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# Contents

## Commentaries

**Everybody wants quality education: but what does it mean?** Greg McConville ..... 2

## Feature: International Higher Education

**Living with the Other: higher education in the global era** Simon Marginson ..... 5

**The General Agreement on Trade in Services: Implications for public post-secondary education in Australia** Marjorie Griffin Cohen ..... 9

**Global Corporations “R” Us? The impacts of globalisation on Australian universities** Graham Pratt and David Poole ..... 16

**The role of the state in the provision of higher education in the United States** Brian Pusser ..... 24

**Tuition policy issues in Russian higher education** Olga Bain ..... 36

**The Americanisation of the reformed university in Argentina** Marcela Mollis ..... 45

**Comparing national education systems in the global era** Simon Marginson and Marcela Mollis ..... 53

## Articles

**Silencing the Academy? Reflecting on a dispute in a corporatising university** Allan Patience ..... 64

**Tensions unresolved: some current issues in university governance** Paul Rodan ..... 72

## Reviews

**Exercise in nostalgia: Tony Coady's *Why Universities Matter*** John O'Brien ..... 78

# Commentaries

## Everybody wants quality education: but what does it mean?

**GREG MCCONVILLE**

*NTEU National Policy and Research Officer*



According to media reports on August 6,<sup>1</sup> State, Territory and Commonwealth Education Ministers have approved the Federal Government plan to establish a "league table" with the potential to greatly embarrass some institutions. Having closely observed developments in quality assurance and accreditation of higher

education institutions and courses, several issues raced through my mind concurrently as I read the reports: Federal Government plan? League table? Potential to embarrass? Have I been asleep? I wonder if the State and Territory Education Ministers are aware that they approved a "league table" system?

Dr David Kemp, Federal Education Minister was quoted as the source of the statements. It was not the first time that Dr Kemp had sought to redefine the role of the Australian Universities Quality Agency (AUQA), and it is unlikely to be the last.

The AUQA structure was endorsed by the Ministerial Council for Education, Employment Training and Youth Affairs (MCEETYA), in March 2000, following discussion of both the AUQA structure and National Protocols for Higher Education Approval Processes<sup>2</sup> during 1999. Both of these initiatives had been progressed under the auspices of a Multilateral Joint Planning Committee established by MCEETYA, and represented the outcomes of a high degree of co-operation between States, Territories and universities.

The AUQA is a company limited by guarantee, the members of the Company being the Commonwealth and State and Territory Ministers for higher education. The Constitution which sets out the role of the Company, makes no mention of "league tables", however paragraph (b) could be interpreted that way, if one chose to do so<sup>3</sup>. The fact that Kemp is the only person placing this particular interpretation on the role of the AUQA is concerning, and symptomatic of the gulf between the

Commonwealth and the States/Territories in their understanding of the role of the new body.

It is noteworthy that since the lengthy deliberations of MCEETYA and the Multilateral Joint Working Party, very little has taken place to give effect to the decision to form the AUQA. To date, the positions on the Board of the AUQA have not been filled, with the exception of the three representatives of self accrediting institutions and the one representative of non self accrediting institutions. The Commonwealth, State and Territory representatives are yet to be appointed, and it is understood that a quasi stand-off has developed between the States/Territories and the Commonwealth over the appointment of further representatives. The States/Territories are reluctant to appoint their representatives before the Commonwealth appoints its representative, and for some unforeseen reason the Commonwealth has not made that appointment.

Kemp's pronouncements illustrate that there is somewhat of a vacuum within higher education policy about the meaning of the word "quality". It has been stated to the writer by one senior person in higher education policy that "If you want a definition of quality, read 'Zen and the Art of Motorcycle Maintenance': there is no definition but you will know it when you find it!"

As the political machinations surrounding appointments to the AUQA Board take place, it is timely to consider how a definition of quality will be arrived at, and to examine some of the instruments which may contribute to that definition. The entry to Australia of Greenwich University, an internet based university on Norfolk Island, is a useful starting point.

### The Greenwich University Review

The passage of the Greenwich University Act in 1998 highlighted the concerns of many in the higher education sector about the entry of new private providers, within a policy environment which is shifting towards contestabil-

ity of funds between public and private providers. The concerns of the NTEU about the Greenwich Act are well documented<sup>4</sup> (see *Advocate*, May 1999). Of particular relevance are two factors: first, that the decision of the Norfolk Island Administrator to approve the Greenwich University Act was arrived at through consultation between the Administrator and the Commonwealth Territories Minister Senator Ian MacDonald, and through communication between Senator MacDonald's department and DETYA. Second, the request by Greenwich University to MCEETYA in early 1999 to have Greenwich listed within the AQF registers, led to an in-depth review of Greenwich and its offerings.

Many in the sector, including State and Territory Ministers for Higher Education, felt that the Commonwealth had dropped the ball in allowing the Greenwich Act to be proclaimed. The April 1999 meeting of MCEETYA was reportedly a heated affair, in which State and Territory Ministers insisted that a thorough review of Greenwich take place. A detailed set of review criteria was developed, and a review panel convened. Months of deliberations led to the preparation of a report which has been provided to Greenwich for comment, and little has happened since.

The actions of the Commonwealth (or inaction as the case may be), led many in the sector to argue that the Commonwealth and States have quite different intentions about the purpose of the AUQA and National Protocols: the Commonwealth see the new arrangements as a mechanism to facilitate the contestability of public funding between public and private higher education providers, while the States see the new arrangements as a mechanism to prevent the entry of providers which did not meet the characteristics of existing universities, and thus protect the reputation and standing of higher education in Australia. The Greenwich Review criteria have however been adapted to form a large part of the National Protocols for Higher Education Approval Processes, which are now being applied by State and Territory Governments. It is anticipated that each jurisdiction will review its legislation relating to higher education accreditation and approval, and give effect to necessary amendments by 30 June 2001.

## Carrots and sticks

One part of the National Protocols that seeks to define the consequences of an adverse report by the AUQA, requires States and Territories to review legislation to ensure that there is adequate authority to monitor, require improvements, or withdraw accreditation or approval where standards are not met and remedial action is not taken. It is too early to assess progress in achieving this objective, however the intentions of the States and Territories are clear, and it appears that the AUQA will be supported by increased powers of States to revoke approval to operate. It could be argued that there is no greater sanction which

could be applied against a university which was the subject of an adverse report.

The purported incentive for universities to strive to achieve favourable reports is that in addition to being allowed by state governments to continue to operate, the Commonwealth would continue to fund the university in question. This cannot truly be regarded as an incentive, but in an environment of decreasing Commonwealth funds for higher education, the AUQA and its reports may facilitate a greater degree of contestability between existing providers. This would mean in a practical sense, that the Commonwealth would prioritise the distribution of funds to those universities with favourable reports, and provide less funds (if any at all) to those receiving poor report cards. Is this what David Kemp meant by "league tables"? Quite possibly, although given that quality reports would be prepared every five years on a rolling basis, it is very difficult to see how these could be applied to funding. For example, would the Commonwealth reduce funds to a university on the basis of a quality audit, whilst continuing to fund those universities which have not yet been audited? One would think that such an approach would be ridden with political difficulties.

In any case, the fact that commitments have been made by governments to link the provision of funding and ongoing accreditation to quality audits is indeed thought provoking. Will these audits take the form of the quality audits which were conducted during the early 1990's? Will they be more like the audits undertaken by the quality assurance agency in the UK? Hopefully neither.

In theory at least, the audits undertaken by the AUQA will be aimed at verifying the quality assurance procedures which are in place within universities. The most obvious question arising from this is whether the role of the AUQA will focus on assuring quality within higher education, or whether it will focus on assurance of the adequacy of higher education quality assurance processes. Circular as this distinction may seem, it is nonetheless important. The relationship of the AUQA to Commonwealth and State legislative instruments could mean that accreditation and funding become contingent on the existence of detailed procedures within universities which create the impression of a rigorous system of quality assurance, while in fact doing very little to improve or maintain quality. Readers seeking evidence to validate this concern ought look no further than the experience of the Business Institute of Victoria, which having won several quality awards promptly folded, leaving staff to respond to angry students and Fijian Authorities. In this case at least, the existence of detailed quality assurance processes did little to assure the quality of the financial management of the Business Institute.

For the operation of the AUQA to genuinely impact on the quality of higher education, an enormous amount of work will be required within institutions to ensure that

their own quality assurance processes are adequate and relevant. It remains to be seen whether there is sufficient commitment within university managements, government and the AUQA itself to achieve this end.

## Annex 1

# Objects of the Australian Universities Quality Agency

“The Objects for which the Company is established are:

- (a) to arrange and manage a system of periodic audits of quality assurance arrangements relating to the activities of Australian Universities, other Self Accrediting Institutions and State and Territory higher education accreditation bodies;
- (b) to monitor, review, analyse and provide public reports on quality assurance arrangements in self accrediting institutions and on processes and procedures of State and Territory accreditation authorities, and on the impact of those processes on quality of programs;

- (c) to report on the criteria for the accreditation of new universities and non-university higher education courses as a result of information obtained during the audit of institutions and State and Territory accreditation processes; and
- (d) to report on the relative standards of the Australian higher education system and its quality assurance processes, including their international standing, as a result of information obtained during the audit processes”<sup>5</sup>

## Footnotes

<sup>1</sup> *Sunday Herald Sun*, (Melbourne), p.14, & *The Sunday Tasmanian*, p.3, August 6 2000 are two examples

<sup>2</sup> The protocols are reported on in detail in the Higher Education Report for the 2000 to 2002 Triennium, and are intended to provide for greater consistency between the State and Territory statutes which regulate higher education provision.

<sup>3</sup> The Objects of the Company are annexed at the end of this article.

<sup>4</sup> *Advocate* Vol. 6, No. 2, May 1999, p.14

<sup>5</sup> *Constitution: Australian Universities Quality Agency*, Clayton Utz 2000.

## Feature: International Higher Education

# Living with the Other: higher education in the global era

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*The question is no longer how to get rid of strangers and the strange once and for all, or declare human variety but a momentary inconvenience, but how to live with alterity – daily and permanently.*

Zygmunt Bauman 1997, p. 30

To understand 'globalisation' simply as the world market is to adopt the neo-liberal doctrine that all human identities and relationships should be understood in the terms of a capitalist economy. It is to rule out any other kind of world, any other markers of identity, any other kind of international relationship. This suggests that a broader and less pejorative definition of 'globalisation' is needed, so as to open us to the fuller range of relationships made possible by electronic networking, travel-based encounters and cultural hybridity.

An alternative approach is to define the 'global' in geo-spatial terms rather than in terms of particular economic values. In geo-spatial terms, the term 'global' should be distinguished from 'international'. 'International' refers to relations between nations (inter-national). 'Global' refers to systems and relationships that are practised beyond the local and national dimension, at continental, meta-nation regional and world levels. These global relationships are technological, cultural and political as well as economic; and are expressed in flows of ideas, images and people, as well as flows of money and goods (Appadurai 1996; Held et al. 1999). In this sense 'globalisation' simply means 'becoming global'.

'Global' relationships as such are not new. Universities in the European-Anglo-American tradition have long been part of larger global networks, for example in the academic disciplines. Now, however, the 'global' dimension has unprecedented presence in daily academic life. Universities are part of world markets in international education and intellectual property. Global technologies enable instant data transfer, and have structured a much larger set of international collaborations. Cross-border staff and student movement is expanding. International trade agreements have the potential to reset national education policy and provision. In Australia the 'global' dimension of higher education is now omnipresent (except for those who work

hard to remain disengaged). E-mails, flights, agreements, cross-national teams, international students and colleagues: all are burgeoning.

Some experiences of 'globalisation' are more profound than others. Most internet communication is in English. The largest part of the travelling is to America and Britain, and Western Europe, and some travelling to East Asia remains effectively confined to sealed-off English language environments. In this context international work is a bit too easy, especially for Anglo-Euro-Australians. On the other hand, more transformative encounters also take place, in which our own identities are open to change. 'Globalisation' starts to take in cultural diversity. We begin to see the world through the eyes of others.

If there is a danger for Australian higher education in the global environment, it does not lie in the malleability of identity. Global encounters do not in themselves undermine the capacity to sustain identity, unless that identity is fragile from the start. In fact the global environment offers richer resources with which to make and remake the identity of Australian higher education; enabling us to transcend the old oscillation between Britain and the USA. In conjunction with the multi-culturalism of Australia itself, 'globalisation' provides new opportunities to bring a distinctive Australian contribution to the world.

The danger rather is *global convergence*: that the contents of the media and systems of 'globalisation', including the models of higher education we employ and the systems of international bench-marking that we follow, will push everyone, in every country, into common patterns of higher education, in which an (idealised) American university model becomes the only possible model. To take one example, if every other country reinvents itself in terms of American norms such as mixed public and private funding and provision, but without the extraordinary public and private resources which Americans bring to bear on higher education, most countries will be doomed to be weak imitators of the 'one possible' global model - rather than being strong producers of their own local-national models, and possible alternative global models (Marginson and Considine 2000)

## The articles

Marjorie Griffin Cohen's article on 'The general agreement on trade in services' (GATS) and its potential impact on public higher education maps the emerging system of global trade in services. It demonstrates the capacity of an unmodified GATS to deconstruct national higher education systems in the medium term. In the manner of the Hilmer (1993) reading of national competition policy in Australia, the GATS imposes an unambiguously commercial framework on a sector which has been shaped historically by considerations of public policy. Not only is the national interest completely subordinated to the trading rights of cross-border corporations, democratic politics is completely subordinated to economics.

