

Chapter 2

Higher Education as a Public Good in a Marketized East Asian Environment

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Introduction

This chapter is focused on shared and collective benefits in higher education, in a policy setting in East Asia and elsewhere where higher education is formally positioned as a competition between universities and as a tool of national competition in a globalizing world. Market ideologies are universalizing and tend to blank out everything else. Unfortunately, this obscures from view public goods, which are exactly those goods that cannot be provided in markets because of their shared nature. The chapter is concerned with two related matters: (1) defining and identifying the public good and the different public goods in higher education and (2) augmenting those public goods, both national and global.

Higher education is collaborative as well as competitive, especially in research and people mobility. The sector has more public roles and collective effects than acknowledged. The problem is to identify what they are and where they fit.

The chapter begins with discussion of the setting: global integration and partial convergence, neoliberalism in policy, the dominant idea of the “competition state” (Cerny 1997), and the “arms race” in innovation in East Asia. It then reviews the conceptual/empirical problem of public good and public goods in education, using theorizations from economics, normative political theory, and Jurgen Habermas’ communicative sociology. The next section looks at global public goods and global collaboration: important but little theorized or governed. Conclusions follow.

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The Setting

Globalization

“Globalization” can be defined as “the widening, deepening and speeding up of all forms of world-wide interconnectedness” (Held et al. 1999, p. 2). Globalization is about partial convergence and integration of nations and local sites on the world or planetary scale. It is powered by worldwide flows of technologies, people, finance, language, and ideas, especially the instantaneous transmission of data and ideas in real time. Globalization includes all trends toward world systems and “one worldness” (Marginson 2010). In higher education and other spheres, it is marked by the growing role of the global dimension of action, including global spaces, systems, agencies, and products, and by the impact of global systems and phenomena in local and national affairs. Sometimes the global pushes aside the local and national dimensions. Sometimes it does not, so that the global coexists with the local and national, and seeps into daily life and ordinary common sense.

Global integration and convergence are long-standing processes. They can be dated to the Neolithic Revolution, or the Asian world religions beginning 2,500 years ago, or the European trade and conquer seaborne empires of the sixteenth century and after, or the spread of science. Christopher Bayly (2004) remarks on the impact of global thinking in the nineteenth century, the era of the rise of the modern nation in Prussia, England, and Japan, with its new techniques for governing the whole nation and superior capacity to harness industrial development as military force. The nineteenth century nations saw themselves as operating in a competitive setting, constantly compared themselves to other nations, and responded to competitive advantages by imitating them. Far from being opposed in any fundamental sense, modern nationalism and globalization originated together.

Globalization has now been further accelerated in the present era of communicative globalization, which began with the Internet in the early 1990s. The processes of global convergence play out not only at the world level but at the part-world level, in regions larger than nations in scale, for example, in the formation of the European Higher Education Area, and in regional groupings such as Mercosur in South America, ASEAN, and ASEAN Plus Three. The post-1990 dominance of the English-language nations in global systems, in both economics and knowledge, seems to have encouraged a tendency for regional groupings to clump along cultural and political lines.

Knowledge flows freely across borders. Globalization has many implications for universities, which are among the most globally sensitive of all human institutions. In the last two decades in higher education, cross-border interactions have become more extensive, intensified, regularized, and much faster. The local and global dimensions are increasingly intermeshed, so that local events are transmitted everywhere and distant events can have a magnified impact at home. Each of the world’s research universities can take a virtual tour of each other research university via its web page. Global science leaps over every border. Global systems,

networks, and relationships now play a major role in higher education, especially in research, though they are felt more deeply in some places than others. Globalization does not abolish nations or governments in higher education. Nation-states remain the main power in the sector. Its central role continues to be the nation-building one. Yet globalization has relativized the nation. For the first time in history, it is impossible to completely cut off a nation from global relations (though the North Korean regime still tries to do this). Nations are preoccupied with the problem of global competitiveness and want higher education institutions to help with that. Yet higher education, while it must satisfy government, and local families and employers, also marches to the beat of a different drum. Global rankings, research flows, and the need for open borders impose their own logics that do not always mesh perfectly with national policy. Universities are active at the same time in all three dimensions of activity, global, local, and national (Marginson and Rhoades 2002; Marginson and van der Wende 2009), and are often regional as well. In short, we are in a “glonacal” era of higher education. Glonacal = *global* + *national* + *local*.

Activity in each one of the global, national, or local dimension can affect activity in the others. When a university does well in the global rankings, this lifts the university in the eyes of government and public. It might also draw local investment from business and student custom. When the university is granted a funding increase by national government, this enables it to do more and better work both locally and globally. Universities that effectively coordinate action in the three dimensions, so that activity in each dimension produces activity in the other dimensions—or at least does not work against activity in other dimensions—will tend to be more successful.

