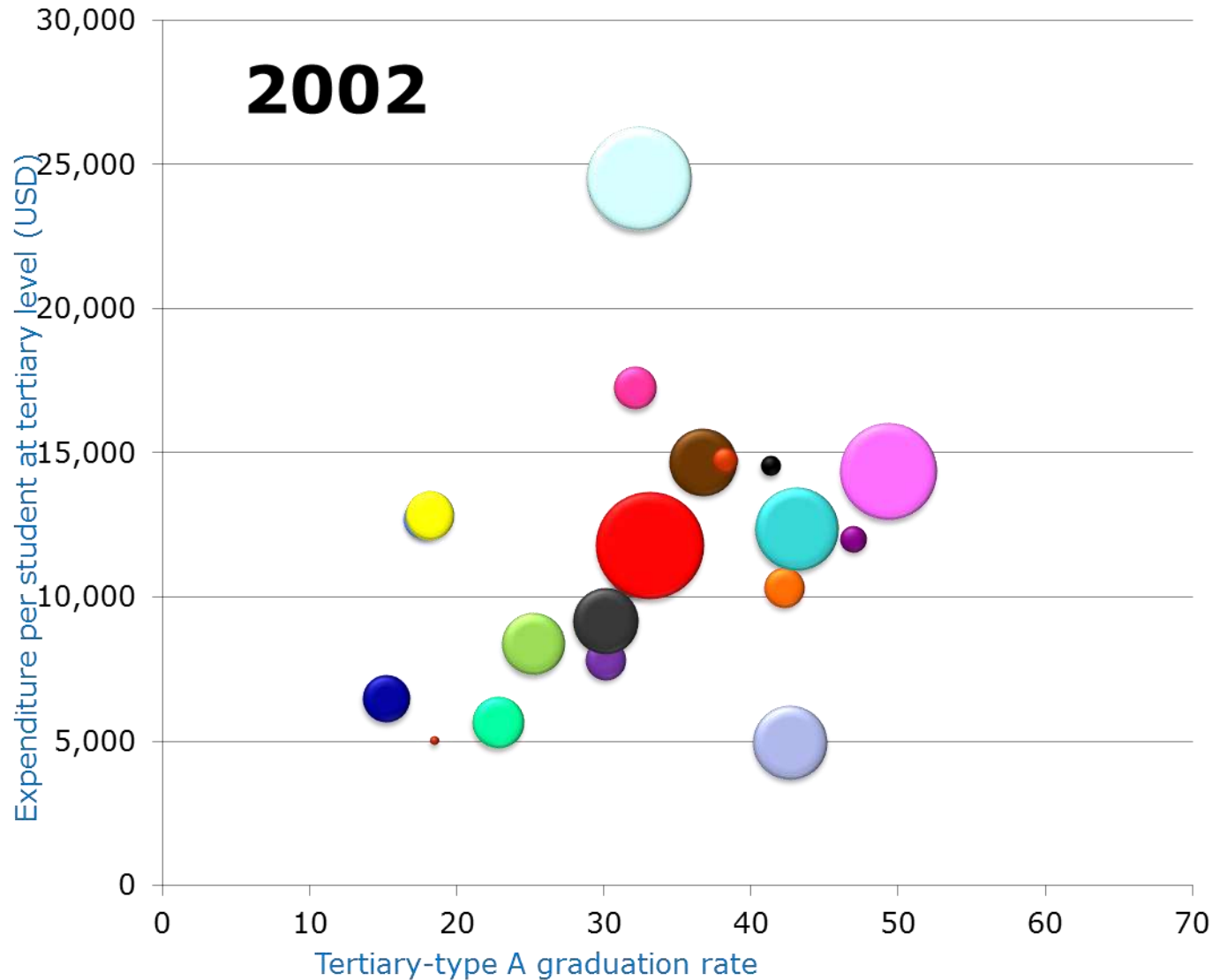
# Costs and graduation rates over time



Source:  
Shleicher  
(2012) ibid.

- Australia
- Austria
- Belgium
- Canada
- Chile
- Czech Republic
- Denmark
- Estonia
- Finland
- France
- Germany
- Greece
- Hungary
- Iceland
- Ireland
- Israel
- Italy
- Japan
- Korea
- Luxembourg
- Mexico
- Netherlands
- New Zealand
- Norway
- Poland
- Portugal
- Slovak Republic
- Slovenia
- Spain
- Sweden
- Switzerland
- Turkey
- United Kingdom
- United States

# Costs and graduation rates over time

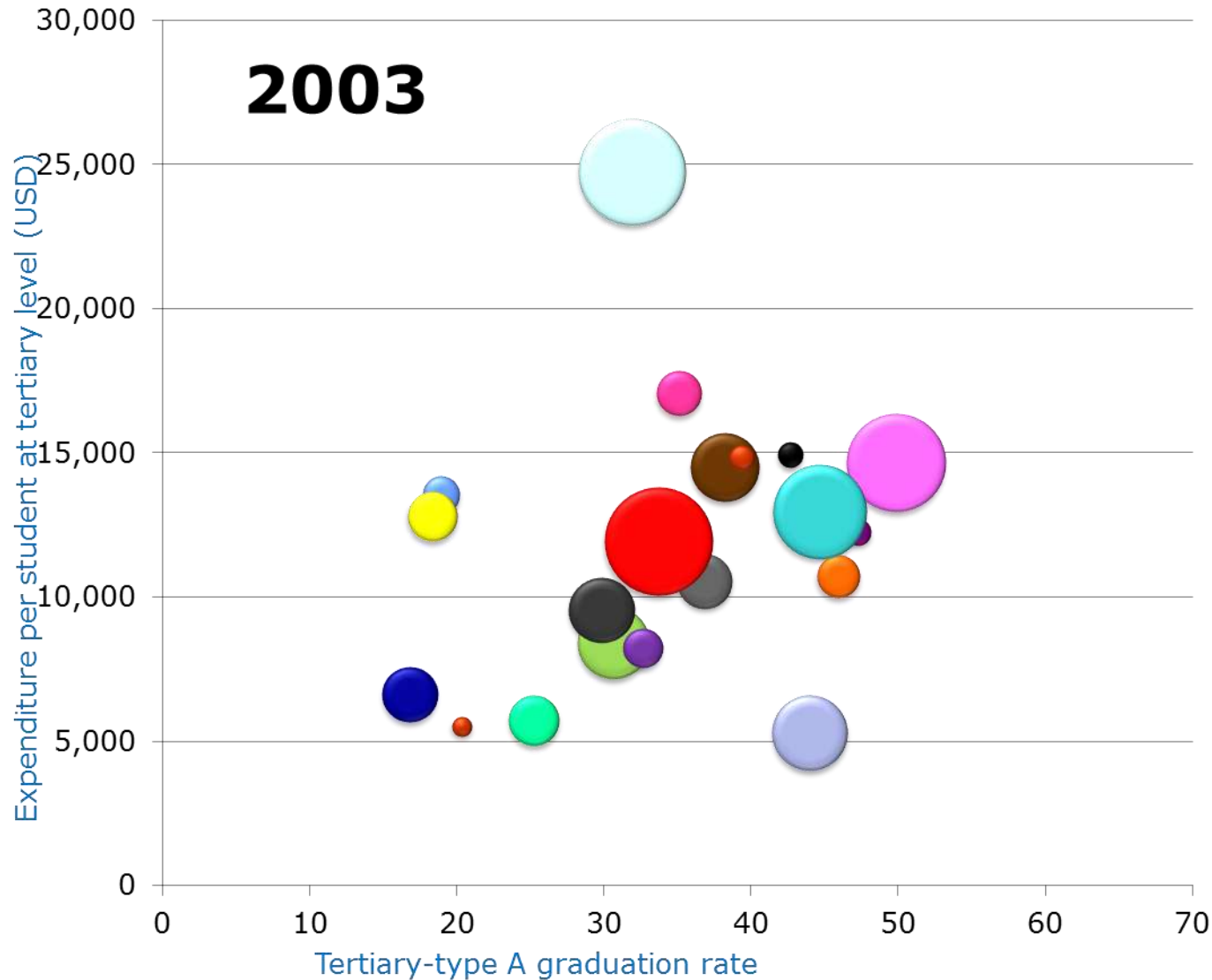


Source:  
Shleicher  
(2012) ibid.

