Higher education in Ireland: for economy and society?
No. 5 of 2014

Editorial
The relationship between higher education and the economy has come into sharper focus since the onset of the economic crisis. Internationally, governments are increasingly concerned about the sustainability of public funding for the higher education sector and the need to achieve greater efficiencies. Institutions are competing internationally for funding and students within a context of global rankings and reputations. Students are more anxious about entrance to higher education, its cost and long-term benefits. However, alongside all this is a growing concern about the nature and function of higher education, especially the apparent dominance of its economic function over its other roles.

This Spotlight provides an overview of the higher education landscape in Ireland in the context of ongoing and proposed reforms of the sector, as well as change proposed in the Government's legislative programme, namely the Technological Universities Bill, the Higher Education Authority Bill and the Universities (Amendment) Bill. The Spotlight provides information on a number of issues, including funding, enrolment figures and international rankings. It does not attempt to deal with every issue affecting the sector; rather it provides contextual information and pause for thought regarding its future direction.
Executive summary

There has been much debate throughout the centuries about the purpose and nature of higher education, and the institutions offering such education. Historically, this debate has centred on the functions of universities specifically, but could extend to the sector generally as it has diversified over the 20th century.

In Ireland, higher education has been linked with economic development, arguably since the 1960s with the *Investment in Education* report. Since then, the sector has expanded to comprise seven universities, over a dozen institutes of technology (IoTs) and numerous colleges, some state or partly state-funded, and others entirely private institutions.

Enrolments have increased steadily from the early 1990s in the main state-funded institutions, with fulltime enrolments in 2013 reaching almost 165,000, and part-time enrolments reaching over 35,000. Alongside such increases, exchequer funding increased steadily in the 2000s to approximately €2 billion in 2009. However, funding for the sector has decreased to €1.5 billion in 2014, a reduction of 25%.

Reforms in higher education across many countries have sought to increase non-exchequer income, enhance efficiencies, foster competition for international students globally and generally make institutions more accountable through performance frameworks and demonstrated contributions to the economy. In Ireland, the National Strategy for Higher Education to 2030 (published in 2011 and informally referred to as the Hunt report) and subsequent reforms – both proposed and implemented – are the manifestations of these characteristics.

The implementation of similar reforms elsewhere has resulted in different effects, such as increased marketisation of the sector, increased fees, reduced student support and falling enrolment figures. It has also spurred debate about the ongoing purpose of higher education and its role as both an economic driver and a shaper of society through the generation of knowledge which can contribute to a wider public good.

Introduction

It has been argued that across the world higher education is in a state of flux. Increased financial pressures, managerial reforms, mass participation and a range of other factors are contributing to a changing policy environment. This is also the case in Ireland, where legislative and policy changes are on the agenda. The current Programme for Government contains a number of commitments in relation to higher education, including:

- A review of the financing of the system;
- Improvement of learning outcomes;
- Reform of academic contracts;
- Increased internationalisation; and
- Greater specialisation by institutions.

To give effect to some of these proposed changes, the legislative programme contains three bills: the Technological Universities Bill, which has undergone pre-legislative scrutiny; the Universities (Amendment) Bill; and the Higher Education Authority Bill.

It is in this context that this *Spotlight* is published. It begins with a broad discussion of the changing nature and purpose of higher education generally, before outlining the key trends and figures in the Irish higher education sector. Current income and expenditure figures are presented, and the issue of rankings and performance outlined. Recent reform proposals are presented before aspects of reform in England, New Zealand and Australia are outlined. It concludes with reflections on the Irish system arising from experiences in other countries. They point towards the need to achieve balance between the sector’s multiple goals.

The purpose and nature of higher education

There has been much debate throughout the centuries about the purpose and nature of higher education, and the institutions offering such education. Historically, this debate has centred on the functions of universities specifically, but arguably could extend to the sector generally. Broadly, the idea of higher education has gone through a number of different historical phases, each building to some extent on what had gone before1:

---

1 This is adapted from Barnett, R. (1990) *The idea of higher
It has been argued (largely by academics) that increased ‘marketisation’ of higher education, with a greater focus on private sources of income and a diminution of its social and cultural roles, is a function of a more economy-driven sector. In this regard, and in the context of the economic downturn in 2008, the United Nations Education, Social and Cultural Organisation (UNESCO) published its communique on higher education for the 21st century. The communique re-emphasised many of the points made in the World Declaration on Higher Education for the Twenty-First Century: Vision and Action. Of the 17 articles in the original declaration, articles 1 and 2 set out the core declaration, articles 1 and 2 set out the core missions and values of higher education. Article 1 includes that higher education should:

- “Educate highly qualified graduates and responsible citizens able to meet the needs of all sectors of human activity, by offering relevant qualifications, including professional training, which combine high-level knowledge and skills, using courses and content continually tailored to the present and future needs of society;
- Advance, create and disseminate knowledge through research and provide, as part of its service to the community, relevant expertise to assist societies in cultural, social and economic development, promoting and developing scientific and technological research as well as research in the social sciences, the humanities and the creative arts;
- Provide opportunities for higher learning and for learning throughout life, giving to learners an optimal range of choice and a flexibility of

2 In 1963 Clark Kerr coined the term ‘multiversity’ to capture the numerous goals and numerous communities within any higher education institution.