In the global era, we are seeing a complex transformation of the role of the national state *vis a vis* the global economy and governance. The national state continues to be the main site in which politics is played out, economic regulation is signed off, and place-based identity is shaped. Which sectors are regulated globally, and which sectors are regulated nationally or locally, is an issue now in the melting pot. There is now little debate about the desirability of the global regulation of finance, and as Griffin Cohen notes, the economic liberalisation of information technology and telecommunications – systems at the heart of contemporary 'globalisation' – has also proceeded without much debate. Education, and particularly public higher education, is a rather different matter.

National higher education systems have antecedents in older traditions of the university, and developed in the twentieth century as creatures of the modern state, rather than as a branch of the commercial economy. It is clear that the internationally tradable aspects of higher education will be regulated globally. The question is whether a commercial logic should be worked back through the core national systems. To turn universities into a branch of the commercial economy is to change their role and character and to subtract from the nation state one of its chief mechanisms of nation-building. Except from the viewpoint of would be cross-border private providers, there is no reason why higher education should not continue to be regulated nationally and subject to policy considerations over and above the logic of market competition. Arguably, the continued national regulation of higher education is necessary; not only because of its formative role in national identity, but to the maintenance of diversity within higher education itself.

In "Corporations 'R' Us? The impacts of globalisation on Australian Universities", Graham Pratt and David Poole remind us that the national policy and funding framework remains relevant in the global era and also that globalisation is having an immense impact on government policies at individual universities. They draw attention to the tensions and contradictions resulting from the sudden expansion of fee-based courses. The culture of Australian universities is clearly in transformation as entrepreneurialism spreads, yet the income generated by international

students is less widely distributed. For some fields of study, the experience has been largely financially negative so far.

The relationship between university, government, economy, national/ local cultures, and civic society, is capable of many permutations. Australia developed a successful system of higher education on largely British lines but without the aggressive British structuring of social class and with less of the old British-European stand-off between conservatives and moderns. In this respect Australian education has had much in common with American education, but the role of government has always been central to Australian education, to a non-American extent: correspondingly there is much less private wealth and civic support than in the USA. The American settlement in higher education diverges from Australian history and conditions of possibility in significant ways. This suggests that we will need to look beyond the ever-visible American institutions, in fashioning a distinctive trajectory for Australian higher education in the global environment.

At the same time, because the American case is similar to the Australian case in some ways; and because the USA is now so important as a global model, developments in the USA inevitably influence us. Thus analytical data about the real US higher education system (rather than idealised images of it) are strategically significant for Australians. Brian Pusser's article 'The Role of the State in the Provision of Higher Education in the United States' opens up for scrutiny the emerging for-profit sector in the United States, the implications of 'non-preferred' commercial activities in non-profit public and private institutions, and the changing patterns of government support.

Contrary to popular wisdom in Australia, the state is the most important player in American higher education, as in nearly every country in the world. The role of the state in American higher education is split between Federal and State-level government, with the latter playing a much larger part than in Australia, and there is a complex regulatory apparatus incorporating many external interests, and politicised regional accreditation bodies. Pusser focuses on what might be the beginning of a major change in the role of the state and the public goods functions of higher education. For-profit education is still small, but if an entrepreneurial model becomes strong this would have immense implications not only for American education but for world higher education. A wealthy commercial American sector would be formidable both in on-site and on-line higher education. It would secure a lot of business. It would entrench a powerful global model.

The impact of the business model of university is felt not only via the for-profit institutions themselves, but within the erstwhile non profit sector: the public universities and community colleges and the private non profit institutions. American higher education exhibits the familiar combination of declining state support for non-profit education, coupled with growing entrepreneurial activity within non-profit higher education. The first trend helps to drive the second trend. But rarely do the commercial activities of

institutions generate substantial subsidies that benefit the public good side of the equation. Though it generates increasing revenues and absorbs significant managerial energy, commercial activity such as goods franchising does not substitute for public funding. It is difficult to justify such activity, either in terms of private or public goods.

Pusser traces a shift in the politics of funding and provision, from non profit education to for-profit education. His article complements the recent report of the QUT-based research on 'borderless education' and the commercial sector (Cunningham et al. 2000). The American for-profit sector already receives indirect public support via Pell grants and loans to students. The ideological climate and the emerging equity market in post-school education both tend to normalise the commercial model, despite the fact the only a small fraction of students are enrolled in actual for-profit ('proprietary') institutions. Equally significantly, Pusser notes that there is no clear stated policy rationale for the public funding of public goods in education, and for the continuance of the public sector provision which still houses more than 75 per cent of American higher education students

The leaders of the for-profit institutions, such as the University of Phoenix with over 80,000 students, and DeVry, are effective lobbyists. They are now asking governments for direct grants, using the familiar argument that this will 'level the playing field' between for-profits and non profits. It is a Hilmer (1993) style claim which presupposes that higher education is *already* a commercial market, and blocks out public goods rationales for public provision and funding, such as the formation of human personality in a democratic framework of opportunity, and the reproduction and development of a common store of knowledge and culture. The elision is not logical, nor is it fair: it is a distortion that is only possible in a neo-liberal dominated policy climate.

Pusser suggests that if present trends continue, the non-profit universities, especially those in the public sector, might lose their way. They cannot operate with the lean and mean efficiency of the for-profit University of Phoenix, which confines itself to low cost vocational courses and does without a library, paid academic faculty or research activity. At the same time, the commercial activities of some of the public sector universities have so affected their internal cultures and priorities that in many respects they exhibit the behaviours of for-profit institutions. Non-profit universities such as New York and Cornell run for-profit subsidiaries which like Apollo, the parent company of the University of Phoenix, are potential magnets for the surplus capital in American equity markets. Pusser suggests that a new kind of institution, a 'hybrid' for-profit non-profit university, is emerging. It is an argument that is readily applied in Australia.

The situation facing higher education in Russia is very different. Like Pusser, in 'Tuition policy issues in Russian higher education' Olga Bain uses political economy as her framework of analysis and the policy contours are imme-

diately recognisable to us. The story is the breakdown of tuition-free higher education amid the collapse of the state sector and a partial and tortured deregulation. It is clear that in Russia, as in Australia, state-provided free education was popular; and also clear that the popular consensus on public education did not extend to the political elite. The Trojan horse was the late-era Soviet reform that tied universities closer to employers, contract training. It established fee-paying via proxy persons (enterprises and organisations), allowing a fee-sector to develop without directly violating the Constitutional provision on, free education.

Since then institutions have been permitted to charge fees to over-quota students, a fee-charging private sector has developed, there are differential fees for high demand areas such as business studies and law, and voucher proposals are under debate. As in the US, the contribution of the public goods produced in higher education is downplayed, and the rationale for state subsidies is ill-defined. The trend to marketisation has done nothing to correct the impoverishment of a once highly developed national system, though it has strengthened universities in Moscow and St. Petersburg - where the best graduate jobs are generated - at the expense of the rest of the higher education system.

Although the global analytical framework provided by political economy gives us easy access to the financial politics of Russian higher education, it has a serious downside: the anthropological flavour of Russian higher education vanishes. Life in the universities under the Soviet regime, the well-springs of the phenomenal scientific achievement of the past and what is happening to science now, and the cultural character of the institutions in the post-Soviet environment: all remain obscure. We cannot glimpse what is lost in the impoverishment that Bain records, and in the transition to a market based in immediate economic utilities not cultural values.

In contrast, in 'The Americanisation of university reforms or the rejection of the university tradition?' Marcela Mollis' uses an historical and cultural analysis and thereby opens up the particular features of the Argentine universities; and through them, the Latin American university tradition. Rather than the 'other' being sanitised for us by political economy, cultural analysis allows us to engage with and learn from its 'otherness'. In terms of political economy and global geo-politics, Argentina has much in common with certain other nations, for example Australia and Canada, that are also located on the cultural-economic periphery of the United States. At the same time, Argentina's state, cultural and educational institutions also exhibit distinctive non-Anglo-American features.

Argentina is undergoing the same combination of state austerity and policy-induced marketisation that is apparent in the USA, Russia and Australia. At the same time, the politics of reform in Argentina is shaped also by the 'Reformist tradition' first established in the modernisation reforms of 1918 and after: a tradition which profoundly affected not only other Latin American countries but



France as well. Mollis notes that the Reform of 1918 was premised on the university as the formative agency of a professional elite steeped in national and universal culture, in a mode that was meritocratic and democratic. The universities were public institutions autonomous of the state: their role as state critic became firmly defined, despite brutal interruptions by periodic military dictatorships.

The Reformed universities were governed by the three estates of academic faculty, students and graduates, and regulated by periodic examinations and competition. There was open entry to all qualified students and fees were low or non-existent. The Argentine universities give students more dignity than do any universities in the Anglo-American tradition. The premise on which the Reformist model were based, the preparation of social leaders in the form of lawyers and doctors and government officials, no longer hold: for example, the Reformist model pre-dates the rise of the science-based research university and the more recent growth of business education and computing. Nevertheless, there is more than one possible line of development from here. The World Bank and IMF intervene directly in government policies in Argentina, and Mollis describes how the Bank has targeted the distinctive national-cultural features of Argentine universities, their system of governance and their predominantly public sector and low fee character.

In doing away with its national model, Argentina would lose much of the best of its universities, and could lose all of their potential global contribution. Neither the World Bank nor a series of neo-liberal influenced governments – nor the universities themselves – have devised a reform that would build on those distinctive national strengths. As in Russia, it seems that it has become much easier to envisage the imposition of the pre-packaged 'one true' global model. As in Australia, governments and university leaders in what is a half-Americanised country find it too easy to go to Washington. Argentina and Australia are both the site of a long and unresolved struggle between dependence and self-determination, in education in other sectors.

The final piece in this group of articles, by Marginson and Mollis, is focused on how we compare different higher education systems, and about the impact of 'globalisation' on ways of thinking in the field of comparative international education. When national education institutions and systems are compared, the process of comparison involves both *sameness* and *difference*, which can be combined in variable ways. Sameness provides the common basis for comparison. Difference enables at least some of the particularities of each case to be recognised,

even while others are obscured by the common comparison.

In the field of international comparative education, which plays a growing role in national education policies – for example cross-national data on participation, education expenditure and student learning outcomes – the dominant element is sameness. The study of comparative education has been strongly influenced by international agencies such as OECD and the World Bank which use common global templates derived from European and (especially) American practices. Here international comparisons are instruments of a homogenising form of globalisation, encouraging convergence between hitherto distinctive national educational traditions, and tending to obscure local identity and 'deep difference'.

At the same time, orthodox comparative education still treats the nation-state as the sole analytical unit and has yet to develop analytical tools incorporating global effects: thus, argue Marginson and Mollis, an Americanising global mission is concealed within a pre-global methodology, and the global dimension appears as merely an appendage of American national identity. However, the old approach to comparative education is obsolete. A new geo-political-educational map is needed, encompassing the interwoven global, national, local and institutional factors, foregrounding global agencies such as the World Bank as objects of research, and respecting difference as well as sameness.

The article argues for educational comparisons that are grounded in the refusal of hegemonic claims, the explanation of difference, the primacy of theory over methodology, and sympathetic engagement with 'the Other'. If this collection of articles assists in the deeper engagement of Australian readers with 'other' higher education in the United States, Russia and Argentina, and ultimately elsewhere, then it has fulfilled its purpose.

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# The General Agreement on Trade in Services: Implications for public post-secondary education in Australia

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Professor Steven Schwartz (2000), the Vice-Chancellor of Murdoch University, has accused public universities of being inefficient institutions that need the discipline of the market to get them into shape. In an article in the higher education section of *The Australian*, he castigates these institutions for being 'large public works projects with guaranteed lifetime employment.'

Specifically, Professor Schwartz wants higher education to be competitive and, when possible, provided by the private sector. What is more, he believes this to be inevitable because 'higher education is increasingly an international enterprise' and, therefore, will be more and more subject to the pressures of deregulation and privatisation. He is calling for, at the very least, a system in which public institutions compete 'on a level playing field' with private ones. The 'level playing field' he has in mind is equal access to public funds.

In subsequent issues of *The Australian* Professor Schwartz's prescriptions for universities in Australia did not go unchallenged. Clearly, despite official competition policy, and massive privatisation and deregulation exercises in Australia (as elsewhere in wealthy countries), considerable support still exists for higher education remaining in the public domain.

The important fact in any democratic society is that points of view like those of Professor Schwartz are debated and discussed before acted upon. But discussions of this sort could become irrelevant in the future as a result of changes in international trade laws. Professor Schwartz's dream could come true *without* specific national policy changes — and changes that would be subject to public debate and scrutiny.