- Australia
- Austria
- Belgium
- Canada
- Chile
- Czech Republic
- Denmark
- Estonia
- Finland
- France
- Germany
- Greece
- Hungary
- Iceland
- Ireland
- Israel
- Italy
- Japan
- Korea
- Luxembourg
- Mexico
- Netherlands
- New Zealand
- Norway
- Poland
- Portugal
- Slovak Republic
- Slovenia
- Spain
- Sweden
- Switzerland
- Turkey
- United Kingdom
- United States



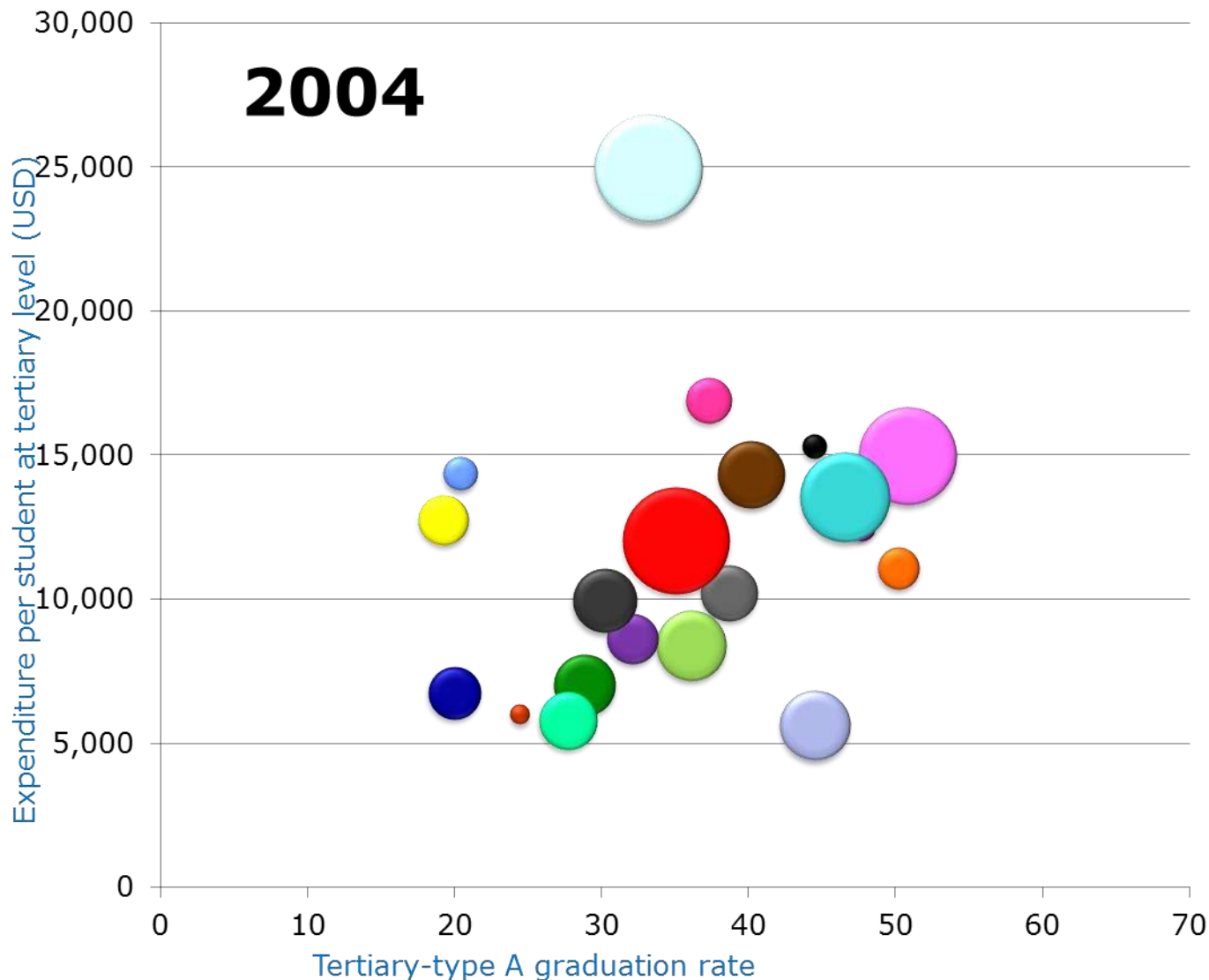
# Costs and graduation rates over time



Source:  
Shleicher  
(2012) ibid.

- Australia
- Austria
- Belgium
- Canada
- Chile
- Czech Republic
- Denmark
- Estonia
- Finland
- France
- Germany
- Greece
- Hungary
- Iceland
- Ireland
- Israel
- Italy
- Japan
- Korea
- Luxembourg
- Mexico
- Netherlands
- New Zealand
- Norway
- Poland
- Portugal
- Slovak Republic
- Slovenia
- Spain
- Sweden
- Switzerland
- Turkey
- United Kingdom
- United States