---

Figure 1: Different historical phases of higher education

The Platonic phase, involving a focus on knowledge, scepticism and critical thinking in an Academy, and the attainment of freedom and independence through critical inquiry.

The Medieval phase, involving a broadening of participation, emphasis on joint learning between scholar and student, institutional independence and the awarding of degrees. It was also characterised by an emphasis on the educational process as valuable in and of itself.

The Newman phase, involving a focus on knowledge for its own end, where higher education was something more than simply offering particular or selected knowledge for an (emerging) industrial society. It emphasised reason and reflection, and thus contributed to the formation of individuals. This idea was extended by the German Philosopher Karl Jaspers, who viewed the role of higher education being to teach, research, provide professional education, and transmit culture through academic freedom and critical thinking. Academic freedom, he argued, was essential, in the face of a growing state.

The Counter-course/culture phase, which rejected notions of higher education formed up to the 1960s as ideologically driven. Such institutions were viewed not as the neutral bastion of knowledge that they purported to be but as promoting the advance of a modern technological (and capitalist) society.

The Disappearing phase, where the notion of higher education as set out in earlier phases is replaced by one which emphasises management, resource allocation, performance indicators, and demonstrating clearly the contribution the institutions make to the economy by way of student throughput to the labour market with specific sets of skills.

Elements of the ‘disappearing phase’ of university life were already taking hold in the United States from the early part of the 20th century with the expansion of professional training courses in universities, particularly at the postgraduate level. This was accompanied later in the century by the view of higher education institutions as having multiple, often competing, goals.
The Irish higher education sector has altered significantly since the 1960s. Expansion of secondary education led to an increased demand for access to higher education. The Organisation for Economic Cooperation and Development (OECD) promoted investment in human capital as a mechanism to enhance economic development, and played a key role more generally in subsequent education developments through its Investment in Education report of 1965 (a report which also sought to address concerns about equality of access to education). The state began to invest more in the sector, both in direct funding to institutions and in supports to students to attend them.

More significantly, perhaps, the State began to reform both the structure of the sector and how it was governed. Regarding the former, the development of Regional Technological Colleges (RTCs), the forerunners to the current Institutes of Technology (IoTs), began in 1966 with the first being established in 1969. Their development was important on two fronts:

- Firstly, they represented a major expansion of the sector for the first time, and one which was governed primarily by economic concerns.
- Secondly, they represented a move towards a binary model of higher education, where universities and technical-orientated institutions would sit side-by-side, covering different disciplines and courses. This move to diversify the higher education sector was similar to that which occurred in other countries around the same time, for example with the development of polytechnics in the U.K., technological university institutes in France and 'Fachhochschulen' or applied universities in Germany.

Regarding governance of the sector, the Higher Education Authority (HEA) was established on an ad-hoc basis in 1968 before being statutorily established in 1972. Of note, however, was the fact that the Authority only regulated the universities which existed at that time, and subsequently the precursors to the University of Limerick and Dublin City University – then known as National Institutes for Higher Education. By 2006, however, with the Institutes of Technology Act 2006, the number of higher education institutions over which the HEA had an executive function increased significantly.

Currently, there are seven universities, 14 IoTs and a range of other colleges within the higher

---


9 The HEA classifies Tipperary Institute as a separate institution for the purposes of its evaluation framework (see HEA. (2013) Towards a Performance Evaluation Framework: Profiling Irish Higher Education. Dublin: HEA). However, here it is consider as a constituent part of Limerick Institute of Technology, which it has been since 2011.
The education sector in Ireland which are designated as being under the responsibility of the HEA. The Department of Education also provides a list of higher education institutions, a number of which are also contained on the HEA list but some of which are distinct. Figure 2 on the next page outlines the HEA sector in graphical form, including the numbers of student enrolments in each part of the sector (for the year 2010/2011). It also lists the additional higher education providers as identified by the Department of Education.

In addition to these institutions, there is also a growing number of private and/or for profit colleges awarding degrees and other qualifications, often through links with universities outside the State as well as other institutions. Some of the more prominent ones include Griffith College Dublin, Dublin Business School, Hibernia College and Independent College Dublin, while other colleges offer online and distance education throughout the country.  

A significant development in the sector has been the establishment of Quality and Qualifications Ireland (QQI) through the Qualifications and Quality Assurance (Education and Training) Act 2012. QQI brought together the four existing bodies which had a role in the higher and further education sector:

- The Higher Education and Training Awards Council (HETAC);
- The Further Education and Training Awards Council (FETAC);
- The National Qualifications Authority of Ireland (NQAI); and
- The Irish Universities Quality Board (IUQB).