Neoliberalism in Government

The communicative globalization that began in the early 1990s coincided with the rise of neoliberalism in government, which began a little earlier in the 1980s Thatcher governments in the United Kingdom. For more than two decades now, the primary ideas about government and social organization in higher education, and the main propositions for reform, have been drawn from neoliberalism.

Neoliberal approaches to policy and government spread rapidly across the world in the 1990s and after, deeply shaping higher education policy and regulation everywhere. This historical coincidence, with accelerated globalization and neoliberal ideologies happening at the same time, was to deeply shape understandings of global convergence around the world. Global convergence and policy borrowing accelerated the flow of neoliberal ideas and techniques. At the same time, neoliberal thinkers developed their own distinctive narrative of global convergence, in which it was defined as the formation of deregulated competitive markets on a worldwide scale—as if globalization was nothing more than the Anglo-American neoliberal project—rather than a process of cultural integration or a matter of common

interest. The more collectivist and political approaches to globalization were left to the environment movement, which was committed to a one-world ecology. Meanwhile, those who wanted to resist neoliberal policies in higher education and other sectors often blamed globalization for those policies and wanted to strengthen national resistance to global flows. But this was futile. A better approach was (and is) to develop an alternate political globalization to neoliberal globalization, pushing the different national cultures out into the global dimension.

Neoliberalism models society and government in terms of financial rationales, competitive capitalist markets, and business templates (Harvey 2005). These templates serve as the basis for concrete changes in policy, regulation, and funding arrangements. At the same time, neoliberalism functions as a “social imaginary” in the sense of Charles Taylor (2002) in that this body of ideas has come to constitute what is commonly seen as normal and possible (Rizvi and Lingard 2010). Neoliberalism is the dominant social imaginary of the time. Increasingly, in domains such as higher education, business culture and market behaviors, especially competition, are seen as practical and inevitable. It has become increasingly difficult to conceive “places and spaces” that are “not neoliberal” (Clarke 2007, p. 239). Yet neoliberal practices are not universal in human affairs or in government and will not always be hegemonic in higher education. It is better to treat neoliberalism as an ideological template for action which can be accepted or rejected, rather than a reality, and “as a project seeking to make the world in its image rather than an achieved condition” (p. 240).

Neoliberal ideas about education can be traced to a 1955 essay by Milton Friedman on the role of government in education, republished in *Capitalism and Freedom* (1962). He argued for the creation of economic markets or market-like relations in education, a sector then largely administered as a public service or provided by nonprofit private institutions. As Friedman saw it, competition between producer institutions was the natural mode of system organization, and over time, in an evolutionary process, competition would generate innovations and efficiencies. It should be noted that neoliberal ideas do not monopolize higher education policy. Concerns about social and gender equity affect most national systems (OECD 2008). Notions of university engagement in city and region building have gained currency. These practices owe more to social democracy than neoliberalism, though they are often couched in neoliberal language about “consumers” and “stakeholders.” Policies on global linkages and intercultural relations also extend beyond the terms of market economics. While some nations like the United Kingdom, Malaysia, and Australia treat international education as a commercial business, others such as Japan and South Korea see it as cultural exchange and foreign aid. Nonetheless, in the last two decades, neoliberalism has been the main inspiration for government-driven reform in higher education.

Neoliberal ideas are manifest in higher education at two levels. The first level is the large and heterogeneous family of activities often called the new public management (NPM). The NPM has origins not only in business models in education but also in the earlier program budgeting movement, and notions of transparency, participatory democracy, individuation, and public accountability partly

sourced in the New Left and social movements of the 1960s/1970s. Features of the NPM include executive leadership, the remodeling of educational institutions as business firms (“corporatization”), performance management, the devolution of responsibility within central control systems, routine competition between units, contractual agreements, goal-driven production, output measurement, cost unbundling, shadow pricing, competitive bidding, simulated “bottom lines” in nonrevenue areas, customer focus, quality assurance technologies, and continuous self-evaluation. Though NPM reforms often sit uncomfortably with the social and cultural goals of nonbusiness organizations, the NPM is not only tolerated, but it is mostly taken for granted as normal practice across the range of public institutions, nongovernment organizations (NGOs), and nonprofit sector. But by thinking of organizations such as universities as self-interested firms in competition with other firms like them, government obscures their contribution to the collective interest.

The second level of neoliberal ideas goes further. It can be called the neoliberal market model (NLMM). The full market model sees higher education as functioning global and national markets of a capitalist kind—higher education produced on a commercial basis, as a set of commodities subject to buyer-seller relations, in contestable markets with free entry of new producers, produced by competing institutions/firms financed by shareholders, and committed to profit making, within a deregulated setting with little government interference. The market model functions at the same time as a description of an alleged reality, as an ideal to be achieved, and as a template against which existing practices are judged and found wanting, powering the argument for further market reforms. The NPM and the full market model have a symbiotic relationship. The full market model provides an ideological rationale for NPM reforms. At the same time, the NPM functions as a halfway house to more thoroughgoing changes. Competition, product formats, user payments, and corporatization have been introduced or augmented in many national systems. Chunks of the market model are present, especially in commercial sub-sectors such as private training and in some countries, international education. There are also large gaps. Paradoxically, the full capitalist market remains fairly distant, higher education remains distinctively non-neoliberal in some respects, and far from deregulating itself out of the picture, the nation-state looms as large as ever. But in the fashion show that is higher education policy, the competitive market is the only model in town. It is another case of neoliberalism operating more as ideology than as practice.