The immediate threat to democratic decision-making and the public provision of services is through the General Agreements on Trade in Services (GATS). Negotiations at the World Trade Organisation (WTO) to extend the GATS began in February 2000 with specific objectives to increase market access of private service providers to industries that are now in the public sector. While all government

services are implicated, this article will focus on the effects for public higher education. This article will not debate the merits of public higher education, but will take these merits as its starting position for analysing the implications of the emerging global trade regime. The importance of these agreements to public education is their alarming potential to limit the role of government in the delivery of public services.

## The General Agreement on Trade in Services

Until the WTO was created out of the last round of the General Agreement on Tariffs and Trade (GATT) in 1994, there was no multilateral agreement on services. Trade agreements historically have been mainly about reducing tariffs and eliminating other barriers to trade (such as quotas on imports) on things that were produced in one place and sold in another. Some services, like transportation, communication and financial services, have always been traded, but social services, like education and health care, have generally been too place-specific to be tradeable.

As the services sectors of economies have grown, and as trade in various types of services has increased, in part because of technological changes, the rules that focused only on trade in objects were deemed inadequate to meet the needs of the private sector. The normal identification of barriers to trade (eg tariffs and quotas) did not cover obstacles service companies encountered when they tried to expand their businesses into areas where the public sector dominates. The international corporations that exported services demanded and worked for new trading rules that would foster new international markets in services.<sup>1</sup>

In the last round of international trade negotiations that established the WTO, an enormous first step was made toward a comprehensive agreement on international trade in services. This occurred through a document called the General Agreement on Trade in Services.<sup>2</sup> This agreement

in principle covers *all* services, including health and education services. The WTO literature explaining the GATS indicates the enormous scope of this agreement. It is not only the first multilateral agreement to 'provide legally enforceable rights to trade in all services', but, even more significantly, it is also the world's first multilateral agreement on investment. As the WTO ( 2000) literature explains, 'it covers not just cross-border trade but every possible means of supplying a service, including the right to set up a commercial presence in the export market'. The kinds of rights that corporations in general would have received through the Multilateral Agreement on Investment (MAI), had it not failed as a result of international public action, can be granted to investors in services through the existing GATS.

Only when a service is provided entirely by a government does it fall outside the GATS rules. Since almost all education systems have some private providers involved or some level of commercialisation, virtually all systems can be affected by the GATS in some way. Any institution that requires the payment of fees (even a public one) would fall within the category of 'commercial activity' and would be covered by the GATS as it currently exists (Langlois, 1999).

The GATS currently applies to services like education in two distinct ways. First, it provides a general framework of obligations that applies to all countries in the WTO. This framework stipulates that there should be no discrimination in favour of national providers (the national treatment principle) and that there should be no discrimination between other members of the agreement (the most-favoured-nation, or MFN, principle).

Secondly, the GATS identifies the specific commitments of member nations, indicating on a sector-by-sector basis the extent to which foreigners may supply services in the country. There are certain basic principles that all countries must follow, although the extent to which some services, such as education, are fully covered has been a matter of individual choice of nations. In this sense, the GATS is, in part, a voluntary agreement in which countries can decide, through 'request-offer' negotiations, which service sectors they will agree to cover under GATS rules.

So far, Australia has committed itself to some aspects of opening education markets in higher education as well as secondary and 'other' education categories. [See Table I] Neither the US nor Canada took this step in the initial round, although these countries, along with Australia, the

European Union and Japan are among the most vigorous proponents of expanding the coverage of GATS.

This voluntary nature of education coverage in the GATS is a very important feature which business service organisations and the US government have placed high on their priority list of things to change. The 'request-offer' approach, in which each country places on the table those activities it offers to be covered by the agreement, is considered too slow and cumbersome to allow private providers full access to world markets.

**Table 1. Summary of specific GATS commitments to liberalised education services**

Countries	Primary	Secondary	Higher	Adult	Other
Australia		X	X		X
Austria	X	X		X	
Bulgaria	X	X		X	
Congo RP			X		
Costa Rica	X	X	X		
Czech Republic	X	X	X	X	X
European Community	X	X	X	X	
Gambia	X			X	X
Ghana		X			X
Haiti				X	
Hungary	X	X	X	X	
Jamaica	X	X	X		
Japan	X	X	X	X	
Lesotho	X	X	X	X	X
Liechtenstein	X	X	X	X	
Mali				X	
Mexico	X	X	X		X
New Zealand	X	X	X		
Norway	X	X	X	X	X
Panama	X	X	X		
Poland	X	X	X	X	
Rwanda				X	
Sierra Leone	X	X	X	X	X
Slovak Republic	X	X	X	X	X
Slovenia		X	X	X	
Switzerland	X	X	X	X	
Thailand	X	X		X	
Trinidad and Tobago			X		X
Turkey	X	X	X		X
USA				X	X
Total Number of Schedules	21	23	21	20	12

Source: WTO Secretariat, 'Education services: background note', Table 5. This table indicates areas in which a country has committed itself to free trade in education.

When the Seattle meeting of the WTO ended without any agreement over the negotiating agenda for the next few years, a collective sigh of relief was heard from many sources. At the very least, there was a sense that whatever changes happened at the WTO would be slow in coming and there would be time to analyse issues and organise resistance to the most odious plans. This time to analyse and organise was critical for eliminating the MAI.

However, negotiations on free trade in educational services have already begun. This is because the GATS initial agreement provided for continuing negotiations in services, or what is often referred to as a 'built-in agenda' to liberalise services.<sup>3</sup> Sectoral agreements have already been reached on information technology (December 1996), telecommunications (February 1997) and financial services (December 1997). The deliberations over GATS coverage in these areas received very little public scrutiny and have proceeded without controversy.

The new negotiations for services, through the Council for Trade in Services, began at the end of February 2000. These negotiations have been specifically charged to 'achieve a progressively higher level of liberalisation [which shall] be directed to the reduction or elimination of the adverse effects on trade in services ... as a means of providing effective market access' (GATS Article XIX).

## Trade in education

In preparation for the ongoing negotiations in services, the WTO produced a background paper that explains trade in education services and begins to identify some of the so-called 'barriers' to increased access to markets by private education companies.<sup>4</sup> Education services are identified in five main categories based on the traditional structure of the sector. These are, primary education, secondary education, higher education, adult education, and a category labelled 'other,' that includes anything not mentioned elsewhere.<sup>5</sup>

The WTO has identified four main categories of trade in education that receive legal protection through GATS. These categories are extremely broad and take in virtually all ways of providing education services:

- *Cross-border supply* of a service includes any type of course that is provided through distance education or the internet, any type of testing service, and educational materials which can cross national boundaries.
- *Consumption abroad* mainly involves the education of foreign students and is the most common form of trade in educational services.
- *Commercial presence* refers to the actual presence of foreign investors in a host country. This would include foreign universities setting up courses or entire institutions in another country.

- *Presence of natural persons* refers to the ability of people to move between countries to provide educational services.<sup>6</sup>

In each of these categories, so-called 'barriers to trade' have been identified. This has been part of the built-in, ongoing agenda of the GATS. The WTO was helped in this exercise of identifying barriers by private service providers, such as the Global Alliance for Transnational Education (GATE). GATE is primarily an organisation of private, for-profit education providers dedicated to the private provision of education. Its vision statement identifies its purpose: 'GATE is dedicated to fostering access to quality higher education resources on a global basis, focusing on transnational education.'<sup>7</sup>

The kinds of education practices already identified by the WTO as restrictive are instructive of the actions that are the target for change. The main point to be taken from the following list is that many of the practices that are identified as barriers to trade are generally normal and necessary activities of public systems of education.

## "Barriers to trade in education"

- The existence of government monopolies. [This is the most intrusive of all of the 'barriers' identified by the WTO. Most forms of education are supplied through government monopolies that are identified as barriers to the establishment of a commercial presence for foreign education providers. This issue will be discussed at length in the next section.]
- High government subsidisation of local institutions. [This 'barrier' appears to address the issue of government subsidies to domestic private education providers that are not available to foreign education providers. As will be discussed below, this 'barrier' could also apply to subsidies to public institutions in certain circumstances.]
- The inability to be recognised as a degree or certificate-granting educational institution.
- The differential treatment of students enrolled in foreign institutions. [They often do not qualify for the kinds of subsidies that students in nationally based institutions receive, ie, 'student transportation passes and financial assistance']
- Measures that limit direct investment by foreign education providers. This includes equity ceilings that limit the size of foreign establishments.
- National requirements. [This could include any national requirements for setting up an institution or courses, receiving government grants, or any other advantages that are granted to nationally based education service providers.]

- Needs tests. [This refers to restrictions on the type or quantity or quality of services, or eligibility for services provided, according to a government's assessment of what is needed. If a government decided that more resources were needed for educating one specific occupation and reduced funding for another, this could be challenged through trade law. In some countries the issue of needs tests and restrictions on certain types of educational material are closely related. Smaller countries frequently attempt to consciously foster their own country's research and education materials as a way of having students taught information germane to the country.]
- Restrictions on recruiting foreign teachers. [The WTO specifically identifies as problematic national requirements for teachers and board members in Greece and the way in which France limits the inflow of foreign professors through regulations about length of stay, payments of taxes and needs tests.]
- Direct restrictions that limit the ability of students to study in other countries through immigration and visa requirements or currency controls.
- Indirect barriers, including the difficulties encountered in translating degrees into national equivalents. [The issue of degree equivalencies is one that needs to be resolved in an international arena, as are issues related to visa requirements and immigration controls.]
- Unequal access to resources for students
- Restrictive use of national satellites or receiving dishes.

Some of the issues raised in this identification of barriers to the movement of natural persons are issues that deserve to be considered more thoroughly. For example, the difficulties foreign educators, particularly from third world countries, encounter in having their education credentials recognised needs to be addressed in wealthy countries. These, however, do not require the heavy-handed apparatus of the GATS to rectify.

### Implications for the public system

Public higher education can be affected by GATS in distinct ways, depending on the results of the trade negotiations and what the position of various governments is in these negotiations.

If the new round of negotiations succeeds in eliminating the 'barriers' identified by the WTO, the private sector will receive enormous powers to undermine the public delivery of educational services. One specific 'barrier' in the WTO background paper that is particularly alarming is the identification of 'the existence of government monopolies'. The underlying philosophy of trade liberalisation in

international trade agreements is that whenever something can be provided by the private sector, conditions should exist so that this can occur. These agreements are about creating and expanding private markets and, whenever possible, identifying and eliminating government actions which hinder the growth of the private sector. Clearly whenever governments operate in what is, or potentially could be, a 'market', their actions are considered to be 'barriers' to the creation of private markets and, therefore, need to be controlled.

How would the elimination of government monopolies in higher education be carried out? This is an important question because it is highly unlikely that all countries would agree to direct attacks on their public education systems, if only because of the political risks involved. Something more subtle will need to occur at the bargaining table to get governments to agree to the control of government monopolies. There are two main ways in which this can occur with the help of the GATS. One is through language in GATS that specifically prohibits certain types of government action, and the other is through language that strengthens private service provider's claims on public funding.

### Domestic Regulation

A feature of the GATS 2000 negotiations that deserves special attention relates to new ways in which the WTO will be able to monitor "*domestic regulation*." As part of the on-going negotiations of GATS, its Council for Trade in Services has been instructed to develop new 'disciplines' to ensure that "measures relating to qualification requirements and procedures, technical standards and licensing requirements do not constitute unnecessary barriers to trade" (GATS Article VI:4).

The unusual feature of these restrictions on domestic regulations is that unequal treatment of foreign and domestic service providers will no longer be the test of whether a practice is illegal under the GATS. Even if some government action treats foreign and domestic education providers the same it could be a violation of GATS. None of the terms – "qualification requirements, licensing requirements and technical standards" – have been defined, but the general sense is that the coverage will be broad. Australia, for example, has formally suggested that "the Working Party treat the three items as indicative only (WTO, 1999)." As one analyst noted, if this proposal is accepted it would mean that the restrictions would apply to all types of regulation (Sinclair, 2000). This is an extraordinary intrusion into the power of national governments within their own jurisdiction, something that no other trade agreement has attempted.

The main point of the domestic regulation provisions is to limit the ability of governments to provide public services. Coalitions of private service providers, such as the Coalition of Service Industries in the U.S. and the European Services Forum are the driving force behind the

wide application of this measure. Governments, like the Australian government, that have aggressive privatisation policies, tend to support the domestic regulation provisions as a means of avoiding the messy political business of deciding on a sector-by-sector basis which industries will be privatised.

### Private Claims on Public Funding

The international corporate world has had considerable experience in honing effective, gradual steps to secure a firm base in undermining services in the public sector. The most striking examples in the US and Australia are in the privatisation of electricity, and, even more spectacularly, the private control of prisons and social welfare programs.

The first step is usually an overall attack on the funding of public institutions, by claiming that taxpayers can no longer afford to support overblown public institutions. As public institutions become weaker because of underfunding they either no longer perform well, and therefore lose public support, or they pursue other funding sources. Universities are doing this through, for example, high user fees in certain programs, appeals for private corporate financing for research and even whole programs, and by becoming more entrepreneurial in foreign markets. These public-private initiatives steer universities toward corporate approaches to education, and, as a result, bring the universities more firmly under the rules of international trading structures.