QQI is responsible for a range of issues in the sector, including external quality assurance of further and higher education and training; the validation of programmes and making awards by providers in the sector; and the maintenance, development and review of the National Framework of Qualifications (NFQ).  

More importantly, perhaps, is its role in ensuring that the provision of higher education courses and programmes meet the requisite standards as set out in the NFQ. Higher education awards are considered those which are at level 6 and above on the NFQ and are awarded by universities, Dublin Institute of Technology, the IoTs (as delegated by QQI), and QQI itself (formerly HETAC) after validation of courses delivered by other providers. The particular awards from levels 6 to 10 are outlined in table 1 below.

<table>
<thead>
<tr>
<th>Award</th>
<th>NFQ Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Higher Certificate</td>
<td>6</td>
</tr>
<tr>
<td>Ordinary Bachelor Degree</td>
<td>7</td>
</tr>
<tr>
<td>Honours Bachelor Degree; Higher Diploma</td>
<td>8</td>
</tr>
<tr>
<td>Postgraduate Diploma; Masters Degree</td>
<td>9</td>
</tr>
<tr>
<td>Doctoral Degree</td>
<td>10</td>
</tr>
</tbody>
</table>


---

10 The now defunct HETAC site lists over 60 different providers who up to the end of 2012 were or had been registered as providers of programmes leading to higher education awards. For a discussion of both for-profit and not-for-profit private education and the potential for private universities in Ireland, see Limond, D. (2012) “Prospects for a Private, Indigenous and For-Profit University in Dublin” in Loxley et al (eds), op. cit.

Figure 2: List of higher education institutions as listed by the HEA\textsuperscript{12} and the Department of Education and Skills\textsuperscript{13}

<table>
<thead>
<tr>
<th>Universities</th>
<th>Undergraduate enrolments: 76,912</th>
<th>Postgraduate enrolments: 26,276</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Dublin City University</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• National University of Ireland, Galway</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• National University of Ireland, Maynooth</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Trinity College Dublin</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• University College Cork</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• University College Dublin</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• University of Limerick</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Institutes of Technology</th>
<th>Undergraduate enrolments: 73,004</th>
<th>Postgraduate enrolments: 5,376</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Athlone Institute of Technology</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Cork Institute of Technology</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Dublin Institute of Technology</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Dundalk Institute of Technology</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Dun Laoighaire Institute of Art, Design and Technology</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Galway-Mayo Institute of Technology</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Institute of Technology Blanchardstown</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Institute of Technology Carlow</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Institute of Technology Sligo</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Institute of Technology Tallaght</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Institute of Technology Tralee</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Letterkenny Institute of Technology</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Limerick Institute of Technology</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Waterford Institute of Technology</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Colleges</th>
<th>Undergraduate enrolments: 8,531</th>
<th>Postgraduate enrolments: 3,088</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Mary Immaculate College</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• St Patricks College, Drumcondra</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Mater Dei Institute</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• National College of Art and Design</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Royal College of Surgeons in Ireland</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• St. Angela’s College, Sligo</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Other colleges as listed by the Department of Education and Skills as being in receipt of some form of state aid (e.g. some funding for students on particular courses eligible for free fees under the free-fees scheme) or funded by other departments:

| • All Hallows College |
| • Dublin Institute for Advanced Studies |
| • Garda College |
| • Military College |
| • National College of Ireland |
| • Pontifical University of Maynooth |
| • Royal Irish Academy of Music |
| • St Patrick’s, Carlow College |
| • Law Society of Ireland |
| • Kings Inn |

One of the biggest changes in the sector worldwide has been the increase in participation levels. It has been estimated that participation rates in higher education in Ireland have increased by an average of 2% per annum since 1960. Figure 3 below charts the growth in fulltime enrolment numbers in higher education institutions in select years since 1967.

![Figure 3: Fulltime enrolments select years](image)

Sources: Clancy, 1997; Department of Education and Skills statistical database, item EDA 99.

In addition, the number of part-time students enrolled in higher education institutions has increased since the year 2000, albeit at a far slower rate and from an lower base than the fulltime contingent. This is charted in figure 4 below.

![Figure 4: Part-time enrolments select years](image)

Sources: Department of Education and Skills statistical database, item EDA 99.

The Department of Education and Skills has undertaken an analysis of the projected future growth of the third-level student population from 2013 to 2027. In this work, a number of scenarios are modelled, taking into account issues such as migration, transfer rates of students from second level, as well as the number of mature students in the third level population. In each of the three scenarios, projected demand is expected to rise year on year to between approximately 212,000 and 215,000 students by 2027. It should be noted, however, that these figures relate to fulltime students only. When potential part-time demand is taken into account, the projected increase of approximately 50,000 students on current figures may appear somewhat conservative.