The Global Competition State

Communicative globalization and neoliberal marketization have together driven a fundamental overhaul of nation-state strategies, with more attention than before to global competition. Cerny (1997) calls the nation-state in this era the “global competition state.” Its commitment to neoliberal transformation “does not lead to a simple decline of the state but may be seen to necessitate the actual expansion of

de facto state intervention and regulation in the name of competitiveness and marketization” (p. 251). In addition:

... state actors and institutions are themselves promoting new forms of complex globalization in the attempt to adapt state action to cope more effectively with what they see as global ‘realities’. This interaction of economic transformation and state agency is leading to a restructuration of the state itself at a wide range of levels. (Cerny 1997, p. 251)

This includes the reform of higher education institutions—seen in nearly all countries as a part of the state or as a responsibility of the state—in order to render them more international and global in their content and orientation and successful on the world scale when comparisons and rankings are made. This also generates conflict, as Cerny remarks. States pursue their own nationally specific political agendas, but global convergence and comparison tend to homogenize the differences. There is a “growing tension” between adaptations to globalization and “embedded state/society practices” (p. 251). The latter can include the public functions of higher education institutions, which developed in the context of local requirements and national cultures. Cerny’s argument is 15 years old but provides an explanatory description of the current policy terrain in higher education—especially in East Asia, Malaysia, Singapore, France, Germany, and other countries that make lifting the global position of their universities an open objective. Normally, such goals are linked to global rankings. These rankings tend to homogenize national systems in terms of English-language global standards based on an ideal form of the Anglo-American science university.

Global ranking began only nine years ago with the Shanghai Jiao Tong University index but now exercises a strong influence on both private and public patterns of investment in higher education, especially investment in research (Hazelkorn 2008). Ranking has intensified the “arms race” in spending on higher education.

Higher Education in East Asia

Nowhere in the world is the “arms race” in spending on higher education and research more apparent than in East Asia. Nations and universities are striving to catch up and move past the West while keeping up with competition within the region. Policymakers talk about market competition in higher education in neoliberal terms. No system is truly organized as a commercial market—government exercises close control of the product, tuition in public institutions is subsidized, and price signals mediate demand and supply only in lesser status private institutions. But it is taken for granted in policy circles that a competitive national economy needs research universities of global status. Global status means success in global university competition and being seen to be successful. The measure is rankings.

Rankings are inaccurate and intrusive but not illusory. They give meaning to reputational judgments. Social status derives from the university attended and from

the value of the “brand.” The value of the brand is confirmed and often largely determined by national and global ranking. And ranking rests mainly on research performance. In the research university sector, research is the essential foundation of any market. In the last analysis, research underpins student selectivity. As will be discussed, research is also the foundation of many public goods created in research universities.

There is more interest in university rankings in East Asia than anywhere else in the world except the United States, where institutional status is shaped by *US News and World Report*. This shows how prevalent the culture of competition is in the region. However, systems can only compete effectively if they have the economic means to do so. Post-Confucian East Asia has the means, but apart from post-Confucian Singapore, Southeast Asia does not. East Asia and Singapore now produce 24.3 % of world GDP compared with 23.0 % in North America (IMF 2012). All Post-Confucian economies, except China (and Vietnam, if it is in this category), enjoy per capita incomes at Western European levels. Parts of China such as Shanghai and Beijing are approaching that level. In Southeast Asia, per capita incomes range from a comparatively healthy \$14,220 in Malaysia and \$8,190 in Thailand to \$1,950 in Myanmar. Six of the ten members of ASEAN have per capita incomes of less than \$5,000 per year. Only Singapore, Malaysia, and Thailand have research systems that publish more than 350 scientific papers per year (NSF 2012). The “arms race” in spending is currently confined to the post-Confucian nations and Malaysia.

East Asian competition in higher education has ancient cultural roots. The foundations of post-Confucian higher education and research lie in the Confucian tradition of educational cultivation in the family, the respect accorded to learning in society, and the all-embracing nature of social competition through education, which triggers the additional student learning outside formal school which has helped to make Northeast Asia and Singapore the world’s strongest zone for student learning, dominating the 2009 OECD PISA survey (OECD 2010). But other elements in the Confucian tradition, the items that balance social competition—such as emphases on self-cultivation as moral formation, the responsibilities of the scholar to the society, and the virtues of social improvement and social order—seem to be less prominent.