The other method that the private sector uses effectively is to make sure it can tap into the money the government spends on education. As with the health care industry, private educators are acutely conscious of the *vast sums of public money* spent by governments on the public service. Private educators certainly are not objecting to governments paying for education services. What they want, rather, is to have this government spending directed toward the private sectors, much in the way that private prison and welfare service providers rely on government funding to buy their services. The trade agreements are a crucial step in this direction because they can enable the private sector to insist on a 'level playing field' in the education market.

Obviously in any country where publicly funded university education is of a high quality and relatively inexpensive, students will not rush to enrol in expensive private universities. As the WTO's background paper notes, there are questions about 'whether higher education can be profitable for private investors without public subsidies' (WTO, 1998, p. 9). The task for the private education industry is to organise things in such a way that governments are forced to provide subsidies for private education. Generally, when the private sector begins identifying a specific area for privatisation that has long been in the public sector, it gets a toehold in the area through some marginal activity in the industry. The strategy subsequently is to complain about the existence of government

monopolies and the difficulties of trying to maintain a business. The usual charge is that the public sector can provide the service cheaper than private providers can under normal commercial conditions because the public sector is subsidised by tax dollars.

When this reasoning is established, the trade agreements can support the private sector's claim to access to money in distinct ways. The most obvious is to ensure that the private sector be eligible for 'like' treatment when it comes to government subsidies.

Understanding the way in which the public sector is treated in trade agreements gives some insight into the potential impact of removing 'government monopolies' in education. The international trade agreement that has gone furthest in granting power to control public monopolies is the North American Free Trade Agreement (NAFTA). This document is important not just because it spells out in detail behaviour for government monopolies in goods and services, but also *because it is a framework document for negotiating services agreements* in the wider international arena. The following are the requirements for governments for the regulation and supervision of both private and public monopolies. They must ensure that the monopoly provides

- non-discriminatory treatment to investment of investors, to goods and to service providers of another Party in its purchase or sale of the monopoly good or service in the relevant market; and
- Does not use its monopoly position to engage, either directly or indirectly ... in anti-competitive practices in a non-monopolised market in its territory that adversely affect an investment of another Party, including through the discriminatory provision of the monopoly good or service, cross-subsidisation or predatory conduct. (NAFTA, Chapter 15, Article 1502)

These are strong clauses that greatly inhibit the ability of public institutions to provide educational services in educational markets that are now in the private sphere, as many universities and colleges are now attempting to do. The clause about cross-subsidisation is particularly significant because virtually any commercial activity a university undertakes independently of its main function of public education could be identified as an unfair trade practice if it is in any way supported by the university. Even a common administrative structure could be identified as a cross-subsidy.

The most important requirement in the behaviour of monopolies, however, is that any monopoly, even if it is a government monopoly, must behave according to commercial objectives. NAFTA states that any monopoly must act 'solely in accordance with commercial considerations in its purchase or sale of the monopoly good or service in the relevant market, including with regard to price, quality, availability, marketability, transportation and other

terms and conditions of purchase or sale' (NAFTA, Chapter 15, Article 1502). The text defines 'in accordance with commercial considerations' to mean any action which is 'consistent with normal business practices of privately held enterprises in the relevant business or industry'.

The main point to make from this is that post-secondary public education is not run mainly 'in accordance with commercial considerations'. The objectives of the post-secondary system are varied, but its very existence in the public sector means that it is not primarily a profit-generating system. The wording in the NAFTA text is present precisely because, in the absence of similar objectives, the cross-comparison between public and private education is difficult to make. However, with the requirement that the objectives of all monopolies be commercial, the justification for equal treatment seems more rational.

### What is next?

US Trade Representative Charlene Barshefsky has identified what she called 'the single greatest threat to the multilateral trading system', as being 'the absence of public support for that system and for those policies which have created that system' (MacCarthy, 1999). She and other government officials around the world are determined that the public must change its collective mind. Public actions over the MAI and the WTO Seattle meeting indicate that public pressure can be effective in allowing people's interests to be heard in the international arena. At the very least these actions slow down the pace of international deep integration and give supporters of the public domain time to analyse events and understand their own interests in what is a complex array of negotiations.

For supporters of public education the continued monitoring of negotiations and informing the public about their potential impact is extremely important. As a first step, all educators should place considerable pressure on their governments to resist expanding the coverage of GATS. But, more importantly, demands need to be made to ensure that no public services undertaken by government can be affected by the GATS. The GATS is an extremely complicated agreement and often governments do not understand the full ramifications of their commitments, so getting the language right is critical.<sup>8</sup> But it is possible to carve out whole sectors from the agreement, as governments have managed to do in areas affecting national security and industries related to national security.

A wide-spread call for an exclusion of services provided by governments in the public interest could be effective in protecting not only education but all other public services provided by government.

Educators need to be wary of claims that we are worse off with the absence of specific agreements on issues. It is true that the WTO can affect education in a variety of

different ways, even in the absence of a specific agreement, but it will be worse if education services, or some aspects of them, are specifically included.

Educators also need to guard against the strategies of 'gradualism' that might be used to secure a minimal type of agreement that can be accepted by all countries. The US Coalition of Service Industries (the organisation that was influential in getting the US to initiate a services agreement in the Uruguay round) anticipated difficulties in securing open trade in all services in the new round of negotiations. It specifically advocates the 'horizontal' approach to rule across all sectors. Its president gave an example of how something simple, like 'national treatment', if applied across all sectors, works to the benefit of private service providers.

The usual practice now in trade agreements that cover some aspect of public services, such as NAFTA, is for governments to specifically list the programs and practices they want exempted from the agreement. This is distinct from a 'carve-out' for all services provided in the public interest because these exceptions for specific programs offer, at best, temporary protection for the public sector because they only protect existing measures and prevent new government programs from being initiated. That is, current policy is frozen and all new measures must conform to the trade agreements. But most problematic is that these lists of exceptions to the trade agreements identify targets for subsequent rounds of negotiations. As the president of the US Coalition of Service Industries noted, any minimal agreement in GATS would at least get countries to list the areas they wanted protected under each service. He stated that this would be 'useful as a transparency exercise, forcing countries to demonstrate explicitly their laws and practices that are trade restrictive' (Vastine, 1998).

### Summary and conclusion

The failure of the Seattle meeting of the WTO to agree on an agenda for negotiating issues over the next few years was a victory for those who want to slow the process of globalisation. This does not mean, however, that all negotiations for trade liberalisation have ceased. Because of the negotiating process on services that was built into the GATS, negotiations on trade in services have already begun and are, for the most part, occurring without public scrutiny. In education services, negotiations will proceed for all levels of education, although the prime target for opening private access appears to be higher education services. In education, the so-called 'barriers' to trade that have been identified by the WTO are all 'subsidies' to the public system that restrict the ability of private providers to compete for students. These barriers include the existence of government monopolies, the inability to be recognised as a degree-granting institution, restrictions on

recruiting foreign teachers, and high government subsidies to local institutions.

The GATS treats a government service, like education, primarily as though its main function is its tradability. As a result, the focus for discussion in the negotiation of further liberalisation of services is how to remove government restrictions on the foreign presence of service providers in a national market. The implications, however, go far beyond market access for foreign providers: these changes will provide an important leverage for all private providers of education to undermine the public provision of education.

This article has explained why it would not be possible for a GATS agreement on liberalised services to leave the public education system intact. Rather, the kinds of measures that will provide market access for private educators will require substantial changes in the ways in which the public system operates.

Opportunities exist for those interested in the public delivery of education to affect the outcomes of the current negotiations. Many countries did not sign onto the 1994 GATS agreement on education and, while the mood of governments now appears to have changed, there is still room for the public to influence the ultimate position of the government. The rush to open all markets to the private provision of services presents serious and substantial threats to the very existence of a vigorous public education system.

## Endnotes

<sup>1</sup> The Canada-US Free Trade Agreement (FTA) was the first major international bilateral agreement to include services. The subsequent North American Free Trade Agreement (NAFTA) between Mexico, Canada, and the US replicated the FTA provisions on services and serves as a model for WTO negotiations.

<sup>2</sup> When the GATS was negotiated and then added to the GATT, the WTO was created.

<sup>3</sup> Article XIX of the GATS provides for the ongoing negotiations:

*In pursuance of the objectives of this Agreement, Members shall enter into successive rounds of negotiations, beginning not later than five years from the date of entry into force of the WTO Agreement and periodically thereafter, with a view to achieving a progressively higher level of liberalisation.*

<sup>4</sup> The information which follows is from WTO, Council for Trade in Services, 'Education services: background notes by the Secretariat', 23 September 1998, <http://www.wto.org/wto/services/w65.htm>.

<sup>5</sup> Only services related to recreation are excluded.

<sup>6</sup> 'Natural persons' are human beings. The term is used to differentiate people from 'legal' or 'juridical' persons, terms that can apply to corporations as well as human beings.

<sup>7</sup> Its website further explains its mission (see <http://www.edugate.org.htm>):  
*Committed to developing and promoting transnational education as a viable means of delivering education to the world population, GATE plans to involve country accreditation parties, college and university bodies, commercial institutions, multinational corporations, and government agencies to face the challenge of evaluating degree programs and other academic standards from countries around the world.*

<sup>8</sup> This sounds bizarre, but Canada, for example, has been affected by WTO rulings on the Auto Pact because it did not fully understand the limitations on the exemptions it thought it had on this issue.

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# Global Corporations “R” Us?

## The impacts of globalisation on Australian universities

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### Introduction

Globalisation means different things to different people. To some, it conjures up technologically-inspired images of virtual this and virtual that. To others, it's an “out there” kind of concept which is somehow contributing to an increased intensity of life, the growth of new work pressures, and the perception that virtually everything now has an international or global dimension. Frequently there is confusion regarding the distinction between “globalisation” and “internationalisation”. Universities around the world have for generations, perhaps centuries, promoted activities aimed at enhancing internationalisation. However, over the past decade, we have seen globalisation's impact upon universities in the rise of all sorts of entrepreneurial activities previously unknown to the sector.

Laurie Taylor's (1994, p.55) satirical letter from a departmental head to a potential international student is perhaps somewhat closer to the truth than many in the university sector would care to admit.

*Dear Mr Adobi*

*Thank you for your long and fairly interesting enquiry about the M.Phil course in the Department of Media and Cultural Studies.*

*Let me say straightaway that we are extraordinarily enthusiastic about your potential application. Indeed, no sooner had your letter arrived than Dr Quintock, our graduate chairman, rushed into my secretary's office shouting 'Gor blimey, Maureen, talk about a bit of luck. This could be another nine hundred nicker straight into departmental funds...'*

Many aspects of university organisation undeniably are becoming more business-like, to the extent that entrepreneurial activities in some universities, such as Monash, are

run as mini-corporations inside or alongside traditional university structures. Entrepreneurial funds are seen as crucial for institutional survival by some institutions (Osmond, 1997, p.5). University leaders ambitiously seek to position their institution as, for example, 'Australia's first truly global university' (Chipman, in Osmond, 1998, p.1) in the race for entrepreneurial pre-eminence. Yet, in the flourishing of rhetoric and the parallel dash for cash, it appears that something is missing. Analyses of the real impacts of entrepreneurial internationalisation are rare, and academics who question the educational compromises sometimes made in the pursuit of entrepreneurial success appear increasingly to be treated as pariahs subject to many of the negative consequences commonly applied to whistleblowers in times past.

Commencing with an overview of the general effects of globalisation upon universities, the article proceeds with an analysis of how globalising forces have impacted upon Australian higher education policies. The rise of entrepreneurialism as one response to globalisation from the university sector will be discussed, and attention paid to the impacts of such entrepreneurial activities on academic work. In particular, issues arising at the “coalface” from academic involvement in international entrepreneurial activities will be examined for their positive and negative impacts upon educational standards, academic morale, and the structure of academic work. The article concludes by highlighting four areas of fundamental change now occurring in the sector.

### Globalisation and universities

Contemporary contributions to debates about the impacts of globalisation on universities view globalisation as combining 'a market ideology with a corresponding material set of practices drawn from the world of business' (Currie, in Currie and Newson, 1998, p.1). In other words,

rather than viewing globalisation as the product of contemporary trends toward instantaneous communication, faster transportation methods, or the overlapping and integration of cultural elements, globalisation in this context emphasises the significance of neo-liberal ideologies exhorting and cajoling governments and their broader societies toward more market-like behaviours. This article takes this latter perspective.

In the university context, the gap between globalisation and national education policy is bridged by supra-national institutions such as the OECD, viewed as an 'institutionalising mechanism of global ideologies, including market liberalism and new managerialism' by Lingard and Rizvi (in Currie and Newson, 1998, p.267). In particular, the OECD's emphasis on human capital theory and the consequent economic benefits arising from targeted higher education policy have substantially influenced and informed education policies in much of the world.

While it is important to avoid generalisations about the degree of impact of external factors upon domestic policies (Bell, 1997), the Australian higher education sector is arguably one sector in which the impact of globalising economic pressures has been significant for domestic policy development.