### Income and funding of higher education

In recent years, State funding for the education sector has declined, with an impact on higher education funding in particular. This is outlined in table 2 below, where it can be seen that combined current and capital exchequer funding for higher education declined by approximately 25% from €2.05 billion in 2009 to €1.5 billion in 2014.

![Table 2: Exchequer funding for higher education 2009-2014 (€000s)](image)

<table>
<thead>
<tr>
<th>Year</th>
<th>Current</th>
<th>Capital</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>1,849</td>
<td>201</td>
<td>2,050</td>
</tr>
<tr>
<td>2010</td>
<td>1,776</td>
<td>164</td>
<td>1,940</td>
</tr>
<tr>
<td>2011</td>
<td>1,688</td>
<td>79</td>
<td>1,767</td>
</tr>
<tr>
<td>2012</td>
<td>1,591</td>
<td>56</td>
<td>1,647</td>
</tr>
<tr>
<td>2013</td>
<td>1,533</td>
<td>60</td>
<td>1,593</td>
</tr>
<tr>
<td>2014</td>
<td>1,467</td>
<td>35</td>
<td>1,502</td>
</tr>
</tbody>
</table>

Source: Delaney and Healy (2014).

However, as a proportion of overall spending on higher education, public funding in Ireland is significantly above the OECD average. Figure 5 below outlines the public proportion of all expenditure on higher education (in the OECD terminology, tertiary A and B education) in Ireland, and the OECD average, for select years from 1995 to 2010.

---


The figures outlined here only tell part of the funding story, however, with increasing amounts of finance coming from non-exchequer sources. Recent work by consultants Grant Thornton\(^\text{18}\) highlights that the total income of the sector\(^\text{19}\) increased by 6.7% between the years 2007 and 2011, from €2.45 billion to €2.61 billion. This income peaked in 2009 at €2.78 billion.

When analysed further, income is mainly drawn from four sources: state grants; research income; tuition fees; and other sources, including items such as student registration charges and exam fees. These figures are outlined in figure 6 below, with each category subsequently discussed in turn.

**State Grants**

Direct funding from the State (disbursed through the HEA) decreased from 39% of total income in 2007 to 28% of total income in 2011. This represented a fall from approximately €956 million in 2007 to €719 million in 2011.

**Tuition Fees**

Tuition fees increased steadily from approximately €600 million in 2007 to €817 million in 2011. These fees, paid by both Irish and overseas students, represented a greater proportion of the income of the university sector than the IoT sector, where income from overseas students is, in the view of Grant Thornton, largely underdeveloped. In 2011, tuition fees comprised 31% of total income.

**Research Grants and Contracts**

Income derived from research grants and contracts – both public and private – increased by 16%, from approximately €390 million in 2007 to €453 million in 2011. The State has been a significant funder of research in pursuit of the ‘knowledge-based' economy and latterly the ‘smart' economy, through a variety of mechanisms. This has involved funding higher education research mainly in Science, Technology, Engineering and Mathematics (STEM) areas, as well as encouraging diffusion of knowledge through technology transfer, commercialisation and patenting of discoveries. Funding agencies, cycles and programmes\(^\text{20}\) which have been part of this process have included Science Foundation Ireland (SFI), the Programme for Research in Third Level Institutions (PRTLI), Enterprise Ireland, IDA, the Health Research Board, HEA, the Irish Research Council for Humanities and Social Sciences, and the Irish Research Council for Science, Engineering and Technology (these last two now comprise the Irish Research Council).

More generally, in the year 2011 alone, the State provided over €900 million\(^\text{21}\) for research.

---


19 Only universities and institutes of technology are included in these figures.


21 Ibid. Note that not all this money would necessarily go to
through programmes implemented by different agencies. It should be noted that this figure does not include state funding for research commissioned through service agencies (e.g. such as the HSE, or the Prevention and Early Intervention Programme, part funded by the Department of Children and Youth Affairs and The Atlantic Philanthropies Ireland, a significant element of which was dedicated to research and evaluation).

**Other Income**
Income derived from a number of sources is classified by Grant Thornton as other income. These sources include student registration charges, interest, exam fees and student support funding. Income rose here across the sector from approximately €500 million in 2007 to €626 million in 2011. Student registration fees alone increased by 110% over the period 2007-2011.

**Expenditure**
Staff costs were the single largest expense facing higher education institutions in the period considered. Staff costs rose from €1.55 billion in 2007 to €1.67 billion in 2011. Other costs – such as light, heat, maintenance, travel and subsistence, and equipment – rose from €863 million to €904 million in 2011. Total expenditure rose from €2.4 billion to €2.57 billion by 2011, although the figure peaked at €2.74 billion in 2009.

As figure 7 below outlines, expenditure and income have broadly been in line for each of the years 2007-2011, with some deviation in 2010.

**Figure 7: Income and expenditure of universities and IoTs 2007-2011**

![Graph showing income and expenditure trends from 2007 to 2011](image)

Source: Grant Thornton (2014).

