It's time to consider the great unmentionable

Failure is the most fundamental feature of both biological systems and human social and economic organisations.

Ninety nine point nine nine per cent of all biological species which have ever existed have failed in the most dramatic way. They are extinct.

In America, over 10 per cent of all companies fail every year, with more than 10,000 closing every week.

Yet the existence of failure is one of the great unmentionables. And nowhere more so than in British higher education.

Superficially, the sector appears to be a success. Oxford and Cambridge have had a life span of more than 500 years each. More young people than ever before are going to university. We are still able to boast of the occasional Nobel prize winner.

But the sector is not immune to the iron law of failure. Thirty years ago, Oxbridge, the London School of Economics and the like competed on equal terms with Harvard and Massachusetts Institute of Technology. Not any more: US universities have dramatically pulled away, not just from Britain but from Europe as a whole.

A conventional explanation is that the Americans have more resources. But they had more resources 30 years ago, so this cannot be the main explanation.

Meanwhile, many graduates of the new universities are finding that their personal investments in time and money in their courses are not worth much in the jobs market. At the same time, students are seen as over-qualified for less skilled jobs. The system is failing to provide them with the quality of degree which employers regard as adequate.

The higher education sector, under both Conservative and Labour governments, has been increasingly obliged to operate under a rigid framework. There are more targets and form filling, more conformity to the research assessment exercise, less scope for diversity and innovation by individuals, departments and universities.

It is as if the old, centrally planned Soviet Union had been a great success rather than a catastrophic failure, its structure to be admired and copied. No wonder morale is at an all time low, and we are falling behind the Americans.

Better resources would undoubtedly help, whether from taxpayers, students or donations. But the capacity for centrally planned systems to absorb and waste both time and money should never be underestimated.

Mutations — innovations — are an inherent feature of successful biological systems. The same can be said of human social and economic organisations.

This not a plea for free markets as a panacea for all ills; far from it. The state is bound to continue to play a major role. I and many others are happy to pay tax to support medieval historians.

Yet the real world is complex and uncertain. We cannot know the optimal strategy to follow. But we do know that the present centrally planned structure is failing.

Instead, we need imaginative and diverse strategies, in order to discover what actually works in just the same way as biological evolution does.

At present, the system insists that a degree from the University of Central Lancashire is the same as one from Cambridge. So both involve three years of study. Could not a new university experiment with a more limited two year course, say? That would not devalue such a degree, as no one now believes they are the same anyway. Instead, it would recognise the difference explicitly.

Again, if some of the elite universities broke away from the present structure, the whole system might benefit as the amount of diversity increased.

Furthermore, not just individual departments but whole universities should be allowed to actually fail, to close down. This idea is simply beyond the mindset of many at present but is necessary for the health of the system. The resources freed up could be put to better use elsewhere.

The American economist Joseph Schumpeter, an antagonist of much conventional free market economic theory, wrote approvingly of "gales of creative destruction".

Successful systems, whether in biology or in human social and economic organisation, have structures that promote such exploration, diversity and innovation.

The process of selection and evolution enables us to discover strategies which work. And we need to accept the necessity for failure. It is failure which, paradoxically, is the breeding ground of success.

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