On top of the foundations of strong student learning at school level, all nation-states of Northeast Asia and Singapore have built modernized higher education systems, boosted participation rates, and undertaken major investments in R&D. East Asia is now the world’s third great zone of research, development, and innovation, after the United States and Canada, and North Western Europe and the United Kingdom. Japan has long been a world leader in science but has now been joined by Korea, Taiwan, Singapore, the Hong Kong SAR, and China. In 2009, East, Southeast, and South Asia together spent \$402 billion on R&D, not far behind \$433 billion in North America (NSF 2012). China now spends about 40 % of the American budget and is increasing research spending at 20 % a year (NSF 2012). The national target is 2.5 % of GDP by 2020, which would lift China to more than two thirds of the US level.

Increased investment leads to greater output. In 2009, China, Japan, South Korea, Taiwan, and Singapore between them produced a number of science papers equal to 80 % of the American output. China, 12th largest producer of science papers in 1995, is now the second largest in the world having passed Japan in 2007. There has also been an exceptionally rapid growth of outputs in each of Korea, Taiwan, and Singapore (NSF 2012). The remarkable growth in research output has yet to fully show itself in citation performance and in the Shanghai Jiao Tong ranking. Apart from five universities from Japan (Tokyo, Kyoto, Osaka, Nagoya, and Tohoku), there were no East Asian or Singaporean institutions in the Jiao Tong top 100 in 2012, and there were only five non-Japanese universities in the top 200—NUS in Singapore, Seoul National in Korea, National Taiwan University, Tsinghua, and the Chinese University of Hong Kong. Japan has Hokkaido, Tokyo IT, Kyushu, and Tsukuba in the second 100 (SJTUGSE 2012). There is a lag before publications show up in cite numbers and a further lag before cites reach the Shanghai Jiao Tong index. The weight given to Nobel Prizes (30 %) also disadvantages East Asia. In the Leiden ranking, just 12 East Asian and Singaporean universities published at least 5,000 papers from 2005 to 2009 with more than 10 % of their papers in the top 10 % in the field: Tokyo, NUS and Nanyang in Singapore, KAIST in Korea, and Hong Kong University and the Chinese University in Hong Kong. There were 47 such universities in Europe. But another 20 Asia Pacific universities had at least 5,000 published papers (CWTS 2012), though with less than 10% of their papers in the top group for citations.

As quality improves, cite rates in post-Confucian East Asia will lift. The fact that there is still a clear gap between East Asia and the West will continue to drive high rates of investment in higher education and research. What is less clear is what this focus on competition means for the public good activities of East Asian universities.

Competitive and Collaborative

For research universities in East Asia, the imperatives are clear—to improve research performance and move up the rankings. But it is not that simple. Even when higher education is organized as a market, it is still more than a market. Universities are not business firms focused on market share and profitability. They have multiple economic, social, political, and cultural goals, they create knowledge—which is an end in itself—and they collaborate with each other as well as compete with each other. Research depends entirely on cooperation and exchange, mostly on an open access basis, and people mobility across borders is also collaborative in form. No institution is more effectively focused on global competition than the National University of Singapore, but no institution does more in the form of partnerships and consortia. Universities also have strong institutional personalities of their own and want to maintain and develop their own agendas, rather than being dictated by market forces.

Higher education institutions constantly move between these two modes. In the research, “arms race” universities find themselves competing and cooperating with the same institutions. They all want to recruit talent at each other’s expense, but they constantly learn from each other. Each institution wants to beat all the others in the ranking, but they all want their own national system to rise en bloc. They all contribute to collective public and individual nonmarket benefits in their own nations. They also contribute to cross-border and worldwide public goods. A key difficulty here is that while competition is central to neoliberal policy and so has become well and widely understood, public and common benefits do not fit the dominant policy template and are not understood. This is a major lacuna in policy. As Cerny (1997) remarked, it is the source of much dissatisfaction. The next section looks at ways that we might better define the noncompetitive benefits of higher education.

Public Good and Public Goods in Higher Education

A key difficulty created by the market imaginary is that it prevents policymakers (and many scholars) from thinking clearly, in either a social science sense or a policy sense, about those functions and activities of higher education and university-centered research that do not fit the neoliberal market model. The market imaginary allows one to think clearly about private goods but not public or social goods. This is compounded by the genuine difficulty of observing and computing many public goods. This problem is little discussed in policy circles. It should be discussed, because it goes to many questions of national, social, and individual interest.

Outcomes in education invoke complex problems of definition and measurement. The easier issue is private goods in higher education, but it is not as simple as it appears. These are normally just equated with graduate earnings. More sophisticated approaches focus on income differentials between graduates from higher education and from secondary school and distinguish between the effects on income due to higher education and effects due to other factors such as ability or social origin. There are also private nonmarket benefits such as the better health outcomes and personal financial management experienced by graduates and nonpecuniary private benefits such as enhanced aesthetic sensibility (McMahon 2009), which are often overlooked. Such calculations are partly governed by the assumptions that are used. In the case of the public benefits of higher education, assumptions are more crucial.

