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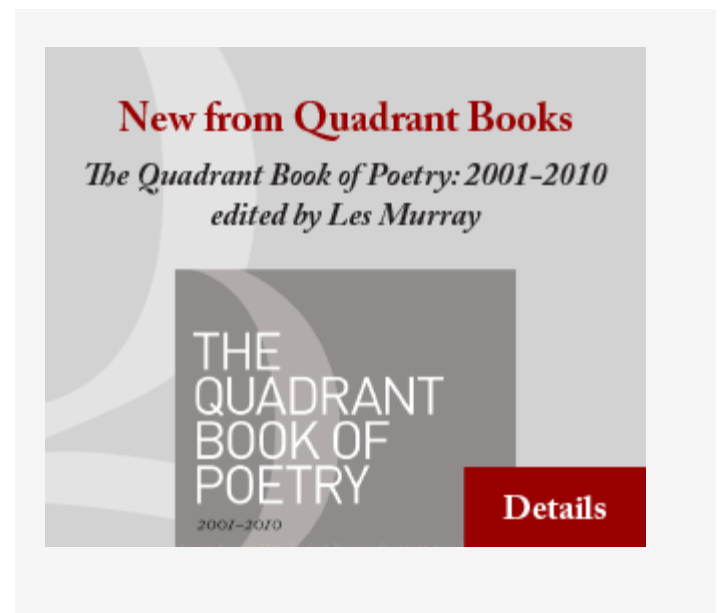
Degrees of Expensive Pointlessness

So, you are a newly minted Bachelor of Arts with a specialty in, say, lesbian calligraphy, journalism, womyn's studies or some other self-referential academic abstraction. And you say you can't get a job? Well don't blame employers until you have cast a critical eye over tertiary education's nest-featherers, the same people who made your Centrelink appointment an inevitability



Higher education is facing increasing problems of costs, relevance and quality. Fortunately a solution is emerging. However, some fundamental rethinking and restructuring is going to be needed for effective implementation.

In recent decades the rising cost of university degrees has exceeded both inflation and the increased earning capacity commonly associated with such an education. Not coincidentally, this has coincided with government efforts to substantially increase access to higher education. Large increases in government funding have not only greatly increased the numbers of tertiary students but have also resulted in a proliferation of administrative bureaucracy and overhead costs in the



universities.

As an example, take James Cook University here in north Queensland, which has some ten chancellor-level executives, the lowest paid receiving about half-again more than a commonwealth government minister and the highest taking home roughly the same as the Prime Minister.

Costs

In response to the escalating cost of higher education, government came up with the idea of making a large portion of the cost of loans to students re-payable from the higher earnings expected to be enjoyed as the fruit of those advanced educations. As always in attempting the macro management of complex dynamic systems there have been unforeseen consequences. One has been a devaluation of many degrees from oversupply.

There simply aren't enough white-collar jobs to absorb the supply of graduates; meanwhile, advances in information technology are reducing the demand still further, even as the economy expands.

Student loans have also burdened those who do find employment with years of debt repayment, greatly delaying the time when those graduates will have saved enough for down payments on their first homes. Simultaneously, the demographic bulge of the Baby Boom generation is reaching retirement age, ready to cash in on the grossly inflated value of their homes. A shortage of new and qualified buyers is developing. It takes little imagination to foresee the dire consequences for the property market and, ultimately, the banks and wider economy.

Relevance

In addition to the high cost of degrees, much of the product being churned out by the degree mills simply has little relevance to any demand that exists in the jobs marketplace. Students who want an easy degree have traditionally chosen a BA. If nothing else it, provided a level of skill in communication and cultural awareness which enabled one to interact on a peer level in educated society. In the past, when only a small portion of the population had university degrees, a BA assured one of finding a white-collar job. That era has long since passed. Today, there are far more graduates than white-collar jobs.

Unfortunately this problem is not restricted to BA degrees. The connection between university offerings and the job market is weak and distant. In addition to that poor linkage, the universities also offer an increasing number of degree majors focused more on matters of perceived political correctness than with any utility or demand outside of academia.