**Rankings and the international agenda in higher education**

As part of the governance shift in higher education, governments are increasingly taking an interest in the quality and standards of higher education institutions. Quality is something which has become “increasingly government-driven rather than institution-led” and in Ireland this is no different. The establishment of QQI is indicative of this. Part of this picture also comprises international education and the potentially lucrative market that it presents. Ireland’s International Education Strategy is currently under review with a new government action plan for the area imminent.

Another part of this landscape is the growing importance of university rankings, not (solely or necessarily) as a measure of quality but as a measure of international standing. In the drive to have ‘world-class’ higher education provision, rankings have become a short-hand – if problematic – way of assessing the quality of institutions in an increasingly competitive arena. Rankings, both within countries and across them, “affect the judgments and decisions of many university leaders and faculty; prospective students, especially international students, and their families; state policy makers and regulators; and industry and philanthropic investors”.

Rankings have existed in the United States in various forms since the early 20th Century. In 2003, rankings became internationalised with the publication of the Academic Ranking of World Universities (ARWU) – often referred to as the Shanghai rankings after the Shanghai JiaoTong University which produces the index. Since then, a number of other rankings have emerged, including the Time Higher Education (THE) - QS rankings (2004), which divided into

---


two separate rankings in 2010 (QS, and THE), Webometrics, and the most recent, U-Multirank, led by the EU. However, ARWU remains the preeminent index, with it, QS and THE comprising the big three.\textsuperscript{25}

The performance of Irish institutions has remained broadly the same in recent years across each of the three main rankings, although it should be noted that rankings of individual institutions have declined. Table 3 below outlines the rankings of Irish higher education for selected years since 2008 across broad categories.\textsuperscript{26}

Table 3: Number and category position of Irish higher educations in different global rankings, 2008-2014

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2010</th>
<th>2013/14</th>
</tr>
</thead>
<tbody>
<tr>
<td>ARWU</td>
<td>Top 100</td>
<td>Top 400+</td>
<td>Top 100</td>
</tr>
<tr>
<td>THE\textsuperscript{27}</td>
<td>1</td>
<td>6</td>
<td>2</td>
</tr>
<tr>
<td>QS</td>
<td>1</td>
<td>6</td>
<td>1</td>
</tr>
</tbody>
</table>

Adapted from Hazelkorn (2013)

Somewhat expectedly, academics and institutions’ reactions to ranking indices have been critical. The main criticism is that ranking criteria tend to prioritise particular aspects of higher education, such as quantitative citation of published works, subjective reputation, and research income generated over other aspects such as civic engagement, participation rates from lower socio-economic groups and broader social inclusion efforts. However, other academics have viewed them as being useful in providing hard data on a number of important aspects of higher education work.\textsuperscript{28}

At a broader level, rankings are viewed as having a number of negative impacts.\textsuperscript{29} At the institutional level, they can

- Result in a somewhat skewed picture of activity, in that particular individuals’ work can distort the overall departmental/unit picture, and tell little about the activity of individual academics. This is more so the case when ‘star’ or high profile researchers are brought in to enhance a departmental profile;
- Make it difficult for lower ranked institutions to improve, particularly if funding and other resources are awarded partly on the basis of ranking performance;
- Result in all institutions trying to become like the top institution, and can thus counteract attempts at diversification within a sector or national system.

At the policy level, they can induce improvement of national systems, but also encourage a ‘winners and losers’ mentality. This in turn can foster hierarchical stratification of institutions, leading to differences in funding, status, and potentially hamper overall national performance.

In Ireland, the Minister for Education and Skills commented that, instead of focusing on individual institutional performance, the government needs to think about the performance of the system as a whole. In this regard, the “strategic dialogue” process (referred to below) is viewed as a key instrument in maintaining a national or system focus, rather than an individual institutional one.\textsuperscript{30}

Reform proposals and changes in the higher education system

A number of pieces of legislation have reformed the higher education sector in the past 30 years.

The \textit{Regional Technical Colleges Act 1992} removed the then RTCs from complete vocational educational committee control while the \textit{Regional Technical Colleges Act 1999} renamed the colleges as IoTs. The \textit{Universities Act 1997}, described as landmark legislation in the history of Irish universities, sought to modernise governance, accountability and strategic management processes in each institution, as well as give powers to the HEA and Comptroller and Auditor General to


\textsuperscript{26} Table adapted and added to from Hazelkorn, E. (2013) \textit{op.cit.}

\textsuperscript{27} Times Higher Education ranks institutions as far as 400. Also, this index should not be confused with reputational rankings published by THE in March 2014.

\textsuperscript{28} Ahlstrom, D. (2013) NUI Galway president describes university ranking systems as ‘dangerous’. Irish Times, October 4\textsuperscript{th}.