For example, the Australian Government's 1987 green paper, 'Higher Education – A Policy Discussion Paper', opened the debate on the need for fundamental reform of Australian higher education and pointed to the future direction of such reforms. Citing Australia's declining terms of trade, the Minister (Dawkins, 1987) argued the need for continuing change and adjustment within the Australian economy, processes which would depend on the development of a well-educated workforce. The review of higher education thus arose, Dawkins argued, from international trends in which the international environment was seen to assume a 'heightened importance' for the nation. Given that the speed of economic change would not foreseeably lessen before the end of the century, the higher education sector would have 'a critical role in the restructuring of the Australian economy'. This philosophy lay behind the subsequent White Paper on Higher Education (Dawkins, 1988) which abolished the existing binary system and replaced it with the Unified National System of comprehensive Australian universities designed to accommodate the growth of a sector aimed to become internationally-oriented and national needs-focused.

Some ten years later, the emphasis placed on international forces as a primary driver of higher education policy had not lessened. By then, however, the pressures of globalisation were being recognised. A discussion paper was commissioned by the Coalition Government in 1997 (West, 1997) to describe the environment in which the next significant round of policy change would occur. This argued that new policies for Australian higher education

should reflect the need for Australian universities to remain globally competitive, and predicted that geographic constraints to the provision of education would continue to lessen. Further, the paper claimed that a global trade in educational services had developed.

The chair of the committee, Roderick West, prefaced his committee's recommendations with the comment that 'today we have the global university' (West, 1998). The committee argued that the trend towards globalisation would continue.

Over the next 20 years, the whirlwind of change that characterises our lives today will increase. The trend to globalisation will intensify and the world will be highly competitive. The digital revolution will cut even more deeply into our lives. The Review Committee considers that education and training will enable people to respond to these challenges and opportunities.

The policy recommendations contained in the report were derived substantially from this perspective. It noted that Australian universities were now facing growing international competition, and predicted that such competition would intensify in the years ahead. The only response possible against such threats would be for the domestic sector to become internationally competitive in an 'increasingly globalised higher education marketplace' (West, 1998, p.63).

Contemporary analyses of Australian higher education frequently cite globalisation as a major influence on the system. Stent (1993), for example, cites the realisation that there is a global and regional interdependence as well as factors such as reduced public funding, demands for the expansion of the system, and increased exposure to community needs and the open market as being characteristic of contemporary influences upon Australian universities. Although only one of these influences is termed "global", it could be argued that reduced public funding is characteristic of the Australian government's response to global forces, both in the higher education sector and elsewhere. It could also be argued that pressures for the "massification" of the system derived from the philosophical desire of the Australian Governments to make the nation a "clever country". This globally-influential philosophy, developed by writers such as Michael Porter and Robert Reich, emphasises national educational and skill endowments as prerequisites for global competitiveness.

The Australian university system may not be globalised to the same extent as other sectors, and it remains removed from "extreme" models of globalisation (Holton, 1997; Cunningham et al, 1997). Nonetheless, Australian higher education policy continues to identify globalisation as a fundamentally important "driver" of reform in the sector, reflecting international movements towards "liberalising" the university sector in response to perceived globalising forces. For example, in discussing the Australian context of higher education policy reforms, Hambly (in Sharpham

and Harman, 1997, p.153) notes that universities throughout the world are being swept along by the forces of internationalisation, while Gale (in Sharpham and Harman, 1997, p.303) states that there are many countries 'experimenting with similar strategies as in Australia to meet the common financial pressures brought about by the kinds of neo-liberal policy convergence centred on a reduced role for the public sector.' One common response to such forces has been the rise of university entrepreneurialism.

## A response to globalisation – university entrepreneurialism

According to Slaughter and Leslie (1997, p.5), globalisation accelerated the movement of universities and their faculty toward the market. How did this occur? As noted above, this occurred at the macro-level via the convergence of neo-liberal or conservative political agendas designed to encourage nations such as Australia, the United States and the United Kingdom to return to past levels of national prosperity. This goal was pursued via supply-side economic policies, shifts in public funding from welfare to economic development policy areas, and lower overall levels of government spending aimed at reducing public debt.

For the Australian university sector, these policies translated into programs targeted at applied rather than basic research, declines in funding per student as institutional funding lagged behind the "massification" of higher education, the development of governmental structures and policies enabling centralised "steering from a distance", and the encouragement of entrepreneurial activities to supplement traditional funding sources.

In essence, as Slaughter (in Currie and Newson, 1998, p.47) argues, while globalisation may be a universal force to which nations, states and regions respond in unique ways, the global influence of theories of national competitiveness has led to a convergence of similarity in sectoral responses to the new environment:

*I found that all four countries (Australia, US, UK, Canada) instituted policies that encouraged commercial research and development and business/vocational curricula, emphasising the value of higher education to national economic activity and displaying a preference for market and market-like activity on the part of faculty and institutions.*

For "market and market-like activity", read "entrepreneurialism". Many universities have over a long period exhibited some degree of entrepreneurialism, such as in the development of courses in response to perceived vocational needs. However it is the extent and depth of entrepreneurialism which makes this era qualitatively and quantitatively different to times past. The reliance of faculty and institutional budgets on entrepreneurial revenues is substantial, and pressure increasingly is being

applied for the achievement of revenue targets across a range of university activities.

One faculty with which we are familiar provides a stark example of this new reality. Of a total annual budget of about \$7 million, around \$3 million derives directly from entrepreneurial activities, both local and international. In addition, although this faculty does subsidise other departments and units within the university, the pressure is mounting for traditionally less-entrepreneurial departments such as those in the humanities to raise entrepreneurial funds. This pressure has intensified in recent years following the granting of salary increases to staff, paid for primarily by the institutions themselves in the absence of additional government funding.

Two elements of university entrepreneurialism, namely entrepreneurial research activities and entrepreneurial international (teaching) activities, have received particular attention in the literature, and together provide an appropriate basis for a discussion of the ways in which universities have been "reworked" by globalisation.

## Entrepreneurial research

Several studies have endeavoured to quantify the benefits and costs of entrepreneurial research to Australian universities and the academics who comprise them. One such study (Philpott, 1994), at the Curtin University of Technology, attempted to quantify the non-monetary benefits and costs of university entrepreneurialism. In the year in which the study occurred, Curtin raised 35 percent of its revenue from non-government entrepreneurial sources. The study focused on research but also incorporated teaching departments such as business studies. Based on a 1-10 ranking, academics ranked the seven most significant benefits of entrepreneurialism in the following order: prestige (7.6), relations with external bodies (7.5), future consulting opportunities (7.3), spillovers to research (6.8), spillovers to teaching (6.2), equipment gain (5.5), and services contributed by project personnel (5.5). The ranking for costs was as follows: personal social costs (-5.7), academic resources consumed (-4.6), loss of teaching preparation time (-3.8), loss of time for basic research (-3.5), equipment wearing out (-3.5), time of support personnel (-2.7), and monetary loss (-2.6). In sum, Philpott estimated that the ratio of non-monetary benefits to non-monetary costs was of the order of 3.5:1.

An interesting finding for academic work in the Philpott study related to the additional costs and benefits suggested by respondents. A consideration of the number and weighting given to additional cost items, such as time pressures and stressors, led Philpott (1994, p.125) to conclude that,

Unless management can overcome the impact of these (cost) factors or better enhance the benefits, individual university staff members may lower their entrepreneurial sights as the process becomes too demanding on them.

Philpott also noted that researchers are still some way from really understanding the non-monetary impacts of university commercialisation and entrepreneurialism (1994, p.153). On this basis, any conclusions drawn from simple monetary comparisons or occurring in the absence of comprehensive cost data appear to be fraught with difficulties.

Building on the Philpott study, Slaughter and Leslie (1997) studied four national systems of higher education to develop a macro-perspective on convergent issues across national systems. Several Australian universities were also studied as part of a cost-benefit analysis of entrepreneurial research activities, and in an effort to gauge the real impacts of technology transfer strategies upon academic staff. At the national level, Slaughter and Leslie (1997, p.106) noted that Australian government shares of university revenues had declined from 90 percent to 78 percent from 1981-1990, and found their preconception that the United States was at the forefront of university commercialisation shaken by their analysis of the Australian context. For two of the universities studied, Slaughter and Leslie (1997, p.120) found that the direct revenue benefits of entrepreneurialism were \$28.6 million, and that indirect benefits could be quantified at around \$52.3 million, giving a total benefit of \$80.9 million. Quantifying indirect costs and subtracting these benefits gave a net benefit of \$64.2 million, with only 3 of 59 respondents holding that the costs of academic entrepreneurialism exceeded the benefits.

At a micro-level, Slaughter and Leslie (1997, p.225) found higher stress levels among academic staff at more-entrepreneurial universities. In studying entrepreneurial departments engaged in technology transfer, they found that ambivalence and confusion about entrepreneurial activities was far greater among more junior staff (lower-level faculty, postdoctoral fellows, graduate students) than among those located at professorial levels (1997, p.141). In addition, like Philpott, Slaughter and Leslie (1997, p.226) expressed concerns about the levels of stress they had observed among more-entrepreneurial faculty, and wondered 'whether all of this was manageable in the long run...whether the amount of stress upon successful entrepreneurs was sustainable'.

What seems clear from this is that in the absence of a greater understanding of the costs, both direct and indirect, of entrepreneurial research, the current focus upon visible costs and benefits may lead to inaccurate and partial conclusions about the impacts arising from such strategies. As Fairweather (1998, p.102) notes in his analysis of university-industry collaborations, any fair assessment of the long-term benefits of collaboration is problematic, since the short-term objectives of industrial organisations lack any real fit with the long-term focus and multiple-mission nature of universities. Similarly, any comprehensive analysis of the costs and benefits of

university entrepreneurialism must remain partial unless sufficient weighting is given to the many indirect and intangible costs arising as well as the direct costs which are often not factored into institutional judgements about entrepreneurial activities.

## International entrepreneurial activities

International education marketing is now big business for Australian universities. Goddard (1997) reports that the number of international students studying in Australian universities increased from 13,674 in 1983 to 53,188 in 1996. Growth in the sector is being maintained in part through the development of offshore campuses and twinning programs, while university income derived directly from overseas students rose from \$664 million in 1996 to \$827 million in 1997 (Maslen, 1998a, p.2).

The impacts on academic work from university international entrepreneurial activities have been immense. While the financial benefits are undeniable, and non-monetary benefits may also exist, less attention has been paid to the problems arising in this sphere of entrepreneurialism. Of particular interest are the potential or real impacts on standards and educational quality, and on the morale and quality of worklives of academics themselves.

The issue of impacts on quality has been raised in some quarters. Marginson (in Smyth, 1995, p.51), for example, argues that the aggressive expansion in overseas marketing has occurred with little attention being paid to quality or educational objectives. The aggressive pursuit of market share as a major motivation is not hidden by senior institutional managers. A recent study of Australian and Swedish universities illustrates the extent to which some institutions see international education as primarily a revenue-raiser. Of 37 responses to the question 'what are the three main reasons for implementing internationalisation at your university?', eight Australian institutions listed 'increased university resources through recruitment of fee-paying international students' as one of the major reasons for their internationalisation efforts. The next most popular reason (preparing graduates to work in a global society/economy) had four responses. No Swedish universities listed the increased university resources option as a major reason for internationalisation (Carnestedt, 1997, p.39).

There are several problems arising which potentially affect academic work. First, there is the problem of coping with students who are clearly not equipped to undertake university studies. Monash academic Dr Andy Butfoy (1998) has written about his astonishment at being asked to employ lower marking standards, leading him to lament the lowering of standards occurring as a result of the quest of universities to make 'a killing in the Asian market'. Similarly, some student leaders are publicly lamenting the acceptance of students with significant language difficulties into local courses, with students 'allowed to continue

for several years before being told their English was not good enough' (Brown, in Coorey, 1996, p.43; Maslen, 1998b, p.5).

Our view is that such problems are not uncommon. We are aware of some overseas programs supervised by local institutions in which students generally have a distinction or high-distinction average leading up to final examinations, and then seek redress when the Australian-marked examinations lead to substantial failure rates. We are also aware of some international programs which attract students on the basis of the possibility of completing post-graduate qualifications in a year, leading to significant problems when the inevitably high proportion of students who fail one or more subjects find themselves unable to return home at the end of the single academic year.

It is also an issue for concern that Australian universities are responding to ethical concerns in ways historically used in some sectors to isolate or eliminate "whistleblowers". Such practices do not represent constructive responses to the type of allegations which should be treated with the utmost seriousness. If the above examples are any indication of the extent of problems in the sector, such issues demand a very different response.