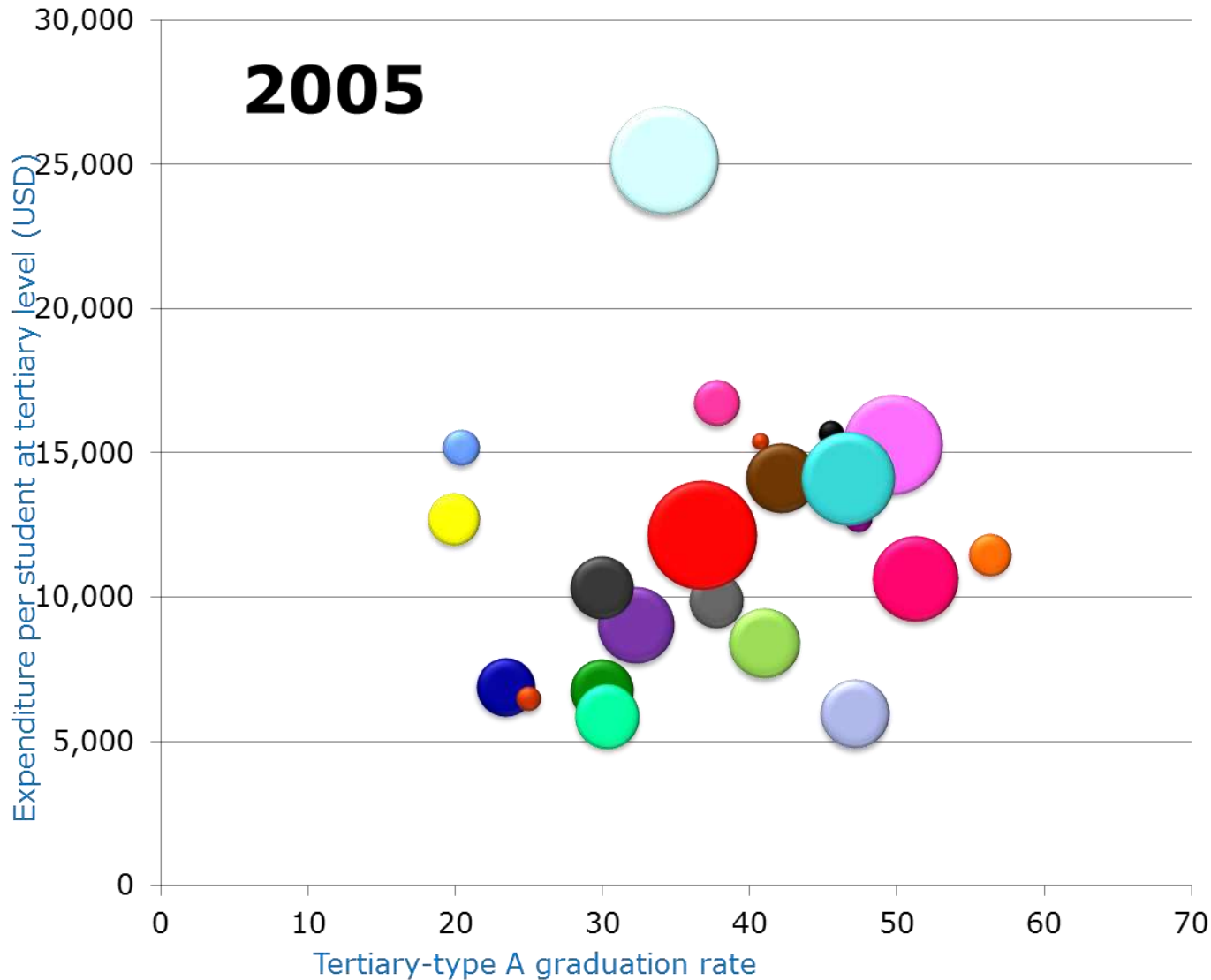
# Costs and graduation rates over time



Source:  
Shleicher  
(2012) ibid.

- Australia
- Austria
- Belgium
- Canada
- Chile
- Czech Republic
- Denmark
- Estonia
- Finland
- France
- Germany
- Greece
- Hungary
- Iceland
- Ireland
- Israel
- Italy
- Japan
- Korea
- Luxembourg
- Mexico
- Netherlands
- New Zealand
- Norway
- Poland
- Portugal
- Slovak Republic
- Slovenia
- Spain
- Sweden
- Switzerland
- Turkey
- United Kingdom
- United States

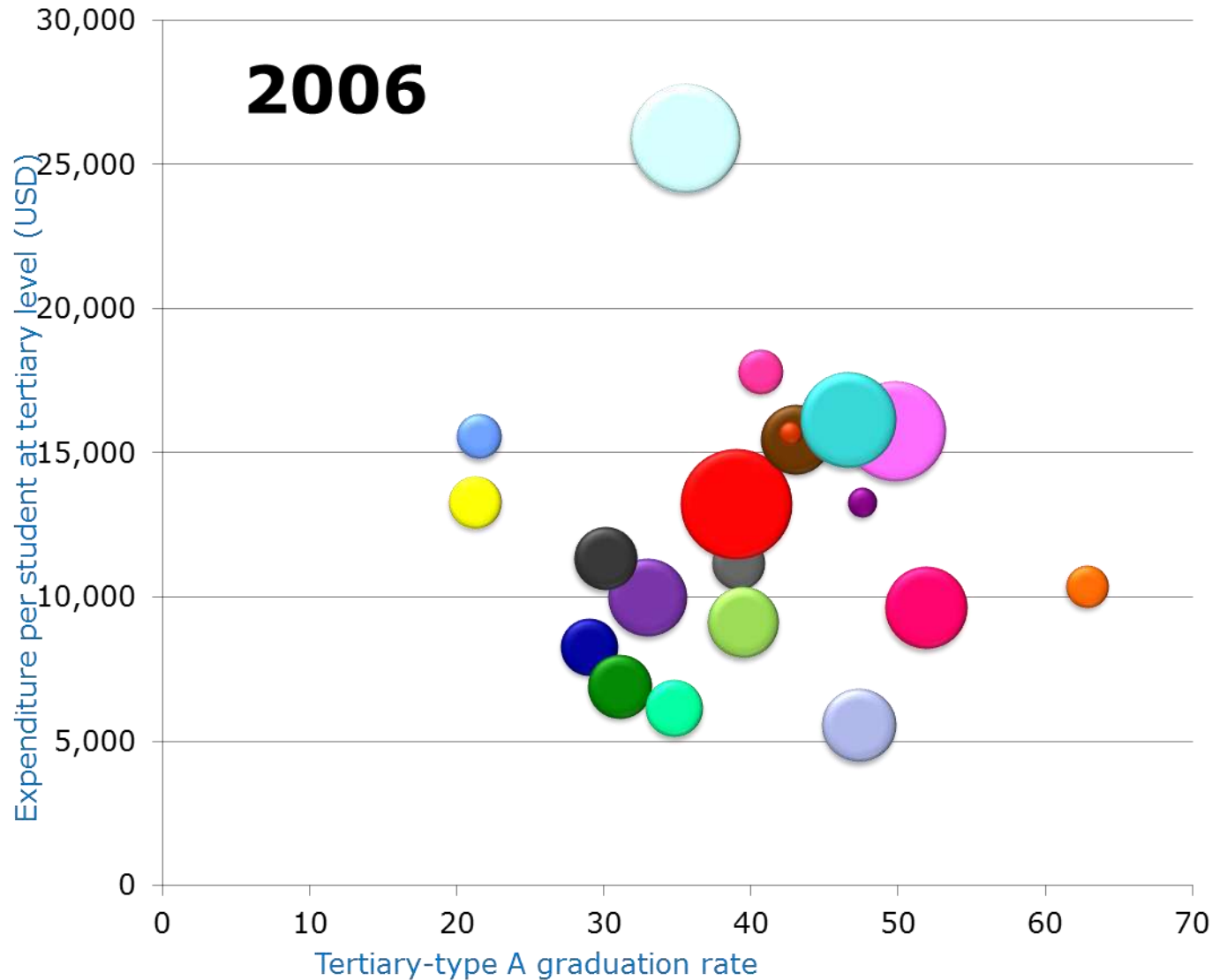
# Costs and graduation rates over time



Source:  
Shleicher  
(2012) ibid.