There is a large and eclectic literature on the alleged public benefits of higher education. Statements are made on the contributions of higher education to collective productivity at work, social literacy, knowledge, culture, local economies and communities, more equal opportunity, the training of graduates in social leadership, democracy, tolerance, and global understanding. Much of this is very loose. It is necessary to develop more rigorous approaches capable of observation. The more

serious literature includes three approaches. First, there is the notion of “public goods” (plural), which derives from economics and is objectivist and empirical in form. Second, there is the more normative notion of the “public good” (singular). This tends to be more collective in orientation and is also more eclectic in usage. Third, there is the notion of the “public sphere,” first identified by Jurgen Habermas (1989) as a form of civil and communicative association in eighteenth-century England.

Public Goods in Economics

Samuelson (1954) provides a schema for distinguishing public and private goods. As he sees it, public goods are defined not by ownership (state or nonstate) but by social character. Public goods are one or both of non-rivalrous and non-excludable. Goods are non-rivalrous when consumed by any number of people without being depleted, for example, knowledge of a mathematical theorem, which sustains its use value indefinitely on the basis of free access. Goods are non-excludable when the benefits cannot be confined to individual buyers and are consumed jointly, such as national defense. Private goods are neither non-rivalrous nor non-excludable. Private goods can be produced and distributed as individualized commodities in economic markets. Few goods are both fully non-rivalrous and fully non-excludable. But many have one or other quality in part or full. Public goods and part-public goods are unproduced or under-produced in markets. It is unprofitable to pay for goods that can be acquired free as the result of someone else’s purchase and unprofitable to make goods available for no cost. Hence, there is a case for state and/or philanthropic financing of public goods, and possibly also provision, to ensure the desired quantity—though “the desired quantity” raises normative issues. For example, how close should higher education be taken toward full equality of educational opportunity without regard to background? How much resources should be allocated to this, given other objectives?

Public goods can take individual or collective forms. An example of a collective good is clean air or equality of opportunity. An example of an individual good is the externalities created when a new educated worker enters the workplace. The worker’s educated attributes (knowledge and skills) may spill over to other workers who did not contribute to the cost of the education, helping to enhance their productivity and thereby augment the economic returns to the firm. “Human capital” can become embodied in public as well as private goods. Amartya Sen (2000) also notes that human “capabilities” contribute to both individual and collective goods.

Another economist, Joseph Stiglitz (1999), reflects further on the public good nature of knowledge. When first created, new knowledge is confined to its creator. It can provide an exclusive first mover advantage and function as a private good. Intellectual property laws attempt to prolong that advantage. But knowledge is often rendered public when created, and open science speeds innovation

everywhere (OECD 2008). Knowledge is also a global public good. The mathematical theorem retains its valuable all over the world no matter how many times it is used. Basic research in the form of open science is subject to market failure. Everywhere, regardless of the public/private balance in other respects, basic research is funded by governments or philanthropy. The public good nature of knowledge also affects teaching. The knowledge content of teaching is non-rivalrous and non-excludable. Therefore, MIT provides free access to its courseware on the Internet, without impairing the private value of an MIT degree, which entails more than knowledge. Places in MIT are valuable and scarce, providing social position and access to elite networks. This enables high tuition. In contrast, universal education is a public good unable to support high tuition fees. Teaching programs are mixed and ambiguous, either predominantly public goods or predominantly private, depending on the social arrangements. Economists of education take divergent positions on whether higher education is or should be a public good, depending on their assumptions about society, and whether or not they support a neoliberal market reform agenda.

Samuelson's theory is useful. It helps to explain the mixed character of the outcomes of higher education. Higher education institutions produce both public and private goods, regardless of whether the institution concerned is privately owned or state owned. State-owned universities create not only common benefits such as the spread of higher levels of scientific knowledge but also private benefits, such as income earning advantages net of other factors. Exclusive private universities not only advance the economic earnings and social status of graduates but also contribute to lifting general social literacy and cultural activity. At the same time, all else equal, publicly owned institutions are more open than are private institutions to democratic policy intervention and a common social agenda (Marginson 2007).

In a comprehensive survey of research on the benefits of higher education, McMahon (2009), working with Samuelson's schema, finds that the value of non market goods produced in higher education exceeds that of market-derived goods. First are the private nonmarket benefits received by individuals such as better health and longevity for graduate and children, better savings patterns, etc. These average USD \$38,020 per graduate per year, 22 % higher than the extra earning benefits per graduate per year (\$31,174). Second, higher education is associated with social benefits including more stable, cohesive, and secure environments; more efficient labor markets; faster and wider diffusion of new knowledge; higher economic growth; viable social networks and civic institutions; greater cultural tolerance; and enhanced democracy. These direct nonmarket social benefits of higher education—the externalities received by others, including future generations—average \$27,726 per graduate per year. McMahon also notes that externalities of higher education also include the indirect social benefits, which are contribution of the direct social benefits to value generated in private earnings, and the private nonmarket benefits. Once this indirect element is included, externalities total just over half the full benefits of higher education. The proportion of all benefits of higher education that are externalities “is the best guide to how far the trend toward

privatization in the financing of higher education should go,” states McMahon. The other basis for public funding is equity policy.