\textsuperscript{30} Hazelkorn, E. (2013) \textit{op.cit.}
investigate and approve spending. The *Institute of Technology Act 2006* brought IoTs under the control of the HEA, conferred the principles of academic freedom on IoT staff equivalent to that afforded to universities, but also required the institutes to specifically comply with policy directions issued by the Minister for Education and Skills.\(^\text{32}\)

**The ‘Hunt report’**

Since 2011, a number of reform proposals and documents have been published. The most comprehensive is the *National Strategy for Higher Education to 2030* (otherwise known as the Hunt report), which contains reforms that are intended to address a number of identified pressures on the system:

- Increased demand for places – both fulltime and part-time – over the next fifteen years, as referred to above;
- Resource implications of the commitment to quality in teaching, research and scholarship as outlined in the Hunt report itself, and the cost implications of fulfilling such a commitment; and
- Resource implications of the commitment to maintain the physical infrastructure of the institutions and the growing need for space resulting from projected increased demand.

The Strategy makes 26 recommendations aimed at altering the structure of the system, its governance, how it is funded, and the role higher education plays in teaching, research and engagement with society.

Half of the total recommendations are reserved for teaching and learning, and research. Here, the report emphasises, among other things, the importance of an excellent teaching and learning experience for students; making it easier to students to enter and progress through higher education, for example through the recognition of learning and qualifications, and flexible delivery of programmes; investment in research and development; and prioritisation of public research funding, which is to be linked to national priority setting.

The report proposes the reform of both the governing authorities of individual institutions and the Higher Education Authority. It also proposes the development of a framework for collaboration between institutions, and in some cases consolidation and amalgamation.

The report also makes a number of recommendations regarding the financial sustainability of the sector. In addition to the introduction of measures such as changing academic contracts, and associated human resource aspects such as pay, staff consultation and maintenance of balanced budgets, the report also proposes a number of significant recommendations. These include:

- Establishing some form of student loan system to make the financing of higher education sustainable; and
- The development of service level agreements for higher education institutions establishing key outputs, outcomes, levels of service and resources allocated to achieve them.

The vision of the Hunt report and the implications of its recommendations, if fully implemented, suggests a more coherent, ‘rationalised’, higher education sector, with institutions differentiated by mission and the programmes and courses they provide. It also implies a widening of participation, particularly through new delivery mechanisms, and a new financial model to make the reformed system sustainable into the future.\(^\text{33}\)

**Post-Hunt and the current Programme for Government commitments.**

While the Hunt report was published in the last days of the previous administration, the current Programme for Government echoes much of its content. It states that reform of third level will be driven by the need to improve learning outcomes and provide high quality research. It also states that the Government will “introduce radical reform of third level institutions to maximise existing funding, in particular reform of

---


academic contracts and encourage greater specialisation by educational institutions*.

Further publications indicate that implementation of certain aspects of the Hunt report recommendations is well underway. In 2012, the HEA published a consultation document entitled *Towards a Future Higher Education Landscape*, in which three national objectives for higher education were highlighted: improved student experience; improved impact on society and economy; and improved international recognition of the quality of Irish higher education institutions. The document also contained in an appendix the process for designation as a technological university (TU).

In April 2013, the HEA produced a report for the Minister for Education outlining a number of proposed reconfigurations of the system. These included the proposed development of regional clusters [south, mid-west, west and two Dublin ‘pillars’] on top of existing alliances and partnerships which existed between various institutions. This reconfiguration document was prefaced by the review of teacher education in Ireland which suggested consolidation of a number of teacher education institutions, resulting in the emergence of six centres for teacher education. A separate review of the provision of the creative arts and media programmes across the Dublin area, also published in 2012, also informed the proposed reconfigurations.37

In the same year, the HEA also published the *Higher Education System Performance Framework 2014-2016*, which detailed, among other things, the key objectives of the higher education system for the period, many of which were drawn directly from the Hunt report. The key objectives included:

- To promote excellence in teaching and learning to underpin high quality student experience;
- To maintain an open and excellent public research system focused on the Government’s priority areas and the achievement of other societal objectives and to maximise research collaborations and knowledge exchange between and among public and private sector research actors; and
- To ensure that Ireland’s higher education institutions will be globally competitive and internationally oriented, and Ireland will be a world-class centre of international education.

In late 2013, the HEA published a profile of higher education institutions in Ireland, providing data on a range of metrics for cross-institutional evaluation purposes, including student numbers, financial data, research income, and physical space per student. The purpose of the document was to “advance landscape, funding and governance reform, and to enhance performance evaluation in Irish higher education”. Specifically in relation to funding, the HEA was expected to finalise its study of how to finance the higher education system in autumn 2014. However, it has since been announced that the Minister has established a group to examine future funding policy of higher education. The group is expected to report no later than December 2015.41

---


Technological Universities and amending legislation affecting existing universities

These developments have been accompanied by the publication of the General Scheme of a Technological Universities Bill 2014, as well as the General Scheme of a Universities (Amendment) Bill 2012.

