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**The marketization of higher education: A causal analysis of
innovation in UK universities**

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Higher education is increasingly a marketised service sharing many characteristics with other professional services such as legal, medical or financial services. With marketization comes competition, and the need for HEIs to develop and maintain attractive undergraduate programmes to attract and retain strong faculty and fee-paying students. Here, we consider the drivers of programme innovation – the introduction of new programmes – and the withdrawal of existing programmes in UK universities. Using panel data for all UK universities provided by UCAS we identify significant resource, internationalisation and business engagement effects. Financial stringency encourages both programme innovation and withdrawal. More extensive international market engagement and research collaboration with business have similar effects increasing programme innovation. The results have both strategic and systemic implications.