If control of higher education is to be relinquished to private markets, there needs to be analysis of the extent of market failure leading to distortions. . . If there is poor information available to the average citizen and politician about the value of the non-market private and social benefits of higher education, then poor investment decisions and policy decisions will result (2009, p. 2).

This is an important finding.

Samuelson’s schema also has limits. First, whether an outcome is “public” or “private” cannot simply be read from nature but depends partly on the policy-political choices and social arrangements, for example, the degree of selectivity of universities. Second, public goods in Samuelson’s sense are open to disagreement. There is more than one possible healthy ecology, or knowledge, or universal language. Again, the normative policy-political choices that are made determine the kind of collective goods that are produced and distributed. Third, Samuelson’s schema implies that public goods and private goods are zero-sum in relation to each other. Unless something can be produced in a market, it has to be a public good. But in real life an element of higher education or research may advance both public and private goods at the same time. For example, a cure for a disease is a public good, and it also creates spin-off goods in the form of profitable products and even industries.

The Public Good

The second set of notions about “public” is drawn from social and political theory. This focuses on relational aspects. In some arguments, higher education and research are seen as part of a residual “public good” in the sense of the medieval commons, a shared resource that all can utilize, not subject to scarcity, akin to universal elementary education (Calhoun 1998; Mansbridge 1998). Equality of social opportunity in and through higher education is one example.

This kind of notion of the public or collective good is radically opposed to the neoliberal market model. It rests on social democratic political philosophy, in which the common public good is associated with democratic forms, openness, transparency, popular sovereignty, and grassroots agency. This is not the only extant interpretation. In pro-capitalist discourse, the general benefit is achieved by the unrestricted operation of Adam Smith’s (1776) invisible hand of the market. The accumulation of profit, free from interference, drives the prosperity of all. In contrast, in socialist discourse, the general benefit or public good is secured by statist regulation, which is the opposite of an unregulated capitalist market. A third possibility is to base notions of the collective public good on civil society rather than nation-states and on institutions such as universities that are only partly controlled by states. Public good (singular) is more often linked to higher education

than public goods (plural). At best, public good ties universities into a larger process of democratization and human development. At worst rhetoric about public good is joined to empty self-marketing claims about the social benefits of higher education or research with no attempt to define, identify, or measure the alleged benefits.

As with public goods (plural), the questions “whose public good?” and “in whose interests?” arise. Nevertheless, most notions of public good refer to broadly based interests, whether pursued democratically or by surrogate as when someone claims to represent the public interest on behalf of the public. It is also expected that public good is widespread if not universal. For example, it is often assumed that public higher education is open, egalitarian, and accountable to the larger community beyond higher education. A key issue here is how external accountability is manifest. Governments claim to represent the community but have their own interests and agendas. Privileged “stakeholders” like employers may secure a voice in curriculum or professional registration. Outsiders may be elected to the governing body. How do local communities become involved? It is hard for non-professionals to share control over expert functions such as research.

The Public Sphere

In *The Structural Transformation of the Public Sphere* (1989), Habermas describes the public dimension of discussion, criticism, debate, and opinion formation in eighteenth-century England. This was the network of homes, salons, coffee shops, inns of court, counting houses, and semigovernment agencies: the places where people met and opinions were formed and communicated on the matters of the day. This was principally in London, extending to the universities and the country houses of the well-to-do. The Habermasian public sphere sustained a capacity for criticism independent of the state—and often directed toward it—while throwing up strategic options for the state to consider, and contributing to its ongoing reform and renewal. It was a space of freedom episodically connected to power (Habermas 1989, pp. 41, 51).

At one remove, this notion of the public sphere is suggestive in relation to the university (Calhoun 1992; Pusser 2006). Habermas does not draw the link. He sees the public sphere as degenerate in the twentieth century, the heyday of the university. But there are resonances. Habermas’ public sphere provided for nonviolent social integration based on discourse rather than power or money, like the university today. Information and education enable the public to reach not just a common but also a considered opinion (Calhoun 1992, pp. 6, 14, 29–30). At best, the university, like the public sphere, is a semi-independent site for criticism and renewal of the state—though the state is not always listening. The rational-critical function of the bourgeois public sphere foundered because it could not sustain both homogeneity and openness. The university has a lesser requirement for homogeneity of values. It does not necessarily face the trade-off between critical capacity

and scale. Universities have a notable capacity to hold in a bounded heterogeneity. Some contain much diversity of world view, location, interest, project, and discipline.