The General Scheme of a Technological Universities Bill 2014 provides for a number of things, including the merger of some IoTs, the establishment of new IoTs, and the creation of new ‘technological universities’ (TUs). The introduction of this new type of institution into the higher education landscape was mooted in the Hunt report, and further expanded in a paper by Professor of higher education at the University of Melbourne, Simon Marginson.

Specifically, the Hunt report spoke of the need for TUs to have “a mission and ethos that are faithful to and safeguard the current ethos and mission focus of the institutes of technology. These are based on career-focused higher education with an emphasis on provision [of qualifications] between levels 6 to 8 [of the National Framework of Qualifications, as well as] on industry-focused research and innovation – this will have to be taken to a higher level in a technological university”. In the main, the Heads of Bill reflect this envisaged role for TUs, although at time of writing the bill has yet to be published.

The Joint Committee on Education and Social Protection undertook pre-legislative scrutiny of the general scheme in April 2014, involving engagement with a number of stakeholders. The resulting report made 11 recommendations across a range of issues, including:

- The functions of a TU (especially in engaging with enterprise and industry);
- Inclusion of apprenticeships as a form of flexible learning programmes;
- Composition and function of governing bodies, including student representation; and
- academic freedom and institutional autonomy.

The General Scheme of a Universities (Amendment) Bill 2012 seeks to increase financial oversight of universities and oblige them to comply with government policy on pay, as well as on staff numbers. While the Employment Control Framework has served part of this purpose since 2011, it is due to expire in 2014.

Improving Financial Performance

As part of its analysis of the financial health of the Irish higher education sector, Grant Thornton identified a number of steps which institutions could immediately take to both boost their incomes and reduce their expenditure.

On the income side, suggested steps included:

- Increasing income from overseas students
- Converting research and knowledge into products through more effective technology transfer and greater collaboration between industry and academia;
- Increasing funding sourced from alumni
- Achieving greater efficiency in delivery of courses through new technologies, and thus meet greater demand; and
- Optimising assets, particularly physical infrastructure.

On the expenditure side, the report suggests that institutions contain costs through:

- Process improvement initiatives, such as collaboration, removal of duplication, and other efficiency initiatives such as shared services;
- Outsourcing of particular services; and
- Reviewing procurement procedures.

The report concludes that, in the face of existing pressures and financial challenges in the future, “a range of measures are needed to reduce the funding gap so that the sector can survive and prosper”.

---


44 See Grant Thornton. (2014) op. cit, pp. 40-51.

Higher education in times of austerity: lessons from abroad

In England, Australia and New Zealand – as in many other countries – the higher education system has been significantly impacted by the economic crisis. However, countries have responded differently to the impact of the crisis, particularly in relation to funding, but also in other areas, notably access. While New Zealand and England pursued retrenchment-linked initiatives, Australia implemented higher education policies which appeared to run counter to these practices.46 As will be seen, all countries introduced an element of cost-sharing with students, with the outcome of reducing enrolment in some countries.

**Australia**

The Australian government commissioned a wide-ranging review of higher education, covering all major aspects of the sector,47 which was published in 2008. Recommendations of the review included measures to increase participation and equity; improve student finance arrangements; introduce new regulations regarding teaching and learning standards; and introduce an element of performance-based funding based on agreed outcomes.48

In response to the report, the Australian government increased funding for teaching and learning in higher education, aimed at both infrastructure and quality improvements. This was accompanied by increased funding for regional providers in acknowledgement of the difficulties some Australians have accessing desired courses due to geographical location. Caps on student fees were introduced while the cap on overall numbers accessing higher education was gradually removed.

In May 2014, the new Australian government announced further reforms in its budget proposals, including the removal of student fee caps previously introduced to enable higher education providers to determine their own fees for education provision. The Government will continue to operate a student loan system, however, so that students do not have to pay for courses upfront. The budget has also introduce the provision of a certain amount of public funding for private higher education providers, as well as increased funding for research.49

Notwithstanding the most recent budgetary reforms, the higher education sector has witnessed an increase in participation, an increase in funding and a shift from being highly regulated to one which is increasing deregulated. Yet, there are challenges in delivering quality teaching and learning. While there is a national Tertiary Education Quality and Standards Agency (TEQSA), the standards it seeks to enforce for higher education are only evolving.50 More generally, while the Australian model appears to be countering the austerity drive, it has been argued that the implementation of an economic objective-driven model in Australia threatens the idea of higher education itself and points to the need to balance benefits for people, communities and economy within a sustainable context.51

**England**

In England, the impact of the Brown52 report on financing the higher education sector resulted in an increase in tuition fees for students to compensate for the reduction in government funding, albeit these fees were capped at £9,000 per year (the report actually proposed no

---

The report was followed by a white paper which echoed many of the report’s recommendations, but also ignored others. It addressed the issues of future sustainability of funding at current levels and the need to create new income streams; the need to improve the student experience, largely through removing the limits on the numbers of students institutions could enrol, improving data on institution’s courses, and fostering greater diversity of provision through making it easier for smaller institutions to acquire the ‘university’ title.54

While many reforms remain to be fully implemented, the impact of the increase in student fees has been to reduce demand for places with the unintended consequence of effectively shrinking the sector. The consolidation of market forces in the English system appears to have served the political aim of deficit reduction, but has also resulted in uncertainty regarding future numbers and needs, and thus created an “unknowable policy landscape”55.

