

Alternative Forms of University Ownership, Finance and Organisation

By Catherine Butcher, Marie Curie Doctoral Fellow

Background

In the last 20 years the cost of University education has been escalating, limiting accessibility and making it an expensive investment and a disincentive for families from the middle to lower income bracket. Even when those students get admitted to a university they are burdened with student loans for years because of the high cost of tuition, board and lodging and other related expenses and they may not find employment immediately. In some cases they cannot afford to repay the loans which often times would have been secured by their parents' property.

The exchange rate fluctuations would undoubtedly affect students from poorer countries studying abroad. For example, according to the *Open Doors Report (Fast Fact, 2012)* published by the *Institute of International Education*, there were 764,495 international students enrolled at colleges and universities in the United States in the 2011-2012 academic year, an increase of 5.7% over the previous year, with 62% of these external recruitment originating from Asia; while 63.6% of the primary source of funds of international students were either personal or from family. <http://www.iie.org/en/Research-and-Publications/Open-Doors> . The United Kingdom on the other hand had an international student enrolment of over 480,775 in the 2010-2011 academic years with approximately 27% originating from Asia; and in France there were 288,000 international students during the 2011/2012 school year with 10.3% originating from China. <http://www.iie.org/IIE-Settings/C-Template-DropDownItems/Services/Project-Atlas>.

The rising cost of education has been referred to "as an important by-product of broad economic forces that have reshaped the entire economy" (Robert Archibald, David Feldman, 2010). Universities are no longer seen as institutions providing a primary social and economic need, but mainly as profit making organizations operating in a capitalist society that engage in aggressive marketing campaigns to achieve their own goals. In the United Kingdom the cost of tuition alone for undergraduate study rose by approximately 300 per cent from a fixed amount of approximately £3,000 per annum in 2004 to £9,000 in 2012 (http://en.wikipedia.org/wiki/Tuition_fees_in_the_United_Kingdom), and for international students the tuition ranges from approximately £12,000 to £16,000 per annum (<http://www.nottingham.ac.uk/fees>) .

The study is undertaken to address the above problem. The research aims to explore **how universities can be made more accessible through alternative forms of governance models such as Co-operatives**. From personal experience it is anticipated that a co-operative university will seek to provide equal opportunity by placing people and their needs over profits; ensure democratic control; and build socially just local communities through university reform while at the same time provide excellent quality education at affordable prices.

The researcher builds on work already started in university reform by William Foote, Kathleen King Whyte, Davydd Greenwood, Susan Wright and Rebecca Boden. She will also undertake to draw on writers such as John Donaldson, Peter Davis and Isao Takamura who have called for the establishment of cooperative management as the philosophy of modern management.

Research Questions

The research will seek to answer the following principal question:

Would the adoption of a co-operative governance model by universities be more beneficial socially, culturally and economically to emerging economies?

The researcher will endeavour to address the principal question by answering the following subsidiary questions:

- 1) What reform should universities in emerging global economies adopt?
- 2) How should universities be governed in emerging global economies?
- 3) What benefits are to be derived by adopting a co-operative model by universities?

- 4) Are there any impeding factors to this model of university governance in a competitive global knowledge economy?

Research Methodology and Design

The concept of alternative university governance model as exist in Spain and more recently, Canada, is a fairly new initiative that will be researched for possible adaptation by different countries as an alternative to the capitalist-based university system that currently exists. Thus the method intended in conducting this research would be primarily qualitative. The researcher will review literature to determine the relevance of the new governance model and lessons learnt, and use the case study approach to assist in developing a framework of what the model university will look like.

In undertaking the research a number of interviews will be conducted to gather information from respondents who have expertise relevant to the research concerns. The researcher intends to undertake site visits of some of the model Co-operative universities and Trust organisations, such as the New University Co-operative, Canada; John Lewis Partnership in the United Kingdom; the International Co-operative Alliance, Geneva; and the University of Mondragon, Spain, which is, in itself a success story. The researcher will also visit universities across different regions to gain useful insight into the feasibility and viability of the new model or the inadequacies that may be found within the model. The case study approach will increase the scope and depth of the study and help develop a model that can be adopted in local situations.