One way to conceive the public dimension in higher education is to imagine the sector as an umbrella public sphere sheltering projects that pertain to the public good (singular) and more narrowly defined public goods (plural). Most such public functions are associated with the university's roles in knowledge, learning, and discourse. Habermas' own focus on communicative relations points in this same direction. Pusser (2006) imagines the university as public sphere as an institutional space for reasoned argument and contending values. Higher education has been a principal medium for successive transformations: the civil rights movement, the 1960s/1970s student power and grassroots democracy, the 1970s feminism, gay liberation, antinuclear and pro-ecology movements, and the 1990s/2000s "anti-globalization" protests against global injustice, corporate power, and violations of national sovereignty. This suggests one test of the university, as a public sphere is the extent to which it provides space for criticism and challenge. Another test is how widespread is social criticism in practice. Of course not all academic freedoms lead to the generation of new ideas. Faculty may opt instead for the comfortable life.

Can the university be a public sphere? On a good day, perhaps. At best the argument is carried by the merits of the case not the identity of the arguer, and the university rests on "a kind of social intercourse that, far from presupposing the equality of status, disregarded status altogether." It replaces "the celebration of rank" with the "parity of common humanity" (Habermas 1989, p. 36). From time to time, there are flat collegial relations in academic and student circles. But the good days do not come often enough. It is not simply a problem of commercial capture (Bok 2003) or managerialism. Flat discursive association is also undermined by the necessities of expertise and by status differentiation between universities.

Habermas' idea also highlights communicative relations as constituting what is "public." It suggests "public" higher education is inclusive and engaged, operating at the nexus between knowledge formation and communications. Note here that universities all over the world were early adopters of the Internet and are intensively engaged in global and local/regional networking. This suggests that one way to track the public contribution of higher education is to monitor and compute its communications, including the amplitude and direction of flows.

Comparative and Global Public Goods

Perhaps the greatest challenge is to understand public goods in higher education and research beyond the limits of the normal policy framework, that of the nation-state. The problem has two aspects: the comparative aspect and the global aspect.

Comparative Public Goods

First is the comparative. It is now understood that across the world there is marked variation in private/public funding balances in higher education (e.g., Lomax-Smith 2011, pp. 18–22; OECD 2011). In two thirds of the OECD, government-dependent institutions charge local students less than USD \$1,500 per year. In the five Nordic countries, the Czech Republic and Turkey, public students pay no fees. Tuition fees in the English-speaking systems are relatively high, and in Japan and Korea, private funding outweighs public funding by three to one, with China on the same path. What is less understood is the marked variation across the world in policy notions of public goods and the significance of private earnings. Behind this lie the differences in notions of the social role and character of higher education, the scope and responsibilities of government and family, and the relations between family, state, professions, employers, and higher education. Adam Smith's limited liberal state prevails in English-speaking political cultures, to a lesser extent Western Europe, and where the colonial legacy is strong. In East and Southeast Asia, a more comprehensive idea of the state prevails.

A feature of post-Confucian East Asia is that government and politics are dominant in relation to economy and civil society (Gernet 1996). This aspect has not changed under the influence of Western modernization. Thus, in East Asia and parts of Europe, higher education is firmly positioned as part of the state, while in contrast, in the United States, higher education is positioned largely in civil society. Yet statism is not the same in all instances: while in East Asia comprehensive state responsibility is associated with high levels of household funding and stratified systems, in Nordic countries the state provides equitable access to universal high-quality public services, though neoliberal reform is gaining ground. There are also common elements across nations in university/government relations and in the mission, character, and practices of institutions (King et al. 2011). This suggests the need for a new typology for public goods that can both (1) interpret the differences in national systems and also (2) isolate the public goods that are common across systems. This raises the question of the global aspect.

Global Public Goods

As noted, higher education is subject to part global convergence in the flows of ideas, knowledge, messages, faculty, students, money, and policy and organizational systems, including the new public management and the full market model. Much activity spills freely across national borders. Much generates cross-border benefits. Inge Kaul and colleagues (1999) define global public goods thus:

Global public goods are goods that have a significant element of non-rivalry and/or non-excludability *and* made broadly available across populations on a global scale. They affect more than one group of countries, are broadly available within countries, and are

inter-generational; that is, they meet needs in the present generation without jeopardizing future generations (Kaul et al. 1999, pp. 2–3).

Whereas public goods produced in the national dimension are often associated with nation-states, it tends to be different in the global dimension of action. Nations contribute formally to public goods through foreign aid and multilateral cooperation, but many other global public goods are generated in global civil society. Universities are major contributors to global public goods, often operating beyond the auspices of the nation-states that constitute them legally and partly fund them. An obvious example is research-based knowledge. Another example is the global systems, such as recognition protocols, that facilitate people movement.

Universal knowledge and human mobility are synonymous in their reach across the world. Both of these goods are possessed in common, in networked relations, and often by the same people. They are not possessed by all people, not by any means. Knowledge and ease of mobility have always been largely monopolized by social and scholarly elites. Nevertheless, mass higher education, mass international higher education, and the Internet between them have expanded the circle of beneficiaries, a process quickened by global convergence. This is the democratizing potential of global higher education. The educated person, with her/his capacity for reflexive self-determination, becomes more common across the world. That kind of behavior is spreading outward within a thickening world society. This larger process can be seen as another public good.