- Australia
- Austria
- Belgium
- Canada
- Chile
- Czech Republic
- Denmark
- Estonia
- Finland
- France
- Germany
- Greece
- Hungary
- Iceland
- Ireland
- Israel
- Italy
- Japan
- Korea
- Luxembourg
- Mexico
- Netherlands
- New Zealand
- Norway
- Poland
- Portugal
- Slovak Republic
- Slovenia
- Spain
- Sweden
- Switzerland
- Turkey
- United Kingdom
- United States

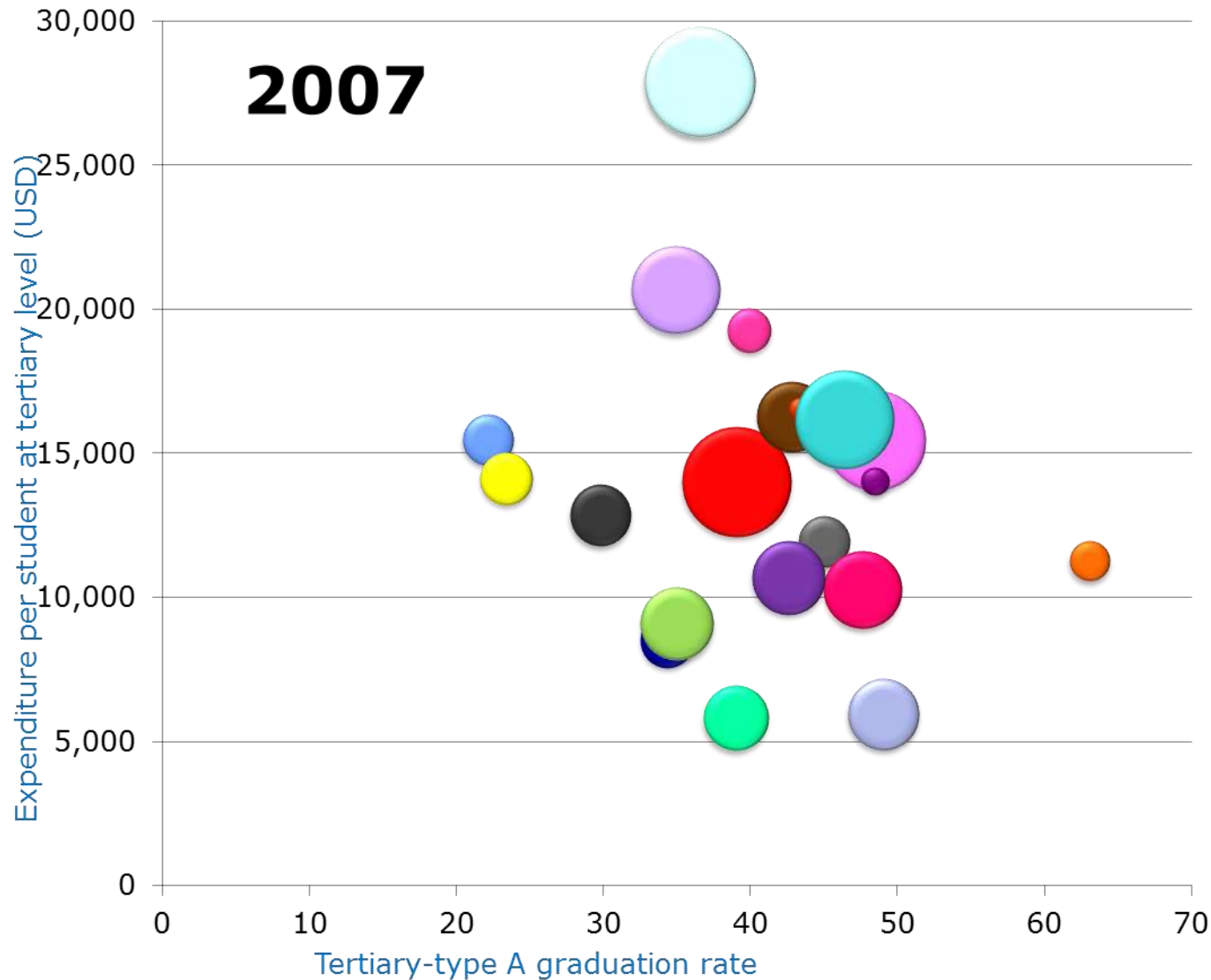
# Costs and graduation rates over time



Source:  
Shleicher  
(2012) ibid.

- Australia
- Austria
- Belgium
- Canada
- Chile
- Czech Republic
- Denmark
- Estonia
- Finland
- France
- Germany
- Greece
- Hungary
- Iceland
- Ireland
- Israel
- Italy
- Japan
- Korea
- Luxembourg
- Mexico
- Netherlands
- New Zealand
- Norway
- Poland
- Portugal
- Slovak Republic
- Slovenia
- Spain
- Sweden
- Switzerland
- Turkey
- United Kingdom
- United States

