

EDUCATIONAL FUTURES: RETHINKING THEORY AND PRACTICE

# Prospects of Higher Educations

Globalization, Market Competition,  
Public Goods and the Future of the  
University

Simon Marginson (Ed.)



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## PROSPECTS OF HIGHER EDUCATION

EDUCATIONAL FUTURES  
*RETHINKING THEORY AND PRACTICE*  
Volume 13

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# Prospects of Higher Education

*Globalization, Market Competition, Public  
Goods and the Future of the University*

*Edited by*

Simon Marginson

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SIMON MARGINSON

## **PREFACE: THE OPEN HORIZON**

Higher education and knowledge have never been more generative or more crucial to the human societies in which they are located. Nor have their institutions been more busy, or more troubled. What does the world want from higher education, and what kind of world is it making? Can we talk about a global university market and what does this mean for the social agenda? Where is higher education going?

Accelerated globalization is remaking the prospects and potentials of higher education, especially its cultural potentials, while reinventing government, business and communications everywhere. It has varying meanings. In the USA it underpins the growth of the for-profits, visa issues on the desks of university presidents and debate about higher education as a public or a private good. In Singapore it drives the negotiation of partnerships with major universities from around the world. In Europe it means Bologna and the changes in mobility, program structures and research. In many countries it means the fast growing role of English in teaching and publishing and the roll-out of information and communications technologies.

The global transformation of higher education is now being reinforced by a heightened globalism in the broader political economic environment in the wake of the world-wide focus on climate change. If there are common solutions to be found research and higher education will be central to these. This common crisis is turning the vision of universities outwards, to the state of the world. In the last two decades on campus much energy has been absorbed by the epochal collision between on one hand neo-liberal policy and the new public management (NPM), on the other hand the Deweyan conception of education in democracy, and traditional scholarly cultures. These debates are still being played out. But they are now overshadowed by the many implications of global convergence for local practices, national systems and ways of thought. These include the transfer of neo-liberalism and the NPM and much more across national borders. Global university rankings are a potent (and uncomfortable) reminder that in higher education, which always was partly internationalised, the ultimate horizon is now the global one.

The NPM and global convergence overlap but these are distinct problematics. The discussion about the NPM is about what is being done *to* higher education by Treasury departments and executive managers, from outside the sector as it were. Much of the discussion about globalization has been couched in similar terms, but

this is misplaced. Higher education institutions, especially research universities, are not just objects of globalization but among its primary subjects. If globalization is about cross-border flows and systems of people, messages, ideas, knowledge, technologies and capital, then higher education institutions and people who work in them are instigating many of the flows themselves. If globalization is also about world-wide inequalities and injustices - and in higher education and other sectors it is - then universities are both part of the problem, and part of the solution. What this means for teaching and learning, and research and scholarship, and policy and organization in higher education, are among the preoccupations of this book.

Global convergence means that processes conducted in isolation in localities and nations no longer absorb us as they once did. It piles uncertainty upon uncertainty because there is a myriad of possible futures. It brings a new scope for agency and contingency and exciting forms of freedom. It also heightens the capacity of strong universities and nations to dominate the rest. The barriers are being stripped away. Direct cross-border relations subvert the old distinctions between national and international, and remake the relations between government and higher education institutions. National funding and regulation have not and will not disappear and remain determining, but national policy is relativised in the global setting. If the global dimension is now the horizon of possibility, it is an open horizon.

#### CONTENTS OF THIS BOOK

The changing prospects and potentials of knowledge formation and learning, taking in universities and other higher education institutions, are a complex intellectual problem. But it *can* be understood. This problem is no more difficult than mapping the human genome or modelling the global climate (though it must be said that less research resources are put into solving it). We have yet to fashion all of devices that we need to make such an analysis. The central purpose of this book, which draws on leading scholars in higher education studies from around the world, is to develop imaginative frameworks and conceptual tools for this project.

However, in grappling with the impact of the global we are not beginning from scratch. We have inherited certain concepts from political philosophy, sociology and geo-spatial studies that are useful here, though they might need to be remade. This book is premised on two principal distinctions, which are explained at more length in chapter 2. The first is the distinction between *public goods and private goods*. Much of the scholarly discussion has been about 'states' and 'markets' in higher education, and it is often couched in terms of the classical liberal opposition between the two. It is true that both states and markets are heavily implicated in the many changes now occurring, but they have limits as central explanatory devices. First, they imply closed systems bound by an internal logic. Modelling states and markets (especially markets) this way has much to say about the tendencies they create but has drawbacks when the models are used to frame observation. In reality matters are more fragmented and open, states and markets do not between them cover the whole of human endeavour, and the closure makes it difficult to map relations between the two which are inter-penetrated at many points. Second, states

and markets are essentially mediums and means of human action, not ends in themselves. What is more important is the social effects produced within, from or by, states and economic markets and positional competition – and also in other realms which do not necessarily fit into state or market, including private life, the realm of the imagination, and the global space. Arguably, the notions of public goods and private goods, which cut across the state/market distinction, cover more ground. At the same time the public goods/private goods coupling is useful for understanding, measuring and judging the work of states, markets and higher education institutions. Some chapters in this book focus primarily on private goods and market competition, some mostly focus on public goods, some address both.

The second distinction is between the *global, national and local dimensions* or spheres of action. ‘Global’ refers to spaces, systems, relations, elements, agents and identities constituting and constituted by the world as a whole. The ‘global’ dimension does not include all national and local elements, only those contributing to the world as an integrated world (we can use ‘world-wide’ for the universal notion). Amid the first open information environment in history, national policy and local culture can no longer be isolated. But the global dimension is not all-consuming, nor are global effects the same everywhere. Many institutions have no obvious global connections. The quantity and quality of engagement varies from nation to nation. Some are more insulated than others. Global flows between different nations, and between different local institutions across borders, can be two-way or uni-directional. The world as envisioned from hegemonic USA is not the world envisioned from the marginal zones. Differing visions, and differing patterns of movement, emerge in the chapters of the book.