Other notable illustrations of such problems include the following:

- Curtin University academic Dr John Kelmar suspended by the university after appearing on television explaining how he experienced problems after failing nine students, including five international full fee-payers, for plagiarism (Johnston, 1995, p.8, 27)
- former University of Wollongong ethics lecturer Dr Gail Graham, who claims she was 'forced' to lower standards in her subject. Dr Graham claims that problems began after she failed several full fee-paying international students, and resulted in her contract not being renewed (Johnston, 1995, p.8, 27)
- University of Sydney academic Dr Paul Hopwood expressed concern that a full fee-paying student was admitted to veterinary science in August (the course began in March) with no previous training or background in the field. He was placed on disciplinary charges by the university after expressing this concern, however these were later dropped (Reilly, 1998, p.42)
- a tutor at Metropolitan College in Malaysia, a "twinning" institution offering the first year of RMIT and Curtin University degrees, inter alia, alleges that he was sacked after claiming that students 'were given full marks provided they handed them (assignments) in, despite wholesale copying' and that students who could hardly speak English were given exam passes and permitted to enrol in degrees (Maslen, 1998c, p.3).

As Monash vice-chancellor David Robinson admits, some institutions may indeed accept more students than

they can comfortably support, while others 'might make an assumption about the ability of a student to satisfactorily complete a course that goes a little bit too far' (Robinson, in Reilly, 1998, p.42).

The reality of insufficient resources being committed to redressing some of these problems has itself become part of the problem. Issues relating to plagiarism, for example, cannot be adequately pursued without attention to academic and student training and supervision (Warner, in Donaghy, 1996, p.5). The unfortunate alternative is that, in the absence of resources, the pursuit of revenue 'heavily influences academic interpretation of and response to plagiarism'. In a similar vein, additional training has been called for in cross-cultural awareness training, cultural sensitivity training, and even 'simple education methods' (Brown, in Coorey, 1998, p.43).

Some surveys of academics support the notion that all is not well in academe. Research undertaken in the graduate engineering and management faculties of a major United States university revealed consistently high support among faculty for international activities, yet also noted that only two-thirds of faculty disagreed with the statement that 'foreign students are a nuisance because they are always haggling for higher grades' (Lulat, 1993, pp.337-339). Similarly, research about faculty attitudes to overseas teaching assignments undertaken by staff in the School of Management, Technology and the Environment at La Trobe University revealed that less than two-thirds of "travelling faculty" disagreed with the view that overseas teaching detracted from work at home. Significantly, just 40 percent of "non-travellers" disagreed with this view, thus pointing towards concerns about international activities which may be held by those academics not directly associated with such activities (Griffiths *et al*, 1998, p.57)

Perhaps these issues arise because of the "teething problems" common to new industries, and this industry may indeed be a 'global market in the early stages of development' (Marginson, in Smyth, 1995, p.28). Still, that does not excuse inadequate responses to problems from organisations which have historically been characterised by a commitment to due process and collegiality.

An alternative explanation presents a two-dimensional explanation which, we believe, provides a more accurate rationale for these problems. First, our public policy and institutional approaches to entrepreneurialism encourage the view that students are consumers in a traditional marketing sense. The natural consequence of this view is that our "customers" demand not just high-quality products and services (no bad thing!) but also expect a tangible "product" (i.e. a degree testamur) in return for the significant price paid for this service experience. Direct or indirect pressure is thus applied to academics to provide this "product", and there are few places to go if individual academics feel that such pressure is unwarranted or unwanted. In addition, some academics have few other

employment options, making pursuit of such issues less likely. Second, the contemporary ongoing expansion in international education markets has enabled institutions to sometimes neglect issues of quality assurance and the maintenance of standards. From an institutional perspective, it has historically been possible to take the view that having some "dissatisfied customers" was not a major cause for concern, since there would always be more potential customers and markets to pursue. However, in an international market which is evolving toward maturity, and which has in fact reached saturation in markets such as Hong Kong and Singapore (Evans and Kemp, 1997, p.3; van Leest, 1998, p.5), issues such as quality, standards, and "brand image" begin to assume a new importance. It is hoped that this life-cycle process may bring new attention to such important issues. Perhaps the most accurate forecast about the potential for quality to be compromised was made by Roger Scott (1987, p.167) on the eve of the great Australian foray into international education, when he stated that 'one lesson is that financial aspects tend to overwhelm concern for social, cultural and institutional issues posed by the presence of large numbers of overseas students'.

The situation is not helped by research which, in endeavouring to portray international education in a positive light, instead takes a politically-correct stance which dilutes the potential value of the findings to international education. For instance, although recent research on the benefits flowing to local students from the presence of international students at the University of NSW found that there are several perceived benefits arising from such presence, it also labelled as "racist" comments by local students that 'the maximum ratio of international to local students should be 10 percent', and that 'they should be made to stay after qualifying and give something back to Australia'. Further, the researchers noted that 'even many of those in favour of an increased number of international students made comments which were at the best patronising' (Pittaway *et al.* 1998, p.69). Such comments do little to assist the debate.

Arising from this discussion of university entrepreneurialism are several issues which relate to the consequences of such activities for academic worklives and morale.

### **University entrepreneurialism – impacts on academic worklives and morale**

In general terms, morale does not appear to have been particularly high in Australian universities for much of the 1990's. For instance, over 70 percent of academics expressed concern about morale, overall quality and working conditions as a result of changes occurring in the sector over the 1992-1997 period (Maslen, 1997, p.10). Similarly, 47 percent of deans, heads, and faculty executive officers disagreed or strongly disagreed with the statement that "in general, the morale of academic staff is

high" in a recent national study (Meek and Wood, 1997, p.81).

If morale is a function, to some degree, of changes to the structure and rules of work, then it is arguable that entrepreneurial activities can significantly affect morale via the effect they have on academic work. Many academics are now regularly involved in supervising offshore delivery of their units and courses, in marking assignments and providing feedback to students thousands of kilometres away in distant offshore programs, in assisting in international recruitment, in developing new modes of course delivery, in switching between academic terms and semesters of varying lengths, and in continuing to adjust teaching and assessment methods to the burgeoning local foreign student market. Such moves toward more "corporate professionalism" and less "non-market" academic activity place pressure on academics to achieve institutional objectives and to play their part in implementing entrepreneurial strategies, at the cost of increased market surveillance and less individual autonomy (Maringson, in Smyth, 1995, p.34).

Entrepreneurial strategies may indeed be positive for some, but this is by no means the outcome for all. Entrepreneurialism may threaten long-held academic values, and it excludes less potentially-entrepreneurial departments and faculties such as those in the humanities and some social sciences (Kennedy, in Wanna *et al.* 1996, p.145). Still, even here the pressure to be entrepreneurial is felt. One small institution with which we are familiar has just listed its entrepreneurial revenue targets for each department, and has included a \$250,000 target for a very small humanities department. How the department will raise such funds is anyone's guess, but presumably much effort will need to be expended in pursuing such an ambitious target. We wonder if such efforts are worthwhile, since the time and costs demanded for individuals and departments to become entrepreneurial may well be greater than the benefits. As Forster *et al.* (in Wanna *et al.* 1996, p.14) note, 'public servants are often ill-prepared and little-trained for this potentially momentous step' (*toward entrepreneurialism*), since it is so different to traditional administrative practice.

Thus, on the basis of the new competitive pressures which now face universities, work practices have been and continue to be placed under pressure. Academic workers are being treated more and more like employees with the regulated and codified work practices common to staff in non-academic organisations (McInnes, in Schuller, 1995, p.43). The market is continuing to extend its influence into academic work to an arguably far greater extent and rate than occurred in previous times (Currie and Newson, 1998, p.4). Academic entrepreneurialism is one force encouraging this trend.

The likely result of this trend is that universities will continue to be perceived as becoming more like other

organisations, and more likely to be subject to the same rules, regulations and perceptions as other organisations (James, 1998, p.69). Slaughter and Leslie's (1997, p.222) analysis of the impacts of entrepreneurial research programs arrived at a similar conclusion. The technology transfer strategies investigated served to increasingly integrate academic, commercial and bureaucratic cultures, decreasing the distance between universities and business and industry, and between universities and government.

From a cross-national perspective, Miller (in Smyth, 1995, p.56) concludes that although academics retain substantial powers over the processes of teaching and research, the 'raw materials (students or problems to be investigated) are increasingly determined by the combined influences of the state, institutional managers and the market'.

## Concluding observations

It has been argued that the combined forces of globalisation and financial stringency, stemming in part from neo-liberal political ideology, have prompted university executives in Australia to embrace entrepreneurialism. This has been reflected in an increased emphasis upon the commercial opportunities from applied research and the thrust to expand markets for international fee-paying students.

Unfortunately, there are few studies that have attempted to identify the indirect and intangible costs of these institutional shifts. Yet, the changes are fundamental and threaten to transform Australian universities. Spirited public debate is overdue.

One fundamental change is in the **change to university missions and cultures** in Australia. It is argued that we are witnessing the gradual absorption of universities into the corporate sector (Newson and Buchbinder, 1988, p.90). This becomes self-legitimising with the adoption of the language and rhetoric of marketing (McInnes, in Schuler, 1995, p.39). Mission statements are being amended to reflect higher priorities on internationalisation, workplace learning and commercially applied research. Often remaining implicit in mission statements, but nonetheless powerful, is the significant emphasis upon revenue raising from various markets, the profit making orientation. Fairweather (1988, p.75) questioned whether the "fabric" of an academic institution is threatened if fundamental questions of university mission are altered in the pursuit of funding.

A second fundamental change is the **uneven impact of entrepreneurialism** upon different parts of universities. Just as globalisation has been found to widen the gap between rich and poor nations (Martin and Schumann, 1997), entrepreneurialism has been of enormous benefit to the more market-oriented faculties, while placing more traditional faculties at a significant disadvantage. The latter faculties are often forced to struggle with less

resources, sub-standard building and equipment, and are expected to carry a disproportionate share of staff redundancies. Downsizing, amalgamation or abolition are ever-present threats for such faculties or departments, while "cash cow" faculties enjoy superior conditions, relatively unscathed by general financial pressures. If allowed to continue, such disparities could lead to the disappearance of some academic disciplines and associated vocations, while universities could lose their ability and legitimacy to provide objective and independent critiques of issues vital to the future of society. At a micro level, some universities could have a narrower and unbalanced range of academic disciplines and departments, raising the question of whether they should any longer be regarded as a "university" as distinct from a vocational training college.

This is not to deny the many benefits which arise from the funds flowing from university entrepreneurialism. Nor is it to deny that corporate practices can potentially make universities more efficient and effective. However, such practices must be transferred with caution, and embraced only with appropriate adaptation. If there is a major flaw in our adaptation of business entrepreneurialism, it is in the time-lag occurring in the transfer of these practices from the corporate sector. Often such practices are being discarded by businesses at the very time that universities embrace them. Improved institutional adaptation to entrepreneurialism could be encouraged by a substantial reduction in such take-up periods.

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# The role of the state in the provision of higher education in the United States

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## Introduction

Over the past decade a considerable amount of research has been devoted to the concept of a new "market" for higher education and the increasing demand for postsecondary institutions in various sectors to re-position themselves for a new competitive environment (Zemsky and Massy, 1990; Slaughter, 1990, 1993; Dill and Sporn, 1995; Slaughter and Leslie, 1997; Marginson, 1997; Gumpert and Pusser, 1997; Marchese et al, 1998; Cunningham et al, 1998; Winston, 1999). Much of this research has focused on responses by public nonprofit universities to the perception of revenue constraints generated by declining block grant contributions and competition from other state social welfare functions. Research on public and private nonprofit institutions has addressed rising costs, new demands from internal and external constituencies, restructuring, emerging forms of partnership, and the increasing "commercialisation" of higher education (Powell, 1998; Noble, 1998; Aronowitz, 2000).

More recently attention has turned to the competition from for-profit providers of higher education products and services in general (Marchese et al, 1998; Ortmann, 2000) and to the rise of for-profit degree-granting postsecondary institutions in particular (Breneman, Pusser and Turner, 2000). This latter phenomenon has also ignited an examination of what might generally be termed a "new entrepreneurialism" in higher education management, focused largely on the efforts of institutions to find new sources of capital and revenue (Clark, 1998; Goldstein, 1999).

Despite this growing body of literature, little attention has been paid to the meaning of entrepreneurial revenue seeking for the mission and institutional form of higher education institutions. While the alarm has been sounded over the effect of entrepreneurial institutional behaviour on academic disciplines (Slaughter and Leslie, 1997) and professional labour (Rhoades, 1998), shifts in revenue generation have fundamental consequences for an aspect of the modern university that is rarely discussed, its incorporation as either a nonprofit or for-profit institution (Weisbrod, 1998).

This research turns attention to the changing status of postsecondary institutions, particularly research universities, and the emergence of a hybrid form of institution that

is essentially neither nonprofit nor for-profit. This hybrid institution, while preserving nonprofit status for tax and donative purposes, exhibits many of the behaviours and income generating strategies associated with for-profit institutions. As one prominent example of this trend, a number of nonprofit higher education institutions, including New York University (NYU), Cornell and the University of Maryland's University College, have begun the process of creating for-profit subsidiaries for the purpose of generating capital to increase competitiveness (Goldstein, 1999a).