Quality

The huge expansion of tertiary education over recent decades also has been accompanied by a decline in the quality of students, teaching and graduate outcomes. Mass production of an intellectual elite would seem to be a contradiction in terms. The result has been that many graduates are obliged to find employment in jobs for which their expensive degrees are of little or no use.

Enter the Robots

As if all this were not problem enough, another major change is fast developing in the jobs market. Robotics and information technology is set to replace many more jobs in both labour and management. In the longer run this will mean richer, fuller lives for everyone; but, it is also going to mean some painful readjustment will be required. On the positive side robotics and IT are going to mean more goods and services with less effort and risk. The negative is that many current jobs will disappear.

Thinking Like an Entrepreneur

Finding someone else — ie., an employer — who can think of something useful to do with your life is no longer going to be a viable option. Simply put, we are going to have to take much more personal responsibility to find and develop them — to think more like entrepreneurs, in other words. Although this may seem a daunting, if not impossible, societal change, the challenge is more a matter of mindset and custom than it is of any inherent human limitation. Surveys find that immigrants tend to be more entrepreneurial than native-born populations, with refugees doing even better in this regard. It seems that coming from a society where there are few job opportunities and little or no welfare encourages one to think in terms of creating one's own job rather than trying to find someone else to do it.

High Quality Low Cost Learning, Anyplace Anytime

Even where jobs do exist, in today's fast changing economy few can promise lifetime employment, and finding a new one will likely to require additional training and skills. Whether seeking a job or starting one's own business, being able to acquire new skills when needed is going to be an important advantage; indeed, it will be essential.

Although going back to university is impractical for most people — even going in the first place is becoming an increasingly dubious investment — another and better alternative is rapidly emerging. High quality, low cost online courses are now becoming available for more and more university-level subjects. They offer many advantages over traditional classroom lectures. The cost, skill and preparation going into a presentation which will be used by thousands of students can obviously be much greater than that offered in a traditional one-off lecture to classroom of 25 or 30 students. The online course can also be accessed anyplace anytime and paused or replayed as desired. Accompanying online forums further enhance the learning experience with opportunity for discussion and additional explanation. Sure to follow will be sites providing quality ratings for course offerings, curriculum recommendations and leads on employment prospects.

This mode of education is rapidly developing and it is set to revolutionise tertiary education over the next decade. Top universities and groups of universities, along with well-funded startup companies backed by venture capital, are all involved. Uptake has been enthusiastic and some observers are already predicting the disappearance of many traditional universities over the next decade. Ongoing open access to advanced education at low or no cost will be a game changer, not just for universities, but even more so for the entire society.

Spending vast sums to enable students to pursue costly degrees for which there is limited utility or employment, not to mention saddling them with large debts before they even start their careers, has been a mistake. At the very least the number of taxpayer-supported university degrees should be strictly limited in step with anticipated needs, and available places need to be awarded to the highest applicants. This has worked very well in medicine and there is no reason why it should not apply generally. Anything less simply fosters high cost mediocrity and a poorer society for everyone.

Time for a Rethink

If we are going to have a more entrepreneurial society, the most important task for government will be to reduce the serious bar to entry for new businesses presented by the ever growing morass of costly and ineffectual overregulation. Banks, too, will need to be prodded away from their overindulgence at the mortgage trough, turning their attention instead to the financing of small businesses. Their current approach, with its neglect of the small business sector while wallowing in absurdly inflated real estate and the debt associated with buying into that market, can only end in financial grief.

Governments and religions are alike in that they derive much of their support from the promise of security, any admission of mistakes being anathema to their aura of infallibility. Both persist with failed policies long after it is obvious different approaches are both necessary and inevitable. Higher education is but one of a number of areas of society that are facing an increasing disparity between policy aims and outcomes.

Although a timely response from government is unlikely, it is not premature to start thinking about what will need to be done when grim reality intervenes. For graduates with unmarketable degrees that day has already arrived. For the rest of us the crunch is most definitely on the near horizon.

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