

PRIVATISE ALL BUSINESS AND LAW SCHOOLS

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In September 2007, BPP Professional Education made history by becoming the first for-profit private company in the UK to be awarded degree-granting powers by the Privy Council. While this is clearly a positive development, it also helps to shed light on the depressing fact that throughout the twentieth century successive UK governments have discriminated against for-profit institutions in higher education.

The end result is that in the first decade of the twenty-first century, one of the UK's most important service sectors is now dominated by approximately 133 non-profit educational charities, which nobody appears to own and which are heavily dependent on government handouts. As the profit motive plays a critically important role in a majority of the other sectors of the economy, it would be naïve to believe that the crowding out of the profit motive from higher education would have no unintended consequences or hidden costs.

While some may question the use and role of the profit motive in higher education and whether private investors would be interested in investing in the sector, the recent growth of for-profit universities in the USA and around the world confirms that all law and business-related education and training programmes do not need to be delivered by publicly funded non-profit charities. With the benefit of hindsight it should come as no surprise to find out that it is possible to generate a profit from teaching others the art of profit-making (on business and related degrees). The fact that the US education investor Apollo Global looks likely to take over BPP Professional Education confirms that this has the potential to develop into a highly profitable and therefore a highly competitive sector of the economy.

A quick browse of BPP's website helps to show why Apollo may have an interest in taking them over. While the Privy Council decision and BPP's ability to award degrees will clearly be viewed as a valuable asset, BPP's innovative approach is also attractive. For example, while regular lectures are used, BPP's programmes also have a strong focus on small group sessions including tutorials, seminars and workshops. Lectures are also

available in a variety of formats including traditional delivery, DVD and streamed for download to an MP3 player. As BPP Business School's mission is to train people to become business professionals they also operate a professional careers service which they view as being an integral part of the educational experience which they provide. A student will receive career support as soon as they enrol.

Finally, the Business School also claims to lead the field not only in client-friendly but also in time-efficient course design. In short they have adopted the Buckingham model and now deliver three-year courses in two years. Contrast this with the non-profit, publicly funded institutions who continue to meet and publish reports and set up committees to discuss the pros and cons of reforming the academic curriculum. This debate is also not new, as the following statement found in a previous edition of the *Economist* suggests:

'It might be possible to lengthen the academic year which lasts 24 weeks out of the 52. Oxford works only half time and the result is that four years almost are spent in giving the education of two years. We cannot expect that parents who are not wealthy, and who want a practical education for their sons, will send them to a university from which they are to be absent more than half the year.'

The fact that this statement appeared in the *Economist* published on 28 September 1867, gives a clear indication of how slow our existing institutions have been to respond to our changing needs and demands.

The simple fact that BPP can now deliver degree programmes in business and law in two years instead of three, without receiving government handouts, at a lower cost and still generate a profit, confirms that there is no market failure in the provision of these services. Instead it is simply the case that the market has not been allowed to develop. The solution is to privatise every law and business school across the country, allowing each university to keep the proceeds from each sale.

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