This paper presents three related strands of research. First, it looks at the historical incorporation of degree-granting higher education institutions as nonprofit institutions, and the role of the State in the creation and direct provision of nonprofit higher education in the United States. Second, it examines existing research on nonprofit and for-profit organisations (Hansmann, 1999; Weisbrod, 1998) in order to contribute to a theoretical framework for understanding the benefits and challenges of nonprofit and for-profit organisational forms in higher education. Finally, it presents initial findings on the growth of "commercial" or "for-profit" behaviour in research universities, and the implications of that growth. What emerges for higher education in the United States is a new paradigm, marked by shifts in ideology, discourse and regulation that have moved the system away from a commitment to State provision and subsidy of nonprofit higher education, to a model of reduced State provision and subsidy for nonprofit higher education and increasing State subsidy of for-profit higher education. As a result, nonprofit institutions are increasingly engaging in "non-preferred" behaviours (Weisbrod, 1998) and find fewer incentives to provide the social and collective benefits traditionally sought through direct State provision.

## Methods

Data collection for this research was based on two strands of inquiry. First, national level and institutional data were gathered to assess the change over time in various sources of institutional revenue in higher education, and the growth of auxiliary enterprises and other "commercial" activities by public and private nonprofit research universities. Data were also collected on the change over time in

the number of degree-granting for-profit institutions, and the number of degrees awarded by those institutions. This nascent statistical portrait of one aspect of the "commercialisation" of degree-granting higher education was supplemented by twenty semi-structured interviews with institutional leaders in nonprofit and for-profit degree-granting institutions throughout the United States, education industry analysts, and institutional managers involved in creating for-profit subsidiaries of existing nonprofit institutions.

## The role of the State

For over two hundred years there have been State funded<sup>1</sup> or State regulated degree-granting higher education institutions in the United States, as well as State owned institutions. While the State in American higher education has served as provider, subsidiser, and regulator, it is the provider role that has been most important. At present over 75 per cent of students in American postsecondary education are enrolled in State owned (public) colleges and universities (Goldin and Katz, 1998). Nor is the current dominance of State provision historically anomalous, or accidental. Tracing an historical line that includes such watershed events in American higher education as the Morrill Act of 1862, the rapid expansion in the number and capacity of community colleges during the 20<sup>th</sup> century, the growth in postsecondary enrolments as a result of the GI Bill<sup>2</sup>, the Cold War elaboration of nonprofit research universities and the increasing provision of financial aid, all point to the central influence of State efforts in the higher education arena (Veysey, 1965; Geiger, 1986; Hansmann, 1999).

## The State and higher education in the United States

Wirt and Kirst noted a quarter century ago that scholars of the State and scholars of American education have been "temporarily separated brethren" (1972, p. 1). Two decades later Rhoades suggested that little had changed and that the State in education research remained "distinct from, and in contraposition to, the academy" (1992, p. 85). Research on American higher education has been fundamentally based in pluralist and structuralist paradigms that see the university as distinct and relatively autonomous from the State (Rhoades, 1992).

Perhaps the foremost exception in the United States to the general treatment of the State in higher education research is the work of Sheila Slaughter, individually (1988; 1990; 1993) and in collaboration (Rhoades and Slaughter, 1997; Slaughter and Leslie, 1998).

Slaughter has conceptualised the expansion of higher education in the United States as the result of, and the catalyst for, the expansion of the American State in the aftermath of WW II. The growth of State sector employment increased demand for the professional training and

credentialing provided in American colleges and universities. In turn, the disproportionate allocation of State funds for higher education to professional and technical training contributed to reinforcing historical inequities in the labour market (Slaughter, 1988).

Despite the prominent historical and contemporary role of the State in the social welfare system of the United States generally and in higher education specifically, a significant body of research has recently raised the question of whether the State should be a direct provider of higher education at all (Hansmann, 1999; Weisbrod, 1998; Twigg, 1998). This literature is complemented by a strand of research that raises similar questions about the role of the State in the regulation and finance of private nonprofit institutions, the institutional form that ranks second in degree provision in the United States (Weisbrod, 1998; Winston, 1999).

Emerging research on the role of the State in higher education is nested in a shifting ideological contest over the appropriate role and institutional form of higher education itself (Aronowitz, 2000). Over the past two decades researchers have suggested that the existing higher education system in the United States is too costly, inefficient, unresponsive, and the captive of academic special interests (Zemsky and Massy, 1990; Cole, 1994; Massy, 1996; Kors and Silvergate, 1998). In many respects the emerging discourse in higher education research reflects the critiques levelled at the elementary-secondary system in research by Chubb and Moe (1990), Peterson (1995), Hanushek (1986) and others.

More recently, a number of researchers have suggested that political, economic, and technological shifts in the United States lead inexorably to a new competitive "market" for higher education that will challenge the seemingly entrenched dominance of State owned and subsidised nonprofit universities (Raphael and Tobias, 1997; Marchese et al, 1998; Block, 1999; Ortmann, 2000).

Perhaps the most widely publicised new dynamic within the emerging "market" paradigm is the attention paid to the growth of for-profit providers of higher education, particularly such publicly traded institutions as the University of Phoenix. Reports on the growth and change in the emerging for-profit, degree-granting arena often mingle data on the broader "education industry" in the United States with data on for-profit providers of degrees. While the overall education "market" has been estimated at nearly 250 billion dollars a year, incorporating some fifteen million students, the for-profit, degree-granting providers account for a substantially smaller portion of the total (Gay, 1998). The three most often cited degree-granting universities, the University of Phoenix, DeVry Inc., and Strayer Education Inc., together account for about 125,000 students and nearly one and a half billion dollars in revenue. For perspective, the three largest for-profits have fewer students and about one sixth of the

revenue of the nine campuses of the University of California system.

The ubiquity of media accounts of for-profit entrance into the "education space," along with the variety of forms of delivery and content, have led to a confusion about just what we are witnessing, and how much it matters. Gordon Winston perhaps best summed up current research on this issue in the title of his piece, "For-profit higher education: Godzilla or Chicken Little?" (Winston, 1999).

At the heart of this challenge are two questions that are rarely addressed in higher education research in the United States: 1) what is the appropriate role of the State in the production of higher education? and; 2) why have our largest and most prestigious higher education institutions traditionally been organised as nonprofit institutions?

The failure to address the State is in part due to the decentralised nature of the American system, with essentially fifty systems of public higher education bound up in a broader State contest over the allocation of higher education's costs and benefits (Pusser, 1999; Pusser and Ordorika, in press). The dearth of literature on the role of the State is compounded by a general lack of attention to the political nature of higher education policy-making, and to the issue of higher education as a public good (Rhoades, 1993; Labaree, 1997).

What we lack in attention to the State in United States higher education research, we make up through our focus on the market, and market influences on our higher education institutions (Strosnider, 1998; Winston, 1999a). While there is considerable literature on the economic and organisational dynamics of market approaches to higher education (Breneman, Pusser and Turner, 1999; Hansmann, 1999; Winston, 1999a; Clark, 1998; Marginson, 1997; Hoxby, 1997; Slaughter and Leslie, 1997), to date little has been written about the State and education markets in the United States, or the political and regulatory shifts that have shaped the present terrain. A useful beginning for conceptualising the role of the State in contemporary US higher education is to evaluate the rise of for-profit providers in higher education.

## The new for-profit providers of higher education

The recent growth in the provision of higher education for profit in the United States has been widely documented in media accounts as the coming of an era that will significantly reshape higher education institutions (Mangan, 1999; Strosnider, 1998; Garber, 1996). With a few exceptions (Winston, 1999; Breneman, Pusser and Turner, 2000; Ortmann, 2000) emerging literature has been produced by proponents of for-profit provision of higher education (Garber, 1996; Sperling, 1997; Stallings, 1997; Marchese, 1998), or stock analysts working to encourage investment in the higher education industry (Soffen, 1998; Gay, 1999; Block, 1999). Scholarship on the global level has been

somewhat more thorough, ranging from descriptive approaches to the for-profit sector (Tooley, 1999) to theoretical analyses, such as the work of Cunningham (1998) on global media and new forms of provision. Yet a signal gap in understanding remains unbridged, one that has more to do with ideology and theoretical standpoints than with any dearth of information on what is actually happening in the higher education sector in the United States and elsewhere.

In this paper I suggest that the growth of for-profit education in the United States over the past ten years can be better understood as a product of longer term political shifts in the higher education policy arena, and in the higher education institutions themselves. More specifically, I suggest that the growth of the "market," the rise of for-profits and the growing convergence between nonprofit and for-profit forms derive from an essential shift in the political economy of American higher education. This shift is characterised by a decline in support for the direct public provision of higher education, and a shift in the provision of State subsidies for higher education. The shift in subsidies has had the effect of encouraging individual human capital development, privileging higher socio-economic status (SES) students, and enabling students to use increasingly larger public subsidies at for-profit institutions.

## The State and the provision of higher education in the United States

To better understand the dynamics of this shift and the distinction between nonprofit and for-profit forms requires turning attention to the tension between the historical role of the State as a direct provider of higher education in the United States and the emerging market discourse applied to public institutions.

This pursuit benefits from the application of State theoretical perspectives to theories of the structure and process of nonprofit enterprise (Hansmann, 1980, 1999; James and Rose-Ackerman, 1986; Oster, 1997; Weisbrod, 1998; Pusser and Ordorika, in press). These works present economic analyses of the comparative advantages and limitations of nonprofit enterprises, including higher education institutions.

## Public subsidy and public supply

In a pioneering and thoughtful treatment of the State and the market for European higher education, Hansmann (1999) posits two key distinctions for thinking about shifting institutional forms in higher education. He points to the difference between what he calls "public subsidy versus public supply," and the distinction between "supply-side" subsidies and "demand-side" subsidies (1999, p. 4). Hansmann uses the term public subsidy to encompass the use of public funds to pay for a good or service produced at an institution that may be public or private,

for-profit or nonprofit. Public subsidies can be either directed to the institutional provider (supply-side subsidies), or to the consumer in the form of grants, loans, tax credits and so forth (demand side subsidies), that may be used at any number of institutions and institutional types.

“Public supply” of higher education refers to public ownership of the institution directly providing the educational good or service. In the case of higher education in the United States, the direct State provision of higher education is sited in public, nonprofit institutions. Hansmann (1999) suggests that there are different rationales for public subsidy and public supply, and that in the contemporary environment there may be less call for public supply.

Hansmann’s primary argument for public supply addresses efficiently utilising public subsidies, and expanding capacity. The efficiency rationale suggests that in a public institution the State is both the provider and the distributor of public subsidies, and hence can exert more complete control over the effective use of the subsidy. The capacity rationale is that private nonprofit institutions generally lack incentives to expand capacity, while State owned institutions can be built or expanded more directly. Under public supply the State provides support directly to institutions that are State owned, to encourage particular outcomes, expansion of capacity, and the creation of specific programs or competencies. The nonprofit organisational form of State institutions has assured, under the non-distribution constraint, that State funds will go directly to producing the good or service required. Direct State grants to for-profit institutions has not yet begun in the United States, under the assumption that the benefits the State seeks through direct contribution to those institutions would be reduced by the amount of profit taken by the for-profit provider (Weisbrod, 1998).

The State’s historical reluctance to provide direct grants to for-profit institutions is currently under political challenge in the United States and abroad (Burd, 1998a; Hebel, 1999; Tooley, 1999, IFC, 1999). For-profit providers are actively seeking direct state contributions to their institutions, as well as increased grant and loan aid for their students, in order to “level the playing field” in the postsecondary market. State grants (as opposed to loans) to students in U.S. for-profit institutions are now approaching 250 million dollars annually (Selingo, 1999).

The making of direct financial grants to for-profit institutions outside of the United States has already begun. Tooley (1998) has noted the efforts of a World Bank subsidiary, the International Finance Corporation (IFC) in providing direct financial contributions to for-profit providers as part of a program to expand the supply of higher education opportunities in third world nations (IFC, 1999).

## Demand-side subsidies

Theorists of the nonprofit provision of public goods have noted that public subsidies to students for the purchase of higher education may serve to overcome market imperfections that prevent individuals from financing education without such subsidies (Weisbrod, 1998; James, 1998). It has also been argued that in the absence of public subsidies there exists the possibility that students will under-consume highly specialised forms of higher education, particularly those with uncertain returns.

Hansmann also questions whether higher education should be publicly provided or subsidised on the basis of “public goods” arguments. His contention, emblematic in many respects of the progression of neo-classical economic discourse in higher education, is that any public benefits are minimal in proportion to the private benefits generated by higher education (c.f., Friedman, 1962; Friedman and Friedman, 1980; Bound and Turner, 1999; Hansmann, 1999). A number of other social scientists and public policy leaders, most notably President Clinton, have taken exception to this stance, arguing that there are significant public goods generated by State investment in higher education (Winston, 1999; Marginson, 1997; Labaree, 1997; Levin, 1991).

Under State subsidy students may choose to use state and federal grant and loan funds at State institutions, private nonprofits, or for-profits. In the United States this “portability” of subsidies is a relatively new phenomenon, dating back to the Higher Education Amendments of 1972. It is worth noting that the evolution of State support for higher education, the contemporary market ideology, and the rise of for-profit degree-granting providers in U.S. higher education can all be traced to key political struggles.