However, the main contribution that *Prospects of higher education* makes to the field is to bring together the analytical frame of public/private goods with the analytical frame of global/national/local, allowing us to explore public and private (and markets and states) in more than one dimension at the same time. This is where the world has gone and it is time scholars caught up. This move allows us to do new things in the study of higher education. For example, it allows us identify global public goods in education and research, which have not been discussed; to map the wash-back effects of global trade in private educational goods on the stratification of national systems; and rethink the local social role of institutions. The three dimensions also help us in developing different geo-spatial perspectives on higher education, different vantage points for observation and analysis.

*Part I* consists of chapters conceived from a world-wide and global perspective. Using coordinates such as global/national, state/non state provision, self-centred/socially responsive and high/low participation Stéphan Vincent-Lancrin (chapter 1) imagines possible futures for higher education. Simon Marginson (chapters 2 & 3) maps the world-wide landscape, including the formation of global markets and global public goods, while keeping national systems in mind, and the rise of global university rankings and the response. Leonard J. Waks (chapter 4) brings the large industry of corporate universities, partly engendered by globalization, out of the shadows. Jane Kenway, Elizabeth Bullen and Simon Robb (chapter 5) explore the implications of knowledge economy policies for academic freedom and imagining.

*Part II* consists of chapters from and about the cross-border relations in the Americas, which occupy a special position in world-wide higher education because of the global dominance of the USA, its hispanization, and the role of the nations on the geo-strategic periphery of the USA in that. Peter Eckel, Madeleine Green and Kate Berniaz (chapter 6), writing from the American Council on Education, present a framework for charting the programs provided outside the United States by U.S. institutions to non citizens. Brian Pusser, Waldemiro Vélez-Cardona and Gloria Dávila-Casasnovas (chapter 7) describe what happened when the Pell-grant financed U.S. student market was transplanted raw into the post-secondary system of Puerto Rico. Gary Rhoades, Alma Maldonado-Maldonado, Imanol Ordorika and Martín Velazquez (chapter 8), spanning the USA and Mexico, re-imagine public and private universities in terms of social mission rather than academic capitalism.

*Part III* shifts the perspective to the two other dimensions: national systems, and the regions and localities within them. In chapter 9 Jussi Välimaa and David M. Hoffman provide a historically grounded account of universities in Finland where the national policy horizon has been displaced by the global horizon. Michael Peters and Tim May (chapter 10) discuss the regional knowledge economy that has emerged in the North-West of the UK in response to national policies and global developments. Rajani Naidoo (chapter 11) uses Bourdieu's theorisation of the field of higher education, drawn on also in chapter 2, to explore social competition and system stratification in post-apartheid South Africa. Kirsten Turner and Brian Pusser (Chapter 12) draw out the dilemmas of the elite public sector (state) university in the USA, the principal provider of social leaders and positional goods, while at the same time being responsible for the democratic provision of equitable access for all citizens.

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Melba for the kindness of recent years, and of course for our beloved daughter. In the preface to *Educating Australia* (1997) I remarked that Ana Rosa had joined us towards the end of the writing and that she 'is even more wonderful than writing books'. Now Ana Rosa loves books herself. There is a lot of happiness in all that.

Melbourne, 20 June 2007

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**PART I**

**PERSPECTIVES OF THE WORLD**

*'We were flying over America and suddenly I saw snow, the first snow we ever saw from orbit... I had never visited America, but I imagined that the arrival of autumn and winter is the same there as in other places, and the process of getting ready for them is the same. And then it struck me that we are all children of our Earth'.*

- attributed to Soviet Russian cosmonaut Aleksandr Pavlovich Aleksandrov,  
Soyuz T-9 mission, 1983



# 1. BUILDING FUTURE SCENARIOS FOR UNIVERSITIES AND HIGHER EDUCATION

## *An International Approach*

### INTRODUCTION

Although the university as we know it has undergone many evolutions over its long existence, today many forces are putting it under pressure to change. It has entered a new period of questions and doubts. While this is certainly not the first time in its history that this has occurred (for example Newman, 1854; Clarke, 1963), it underlines the present challenges faced by liberal education and universities in general (Maskell & Robinson, 2001; Graham, 2002; Scott, 2002). In many OECD countries, the university has already changed significantly over the past decades, but these changes should become greater in the future because of the rapid evolution of the post-secondary education landscape. It is timely, even urgent, to consider the possible future of the university, to create a common understanding of the socio-economic changes affecting it and to help post-secondary education stakeholders propose adequate responses to these changes. The urge to reflect anew on the future of the university and of higher education is also highlighted by a number of ongoing projects on the future of higher education (for example de Boer et al, 2002; Newman, 2000), by a increasing amount of literature on this subject (for example Dudderstadt, 2000; Renaut, 2002; Altbach, 1998), as well as by new policy papers in several OECD countries reflecting on future directions for higher education (for example DfES, 2003; European Commission, 2003; HEA, 2003).

Basically, four features of the current changes must be stressed because of the strong impact they have on the university. First, post-secondary education systems have become increasingly large and encompass a variety of needs that higher education systems confined to an 'elite' audience did not have to deal with in the past. The missions and the position of the university in post-secondary systems and, more widely, in society, have thus evolved and need to be reconsidered. Second, deliberately or not, greater autonomy for universities and the entry of new private providers often accompanied this evolution. Third, although post-secondary education systems have always been very different across the world, the different

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