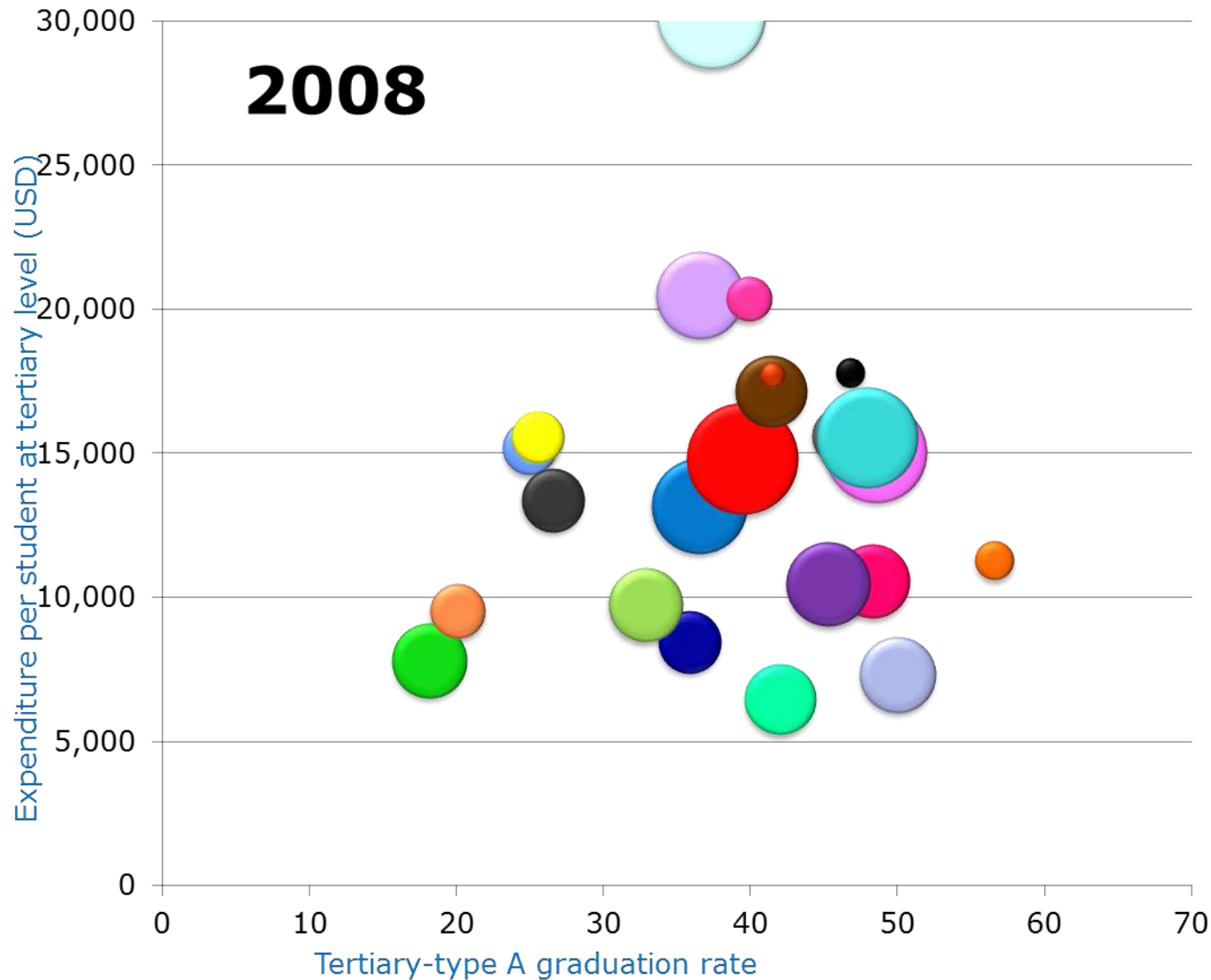
# Costs and graduation rates over time



Source:  
Shleicher  
(2012) *ibid.*

- Australia
- Austria
- Belgium
- Canada
- Chile
- Czech Republic
- Denmark
- Estonia
- Finland
- France
- Germany
- Greece
- Hungary
- Iceland
- Ireland
- Israel
- Italy
- Japan
- Korea
- Luxembourg
- Mexico
- Netherlands
- New Zealand
- Norway
- Poland
- Portugal
- Slovak Republic
- Slovenia
- Spain
- Sweden
- Switzerland
- Turkey
- United Kingdom
- United States

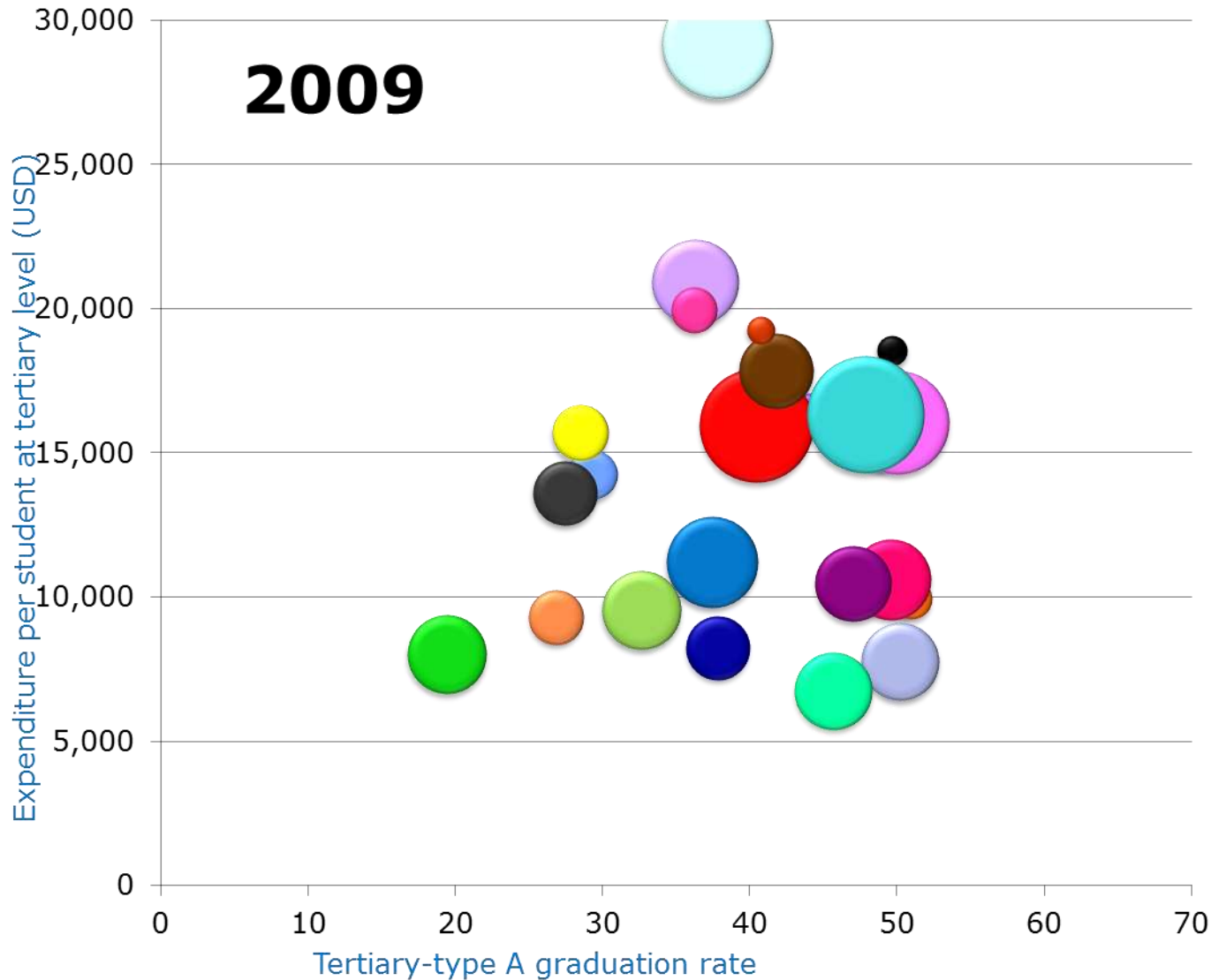
# Costs and graduation rates over time



Source:  
Shleicher  
(2012) ibid.

- Australia
- Austria
- Belgium
- Canada
- Chile
- Czech Republic
- Denmark
- Estonia
- Finland
- France
- Germany
- Greece
- Hungary
- Iceland
- Ireland
- Israel
- Italy
- Japan
- Korea
- Luxembourg
- Mexico
- Netherlands
- New Zealand
- Norway
- Poland
- Portugal
- Slovak Republic
- Slovenia
- Spain
- Sweden
- Switzerland
- Turkey
- United Kingdom
- United States

