

# GRENOBLE ECOLE DE MANAGEMENT

## CONCOURS HEC SESSION 2015

### EPREUVE ORALE D'ANGLAIS

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#### **Excellence v. Equity**

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America gave the world the modern research university. The American elite imported the model of the Oxbridge college in the 17th century to give its rough sons a polish. In 1876 the trustees of the estate of Johns Hopkins, a banker and railroad magnate, decided to use what was then the largest bequest in history to marry up the Oxbridge college with the research university, an institution the Germans had developed at the beginning of the 19th century. Both private and public universities adopted the model, and Harvard, Yale, Princeton, Caltech and the rest of America's top rank emerged as the prime movers of the world's intellectual and scientific life shortly afterwards.

These institutions have produced a startling number of the inventions that have made the world safer, more comfortable and more interesting. "Imagine life without polio vaccines, heart pacemakers, or jet airliners," wrote a bunch of America's business leaders to Congress in 1995, pleading with the government not to cut research funding to universities. Since then, those institutions have also powered the digital revolution that has improved life in every corner of the planet.

America led the world, too, in creating mass higher education. That transformation was driven in part by the economy's need for higher skills and in part by society's desire to give the men who fought in the Second World War a chance to better themselves. America thus became the first country in the world in which the children of the middle classes went to college, and college became a passport to prosperity.

Given its success, it is hardly surprising that the American approach to higher education is spreading. Mass education has taken off all over the world. The American-style research university is the gold standard, and competition among nations to create world-class research universities as good as America's is intensifying.

But just as the American model is spreading around the world, it is struggling at home. America's best universities still do more top-class research than any other country's; the problem lies in getting value for money on the teaching side. Tests suggest that many students do not learn enough these days. They work less than they used to. The average performance of America's graduates, compared with those of other countries, is low and slipping. Higher education does not increase social mobility but reinforces existing barriers. At the same time costs have nearly doubled in real terms in the past 20 years. The enrolment rate is falling.

Technology offers the promise of making education both cheaper and more effective, but universities resist adopting it.

The problems spring in part from the tensions at the heart of higher education between research and teaching, and between excellence and equity; but that technology and better information can help make the teaching side of the business more effective. America, having exported its model to the world, could learn some lessons from other countries about how to improve its own system.

Higher education in America started to spread from the elite to the masses as early as the 19th century, with the establishment of the land-grant universities, but got its biggest boost with the 1944 GI bill that paid servicemen to go to college. What happened in America then happened in Europe and Japan in the 1960s and 1970s, in South Korea in the 1980s, and is now happening the world over.

As first degrees become standard, more people are getting postgraduate qualifications to stand out from the crowd. In both America and Britain, 14% of the adult workforce have a postgraduate degree; and despite the increase in supply, the postgraduate premium has increased in both America and Britain, especially since 2000.

Although individuals enjoy decent returns to their investment in higher education, it is less clear that society as a whole does. The big question is whether the graduate premium is the consequence of higher productivity or of establishing a pecking order. If universities increase people's productivity, then society should invest in having more graduates, but if they are merely a mechanism for signalling to employers that graduates are cleverer than non-graduates, then it should not. And since little effort goes into measuring whether universities actually educate people, society does not know whether investing in education is worthwhile.