New Zealand

Since 2008, the New Zealand higher education sector has witnessed an unprecedented increase in demand for places, resulting in the government placing a cap on numbers and reducing financial supports (in the form of interest-free loans) to students.56 In addition, the New Zealand government has introduced penalties for institutions which exceed enrolment caps in particular subject categories. This has resulted in a significant shift in accessing higher education for a country which implemented a policy of open enrolment for the previous twenty years. While tuition fees were a feature of the sector, access to student finance was easy.

entry requirements were low and funding to the sector as a whole relatively generous.57 The most pronounced move, however, as outlined in the Tertiary Education Strategy 2010-15, was the introduction of measures to control funding in the sector, such as penalising institutions that had low progression, course completion and qualification rates.

Although the ‘open-access’ era of New Zealand higher education had the reduction of inequalities as one of its goals, it also served to hide one of the lowest completion rates in the OECD. However, the new policy of retrenchment has served to force institutions to curtail access to courses, increasingly using academic achievement in second-level exit exams as an entry requirement and introducing tighter rules within institutions for students progressing from the first year of their courses. One implication of such change is that the ‘old’ system was simply not affordable anymore, particularly in the context of the primary need to balance budgets over reducing social inequalities.58

Conclusion: Irish higher education – Plus ça change?

It is clear that there has been much attention to reform of higher education in Ireland over the past three years. However, it has been argued in some quarters that such attention equates to a continuation of policies of the past rather than anything approaching radical restructuring.

In an analysis of the Hunt report, two Trinity College academics59 argue that, while it may be too early to assess the impact of the report (and thus subsequent reforms stemming from it), its content actually reflects a long-term trend in Irish higher education to promote economic ‘utilitarian’ objectives, where political goals of economic growth are inextricably linked with the functions of the sector, rather than introducing any significant change to it. The importance of widening access to higher education is, they argue, structured within a human capital framework where the primary, and indeed sole aim, is to provide a skilled workforce for the

53 Leach (2013), op.cit.
55 Ibid.
56 Leach (2013), op.cit.
58 Ibid.
economy. The other functions of higher education, such as engaging with and for society more broadly, are secondary to the economic rationale for the sector.

Despite the apparent continuation of this economic imperative in higher education policy, some have argued that the most recent wave of reform proposals in Ireland signify a further narrowing of learning and knowledge. Brendan Walsh of DCU has argued this point specifically in relation to universities, highlighting that where institutions “limit their expertise to engaging with bodies of knowledge which are commercially attractive, they exclude or limit that which has little or no evident market value”. Further, he argues that while universities appear to be autonomous, they must be fully accountable to government for the delivery of national objectives. In this regard, they have become ‘new model’ universities, more focussed on what is economically useful rather than the pursuit of knowledge for other purposes. This has been a view echoed by others within the academic sector, both in Ireland and elsewhere.

Notwithstanding such objections, however, it is clear that the HEA is taking a more pronounced role in the management of the sector vis-à-vis the achievement of national objectives. This can, perhaps, be seen most clearly in the establishment of “strategic dialogues” with all publicly funded higher education institutions, where it is anticipated that each institution will enter into an agreement with the Authority about the delivery of specific outputs and outcomes in line with national objectives. Part of the institutions’ funding will be dictated by the achievement of agreed outcomes. This has been viewed as bringing greater transparency to funding higher education institutions, and encouraging greater emphasis on ‘performance’.

As has been seen, the economic crisis has affected higher education in these countries in different ways. All countries have introduced some form of explicit cost-sharing to the sector, in the form of tuition fees or changes to student supports. This has had the effect of shrinking the sector, in the case of England, and reducing enrolment in the case of both England and New Zealand, and served to deregulate enrolment aspects in the Australian system. In all three cases, market forces are playing an increasing role, alongside economic imperatives to a greater or lesser extent.

While sometimes being viewed as pushing a particular (managerial, and neo-liberal) agenda regarding reform of higher education, the OECD highlighted in 2013 that one of the many things higher education institutions should do is balance higher education principles with labour market priorities:

“Driving economic development is only one of the roles of higher education institutions and must be balanced with other priorities, including quality research and knowledge production. It is, therefore, important to ensure a balance between the priorities of the labour market and the relevance of the curriculum with a sufficient level of institutional autonomy to ensure academic freedom”.

In thinking about reform of Irish higher education in the context of economic recovery, striking such a balance may be one of the more difficult challenges facing the sector in the years to come.

__


65 As cited by a HEA official in Humphreys, J. (2014) op. cit.


16