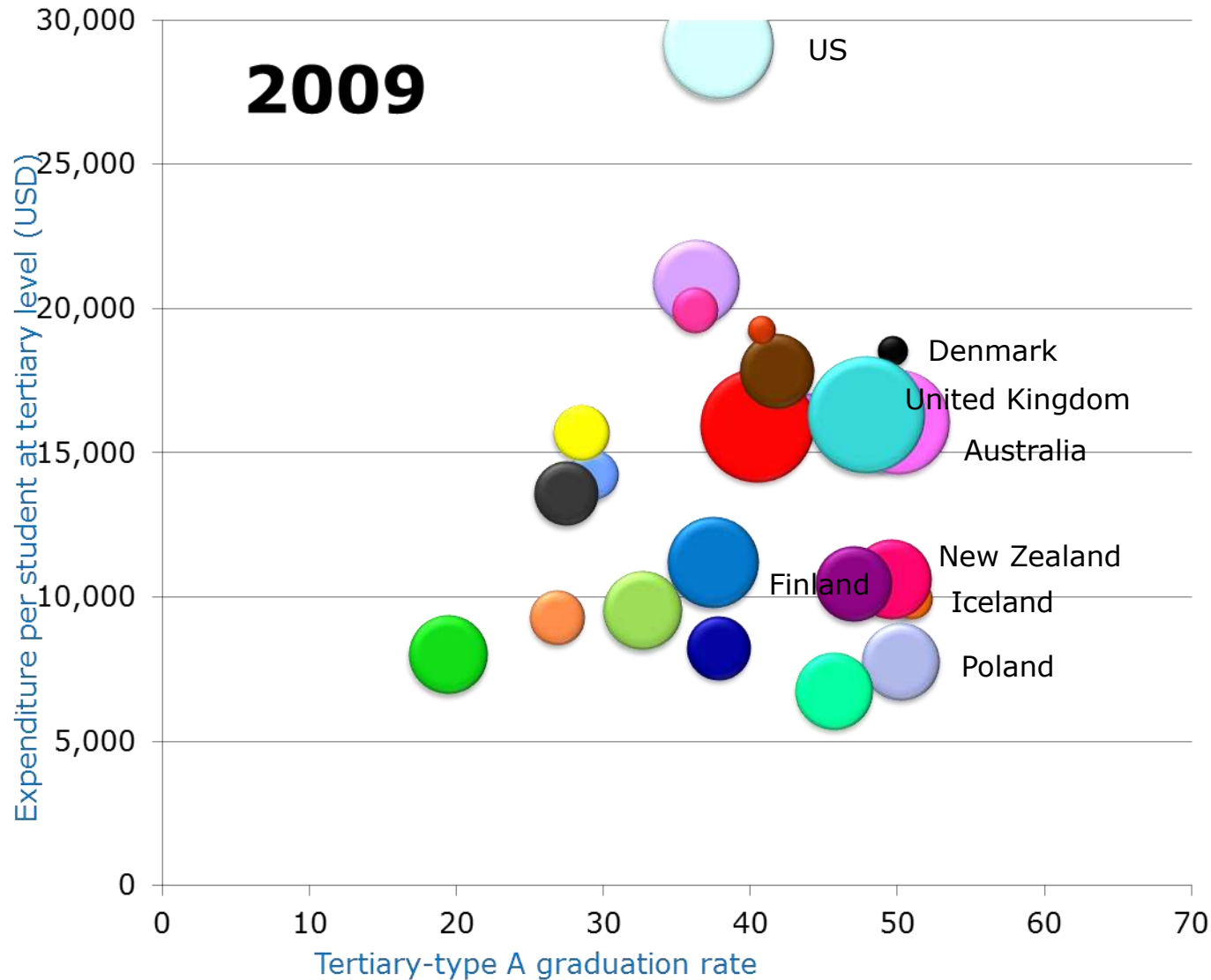
# Costs and graduation rates over time



Source:  
Shleicher  
(2012) *ibid.*

- Australia
- Austria
- Belgium
- Canada
- Chile
- Czech Republic
- Denmark
- Estonia
- Finland
- France
- Germany
- Greece
- Hungary
- Iceland
- Ireland
- Israel
- Italy
- Japan
- Korea
- Luxembourg
- Mexico
- Netherlands
- New Zealand
- Norway
- Poland
- Portugal
- Slovak Republic
- Slovenia
- Spain
- Sweden
- Switzerland
- Turkey
- United Kingdom
- United States

# Costs and graduation rates over time

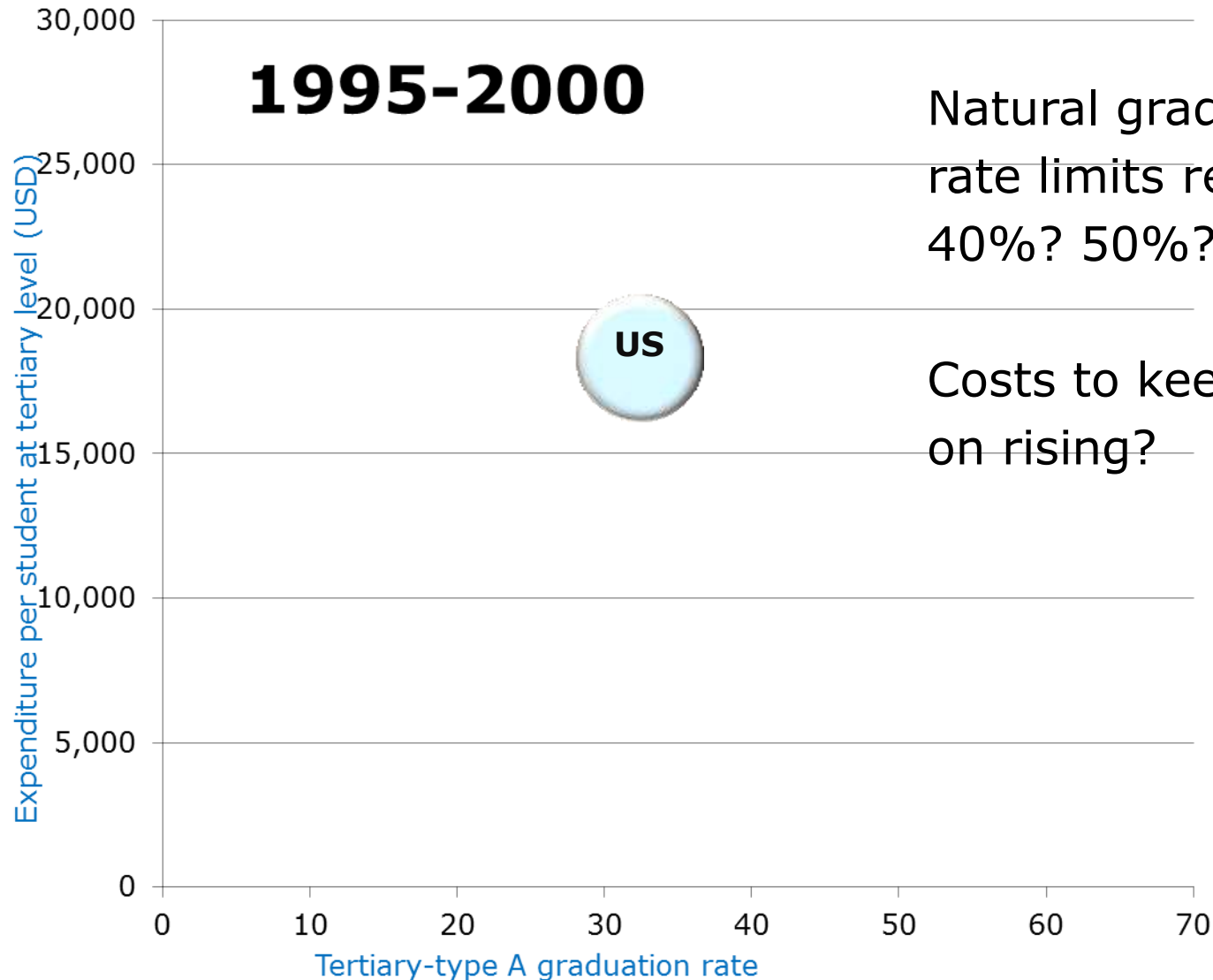


Source:  
Shleicher  
(2012) ibid.

- Australia
- Austria
- Belgium
- Canada
- Chile
- Czech Republic
- Denmark
- Estonia
- Finland
- France
- Germany
- Greece
- Hungary
- Iceland
- Ireland
- Israel
- Italy
- Japan
- Korea
- Luxembourg
- Mexico
- Netherlands
- New Zealand
- Norway
- Poland
- Portugal
- Slovak Republic
- Slovenia
- Spain
- Sweden
- Switzerland
- Turkey
- United Kingdom
- United States



# US costs + graduation rates over time



Source:  
Shleicher  
(2012) ibid.