The concept of global public goods in higher education (Marginson 2007; Marginson and van der Wende 2009) has now entered the policy discourse of several nations including Singapore, South Korea, and the United States (Sharma 2011). Existing global public goods are produced by nation-states or, alternately, by institutions operating in the unregulated global space (King et al. 2011). Globalization has enlarged this space for free “public” exchange (Peters et al. 2009), despite recurring efforts by governments, firms, and universities to close that space in their own interests. Global public goods raise issues of regulation and financing. For example, when research in one country generates benefits elsewhere, should the cost of that research be shared? What governance mechanisms should be created to identify, regulate, and finance global public goods in education and knowledge (Kaul et al. 2003)? Likewise, negative global externalities (“global public bads”) such as brain drain raise questions of cross-border compensation.

The fact that globally transmitted knowledge in the technical economic sense is a global public good does not exhaust questions of content and value such as “whose public good?” and “in whose interests?” There is also the question of the extent to which the processes of producing, disseminating, and assigning value to knowledge encourage diverse approaches—or whether universal knowledge is mono- and hegemonic and universalizing. Arguably, fostering of diversity of knowledge is a global public good. Yet paradoxically, standardization is also a global public good, to the extent it helps all to communicate and share a common information system. In nations with academic cultures in, say, Spanish or Arabic, globalization

generates both public goods *and* public bads unless there are broad two-way flows between the national and global domains.

Cross-border public goods do not have to manifest at the worldwide level. Technically, any cross-border good in higher education is a global public good. This includes the fruits of regional cooperation, which is becoming the most readily recognized form of global public goods. In Europe, East Asia, and South America, states are explicitly committed to resourcing common benefits. The most advanced form of regional cooperation is the Bologna Process, including large-scale mobility schemes, pooled research funds and a common process of decision-making concerning research projects, and the design of a common template for degree structures and program outcomes that facilitates academic mobility and a single pool of professional labor. The main initiatives in East Asia are student and staff mobility, benchmarking, and collaborative research through ASEAN. Student exchange in Northeast Asia is also now being formalized. Campus Asia and BESETOHA are signs of things to come. The enthusiasm of institutions and governments for regional programs shows that the market competition model is not universal and does not provide for all needs.

Conclusions

Higher education institutions have a broad potential to produce multiple public good(s). The one-sided fixation with market competition—and particularly the ideologies associated with policies that focus on competition—has obscured this rich potential for public good(s). Unlike market commodities, common, collective, and social outcomes need to be consciously planned and decided if they are to happen. Public goods and the public good in higher education are under-produced in economic markets. State intervention or philanthropy is *always* required. Policy analysts and higher education scholars need to do much more work in defining, identifying, observing, and computing the individual and collective public goods produced in higher education and university-based research. Not all such goods can be measured, but many can, and a sound social science of public goods in higher education would facilitate the complex judgments needed in areas where the benefits are too large, intermeshed, or otherwise complex to be readily measured.

It is important to remember civil institutions contribute to public good(s), as well as nation-states. This is especially significant at global level. There is no global state. Operating in the global dimensions, universities often behave less as arms of the state and more as independent agents that are contributing to global civil society.

The communicative aspect of universities is now centrally important to the evolution of their public character, even more so in the global dimension than at home. Many universities are good at the one-way broadcast of self-interest and self-promotion. Most universities neglect two-way flows and flat dialogue. But they have the technologies and discursive resources to conduct more plural, de-centered

conversations. If so, universities need to more explicitly value its own contributions to public debate and policy formation, and in its incentive systems they should favor not just the creators of saleable intellectual property but socially communicative faculty.

Research universities make a major contribution to global public good(s) by creating, applying, and disseminating knowledge. There is much collaborative activity in research on common global problems such as climate change, food and water security, urban infrastructures, public health, and cross-border epidemiology, but there would be more if the market model was less dominant. Research universities also create public good(s) by sustaining traditions of free inquiry and discussion. These are not a Western monopoly—despite what some in the West think—but are integral to intellectual life everywhere, though the exact practices that associate with researcher and scholarly freedom vary from culture to culture. Consider, for example, the key political role played by Peking University (Beida), as a critically minded independent spirit at the heart of the Chinese nation, at many crucial times during the last century.

Nevertheless, as Cerny (1997) notes in relation to competition, there is potential tension between nation-state agendas and the global public good activities of institutions. Higher education institutions are dependent on governments and local student fees. They cannot consistently put the collective global good ahead of local and national interests. The question is, to what extent will their paymasters permit them to act globally at all, except in pursuit of the goals of the “competition state”? In relation to global public goods, governments can say “what’s in it for us?” in terms of the generation of profit at home. Here the market ideology not only limits the potential for public goods at home, it slows the immense potential offered by collaborative higher education on the planetary scale.

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