- Australia
- Austria
- Belgium
- Canada
- Chile
- Czech Republic
- Denmark
- Estonia
- Finland
- France
- Germany
- Greece
- Hungary
- Iceland
- Ireland
- Israel
- Italy
- Japan
- Korea
- Luxembourg
- Mexico
- Netherlands
- New Zealand
- Norway
- Poland
- Portugal
- Slovak Republic
- Slovenia
- Spain
- Sweden
- Switzerland
- Turkey
- United Kingdom
- United States

# Revolution or evolution?

3

# Funding in flux in many nations

HE serves many missions (and masters)

Is it losing out to other priorities (e.g. schools, health) in a tough economic context? US deficit, UK austerity, Australia mineral wealth already spent(?)

When US HE leaders had to select from 14 'key challenges', 4 money issues topped the list;

- Potential cuts in federal student aid 83%
- Budget shortfalls 70%
- Cuts in state spending 67%
- Rising tuition fees / affordability 66%

Source: Jaschik and Lederman (2012) Survey of College & University Presidents, Inside Higher Ed <http://goo.gl/qZuuc>

# Public funding switching to private sources

Rising demand and restraints on public resources

Evidence of private (individual benefit)

Increasing willingness / ability to pay

Trend in the USA and (sharply) in the UK

Some Indonesian institutions recently quadrupled their fee income

In Vietnam many institutions now get <40% of their income from fees

Some institutions becoming more entrepreneurial, new funding models

*Source: Asian Development Bank, Higher Education Across Asia: An Overview of Issues and Strategies, Asian Development Bank, November 2011, p.18. <http://goo.gl/1isug>*

# Growth of private providers

UK government looking to 'level the playing field' for new entrants, reforming quality assurance measures and Degree Awarding Powers, hoping to drive efficiency in the market

In Indonesia, Japan, Malaysia, Korea, and the Philippines, private universities now enrol the majority of students

*Source: Asian Development Bank, Higher Education Across Asia: An Overview of Issues and Strategies, Asian Development Bank, November 2011, p.19. <http://goo.gl/1isug>*

# The English funding experiment (/gamble?)

All the dice thrown at once, especially for funding

Most direct funding gone, tripled tuition fees

1998 <£1k

2004 <£3k

2012 <£9k

Average 2013/14 fee £8,507

£7,898 with support (good luck making sense of all that though...)

Average UK undergraduate debt now highest in the world (universities from Holland to Hong Kong increasingly marketing to UK students)

Closer to what international students pay

# Impact of higher fees in England

No conclusive evidence so far that fees put applicants off, lower than predicted impact on overall numbers (-56,600, -12%)

2% increase in ambitious 'early applicants' (Oxbridge, medicine, dentistry and veterinary science) with 56,753 for 2013 over 55,618 in 2012

But bigger impact on mature learners (e.g. 50% fewer <25 year olds than >20 year olds, -9.3% vs -6.2%) which questions ability of ageing economy to 're-skill'?

Some studies unclear if it will save the Treasury much, if anything in the long run

*Sources:* Thompson J. and Bekhradnia B. (2012) The cost of the government's reforms of the financing of higher education, Higher Education Policy Institute (HEPI) Report 58, Oxford p.11 <http://goo.gl/30L2v> , UCAS 2012 data releases <http://goo.gl/oMJlO>

# Marketisation and student consumers

Happening all around the world, and there is sometimes a sense of loss that requires debate (e.g. in the UK see the Campaign for a Public University and the Council for the Defence of British Universities)

More information (e.g. Key Information Set [KIS] in UK) and choice...  
... but who is equipped to choose?

Sector responses; external re-grouping, internal reconfiguring, strategic partnerships, shared services, specialisation, internationalisation, inter-disciplinary teams, entrepreneurship, incubators, proving impact, 'squeezed middle' institutions in the UK

Will HE come out stronger and more competitive? Nobody knows yet...



# HE driving equity, fairness and social mobility

Balancing access and equity...

Governments try to make it a core objective for institutions (e.g. Australia and UK) but more could be done (both central funding and institutional prioritising)

New UK access agreements (with fines), postgrads the 'next' frontier

Changes to admissions policies e.g. China moving away from single exam rounds, (contested) use of contextual data in the UK

*Sources: Asian Development Bank, Higher Education Across Asia: An Overview of Issues and Strategies, Asian Development Bank, November 2011, pp.26-27. <http://goo.gl/1isug> , Postgraduate education (2012) Higher Education Commission <http://goo.gl/Mr8PI>*

# **Diverse, strategic networks of partners: international, national, regional and local**

Third mission – community and social engagement

Partner schools and colleges

Employers

Suppliers

Strategic partners – first Google or Apple course/university?

Voluntary orgs / charities – first Amnesty Intl. or Oxfam course/uni?

More institutional collaboration (or competition)?

# Educating the 'whole' learner

Global growth of more holistic approaches (***beyond just knowledge***); skills, employability, attributes, 21<sup>st</sup> Century skills, critical thinking, problem solving, communication, team work, E.Q., digital skills...

***But also beyond just competencies***; (social) innovation, (social) enterprise, sustainability, global citizenship, extra-curricular activities, volunteering, service-learning, creativity etc... ***teaching values?***

Young people increasingly expect learning that creates 'flourishing' communities, beyond employment or average salaries

But challenging with low growth and high graduate unemployment

Sources: Ananiadou, K. and M. Claro, *21st Century Skills and Competences for New Millennium Learners in OECD Countries*, OECD Education Working Papers, No. 41, OECD Publishing, 2009, p.5. <http://goo.gl/vLFTE> , FutureTrack (2012) HECSU <http://goo.gl/owidY>

# Is technology part of the answer...

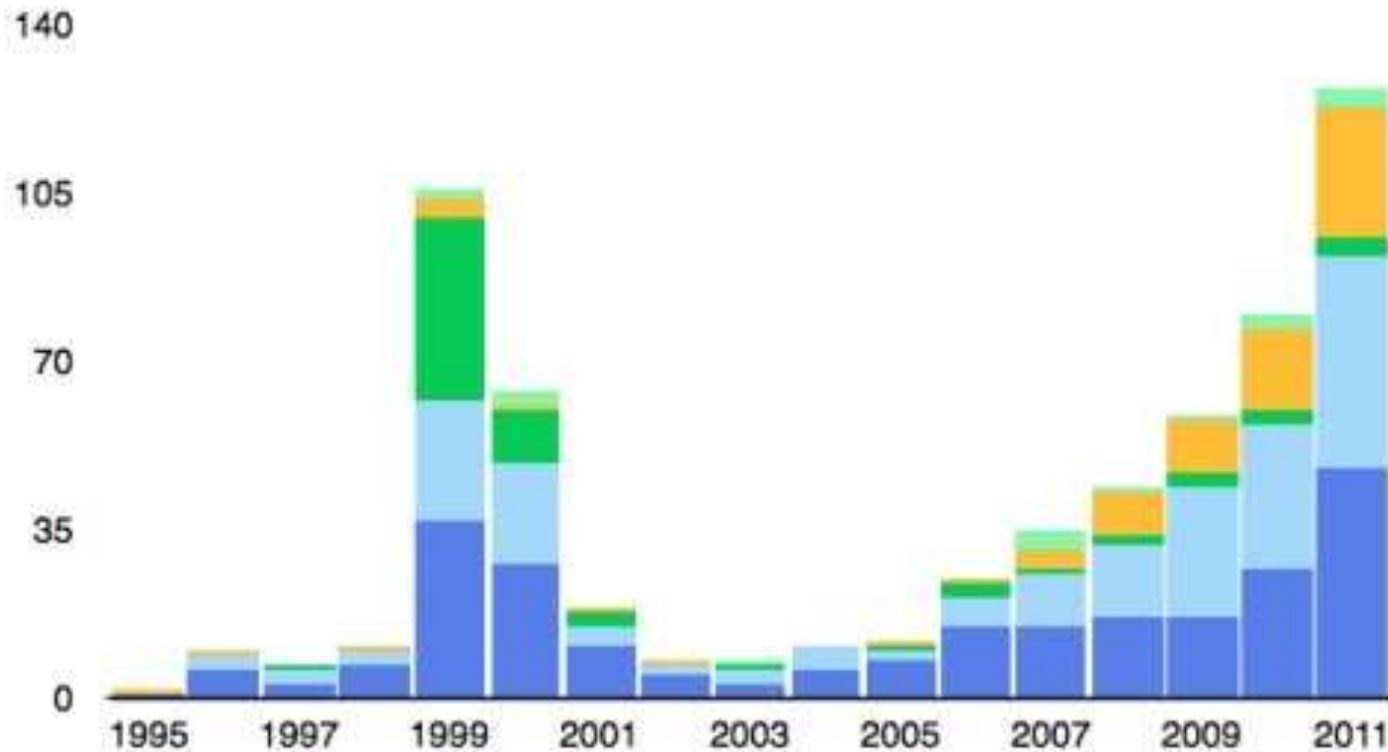
The future looks pretty bright and exciting, here's a starter for 10:

1. **MOOCs**, democratising revolution or marketing for known brands?
2. **Blended learning** offering seamless face-to-face/online experiences
3. **Tablet and mobile pedagogy** as developing areas of practice
4. A flourishing **learning applications** (apps) market of proven impact
5. **Social learning** more common with teaching and learning in teams
6. **Virtual learning** simulations bringing ever-more realistic activities
7. **Game-based learning** that is engaging, social and technical
8. **Personal learning passports** help learners to move and develop
9. The **internet of things** with learning data gathered all around us
10. **Smarter data use**: instant, open, actionable and invisible

# Is technology part of the answer...

...or are we just heading into another ***bubble***?

Boom - Bust - Boom - Number of Deals<sup>156</sup>



Source: GSV Advisors, American Revolution 2.0, p.311 <http://goo.gl/1ZdOq>

# Winning the argument about value(s)

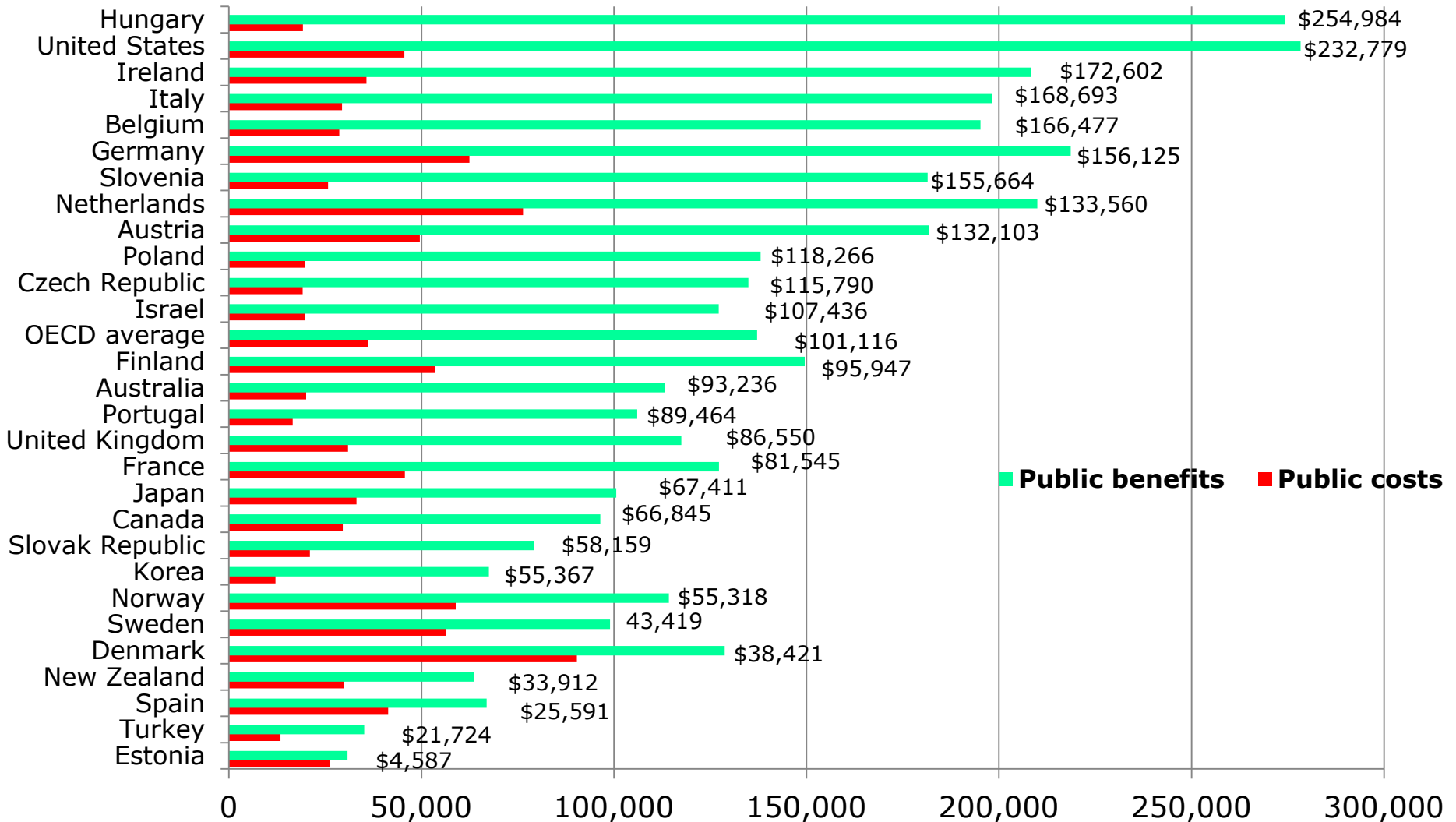
Coherent national vision needed for **whole** sector, in all its diversity

- Persuade government of value over other priorities (budgets, elections)
- Win the public on the benefits of HE ('consumers', voters)
- Work with employers, charities and other partners
- Reshape itself to respond and lead

A new narrative for HE: **the** long-term engine of growth, powerful in its diversity and dynamism, key to the good society (e.g. evidence on non-financial benefits; wellbeing, sustainability, health, volunteering, voting, crime, civic engagement, productivity, status, and above all **values**)

A **revolution** is required (especially in equity, technology and social engagement)... but funding constraints and a lack of coherent strategy risks making **evolution** more likely

# HE pays – for the individual and for society



Source: Shleicher (2012) *ibid.*, public cost and benefits of higher education for a man obtaining tertiary education (2008 or latest available year) in USD equivalent

**One of our projects**

**4**



# pearsonblueskies.com – a platform for new thinking about the future of HE

Short, original articles by global experts

A5 book accompanied by <http://pearsonblueskies.com>

Editions: UK (2011, 2012), Spanish (2011), Asia-Pacific (2012) so far...  
60+ articles and counting, all content available for free



*Free A5 books available for each edition*



*Willets, 2011 launch*



*Willets, 2012 launch*

*Visit the site for PDFs, videos and to share your views*

# Comments & questions?

# 5