## Evolving institutional forms in higher education in the United States

Predictions similar to those being promulgated today about the re-invention of the provision of higher education also proliferated at the beginning of the twentieth century (Veysey, 1965; Starr, 1982). At that time there were State controlled institutions of higher education throughout the country (Goldin and Katz, 1998), and a number had recently been added in response to the Morrill Act.<sup>3</sup>

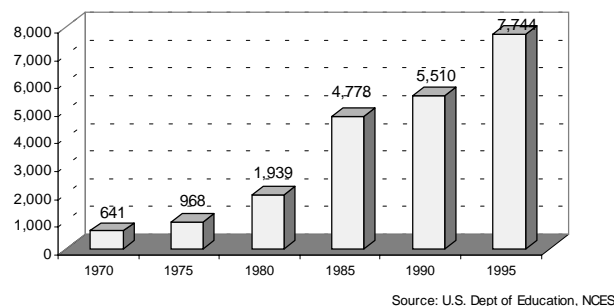
At the dawn of the twentieth century for-profit (proprietary) institutions held a significant share of the market for training in law, and medicine, and were significant competitors with the State for the provision of business training and various other forms of vocational education. Then as now, the for-profits were also linked closely to new technologies, in that case the typewriter and other business machines (Goldin and Katz, 1998). The ascendancy of for-profits in that earlier period was short-lived. The release of the Flexner report in 1910 revealed significant impropriety in the provision of for-profit medical educa-

tion and led to a re-evaluation of the regulation of for-profit education of all types (Starr, 1982).

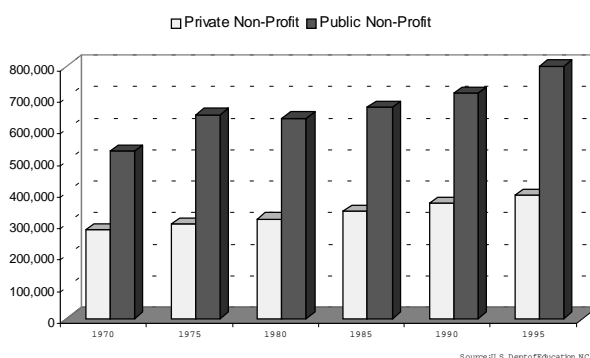
From the early part of the twentieth century forward, the nonprofit form of degree-granting higher education institution in America has been dominant (Veysey, 1965; Goldin and Katz, 1998). While degree-granting for-profits have persisted throughout the twentieth century, as measured by enrolments, institutional size, endowments and prestige, nonprofit institutions have been the leaders. From about 25 per cent at the turn of the twentieth century, the percentage of students enrolled in nonprofit post-secondary institutions had grown to 78 per cent by 1996 (Goldin and Katz, 1998). The dominance of the nonprofit form in contemporary institutions as measured by prestige, size of institutions, enrolments and degrees granted, continues the historical pattern (see figures 1-6).

A number of factors have been advanced to explain the dominance of nonprofits in the twentieth century. Certainly the late nineteenth century founding of the "land grant colleges" under the Morrill Act, with its emphasis on agricultural extension research, teacher training and per-

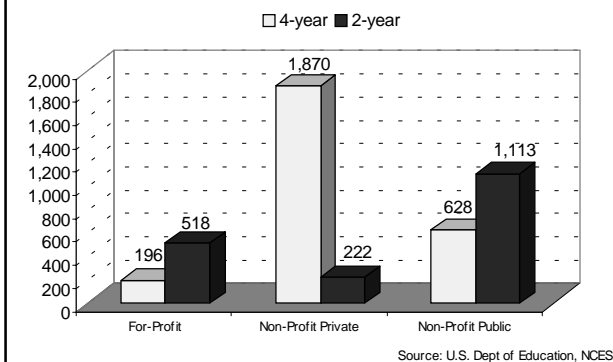
**Figure 3: Trends in BA Degrees Awarded-Proprietary Institutions 1970-95**



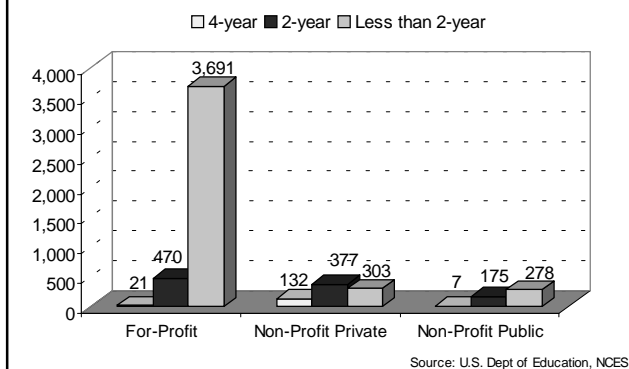
**Figure 4: Trends in BA Degrees Awarded-Non-Profit Institutions 1970-95**



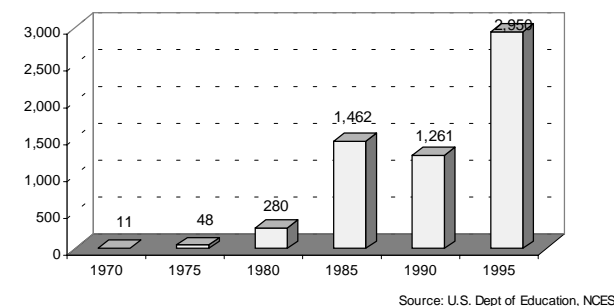
**Figure 1: Number of Postsecondary Institutions by Control, 1996-97 Degree Granting Institutions**



**Figure 2: Number of Postsecondary Institutions by Control, 1996-97 Non-Degree Granting Institutions**

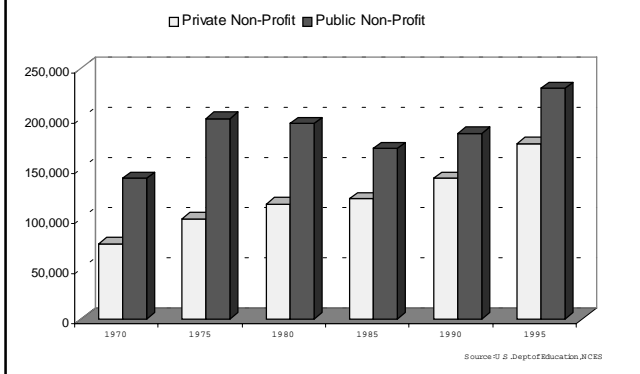


**Figure 5: Trends in MA Degrees Awarded-Proprietary Institutions 1970-95**



sonnel development laid the financial and philosophical foundation for major public nonprofit universities in many states. The end of World War II witnessed significant State directed capacity building through the construction of new State owned campuses and expansion of existing facilities in response to the G.I. Bill. This effort was particularly evident in the rapid expansion of the community colleges. The number of nonprofit U.S. community colleges doubled from 1920 to 1950 and doubled again

**Figure 6: Trends in MA Degrees Awarded-  
Non-Profit Institutions 1970-95**



from 1950 to 1980. From a total of 8 community colleges at the turn of the twentieth century, by 1998 there were nearly 1600 community colleges (Cohen and Brawer, 1996). The funding for this expansion, the legal authority, the co-ordination and control, all required significant State effort.

### Supply-side subsidies

The growth and dominance of nonprofit provision in the U.S. has also been encouraged by supply-side subsidies. These have taken on two primary forms, direct State grants to nonprofit higher education institutions and loan guarantees provided for institutionally directed loan programs. State grants have traditionally been awarded to both State owned and private nonprofits. The loan guarantee programs date to the creation of the federal Guaranteed Student Loan (GSL) program in 1965. From modest beginnings the GSL has grown to provide something on the order of thirty billion dollars annually in student credit (Breneman, 1992; College Board, 1999). A key feature of the adoption of the GSL program was that loan funds were made available directly to institutions for their students, and proprietary schools were excluded from the program.

### Demand side subsidies

The first mass introduction of demand side higher education subsidies in the United States accompanied the implementation of the GI Bill. The GI bill was notable for its scale, with over 2 million veterans taking advantage of the program upon returning home<sup>4</sup> and because grants for tuition and living expenses were awarded directly to individuals, not to institutions (Bound and Turner, 1999). Program beneficiaries were required to attend accredited institutions, and proprietary institutions became major beneficiaries of the GI bill funding. This was to some degree an unintended outcome. When educational benefits were provided to Korean War veterans, funding was restricted so that many proprietary programs were not included (Bound and Turner, 1999).

In 1972 perhaps the single most important financial instrument ever introduced into the United States was created: the Basic Educational Opportunity Grants (BEOGs, now known as Pell grants). BEOGs, need-based grants for undergraduate students, were a key aspect of the Higher Education Amendments (HEA) of 1972. A fundamental point of contention at the time was whether the BEOG grants would be a demand side subsidy. University advocates opposed direct grants to students, advocating instead for increased direct federal payments to institutions. The contest was won by the demand side advocates, with BEOGs adopted as a vehicle for directing funds to students for use at the institutions of their choosing. Proprietary institutions were included in the grant program, and thereafter included in all federal student aid programs (Breneman, 1992).

The importance of BEOG/Pell grants to proprietary schools, and the importance of State regulation of those funds, is evidenced by the change over time in the proportional share of Pell grants going to students in proprietary (for-profit) schools. In academic year 1973/74, 7 per cent of all Pell funds went to students in proprietary institutions. By 1987/88 over 26 per cent of all Pell grant funds went to students in proprietary institutions. Subsequent changes in federal policy have reduced the percentage over time, until in 1993/94 it was barely over 15 per cent (Breneman, Pusser and Turner, 2000).

The re-authorization of the Higher Education Act (HEA) in 1998 generated significant political contest over the status of proprietary schools. With the help of a concerted lobbying effort and significant campaign contributions to members of Congress, for-profits again made major gains (Burd, 1998). A number of constraints that had been placed on for-profits after loan default scandals in the 1980s were removed and proprietaries achieved unprecedented status under Title IV, the act governing federal grant and loan programs. From World War II through the re-authorization of HEA, the State commitment to demand side subsidies and the degree to which those subsidies have been made available to students in for-profit schools have been fundamentally political, rather than institutional decisions.

### The State and for-profit provision

Whether State support for higher education takes the form of direct provision or demand side subsidies (and at the present it takes both), it is worthwhile to consider what the advantages and disadvantages of extending those subsidies to for-profit entities will be.

The fundamental contemporary argument for making State subsidies—either direct financial support or grant and loan funds—available to for-profit institutions or their students is the perceived productivity and efficiency gains yielded by greater competition among institutional forms (Hansmann, 1999). It is also suggested that subsidising for-

profits is a useful avenue for the expansion of higher education capacity (Tooley, 1998; IFC, 1999). These arguments suggest direct State provision has led to an under-supply of higher education, and that "seeding" for profits will help remedy this situation. Ironically, this may be a politically effective, yet highly inefficient solution. Hansmann (1999), Kerr (1994) and others have argued that the State has exceptional advantages in rapidly expanding the supply of higher education. This would certainly appear to be borne out by the historical record in the United States.

## **The disadvantages of subsidies to for-profits**

Since the turn of the twentieth century policy makers have struggled with the issue of subsidising for-profit institutions that provide services such as education and health care. As noted, the Flexner report (1910) gave an indication of the level of fraud and incompetence in for-profit provision of medical education. Fifty years later the enormous default rate on loans to students in proprietary schools led to congressional hearings and increased regulation of for-profit education. The information asymmetries inherent in the production and consumption of health care and education have at various historical moments left consumers vulnerable to opportunism by profit seekers (Breneman, Pusser and Turner, 2000). Another key consideration is that no amount of subsidy can compel a for-profit or a private nonprofit to produce a specific educational good or outcome. That is, if there are goods that have public benefits, but that individuals may not readily invest in, then for-profit institutions, and to a lesser degree private nonprofits, are unlikely to offer those goods. State goals for the production of such public goods as a diverse and integrated educated populace can only be assured through direct State provision of those public goods.

State efforts to achieve integration and redress discrimination in the distribution of higher education, for example, have been directed on two dimensions: through policies such as affirmative action, directly affecting State institutions; and through laws and regulations affecting for-profits and private nonprofits that receive State funds or contracts. Neither private nonprofits nor for-profits are obligated to accept State subsidies. It has been noted in the literature on publicly traded for-profit higher education institutions that they are moving increasingly to providing student loans themselves, a move that would further insulate them from public regulation (Soffen, 1998).

## **Higher education as a private good**

The role of direct State provision has also been challenged on a number of other dimensions since the passage of the Higher Education Amendments. Contemporary shifts in the student aid system have created considerable political

and institutional conflict. Financial aid policies have shifted over the past decade from historically low rates of tuition to "high fee, high aid" models (Griswold and Marine, 1996) accompanied by a fairly sudden and dramatic shift in the balance of aid from grants to loans (College Board, 1999). Most recently, the use of tax credits to lower the cost of middle and upper-middle class student access has offered additional benefits to wealthier students and their parents (Hebel, 2000).

Taken together these shifts in the political economy of higher education in the U.S. over the past decade point to the increasing conceptualisation of higher education as a "private good." Shifts in resource allocation, such as the relative decline in state contributions to public institutions have been well documented (Slaughter and Leslie, 1997; Gumport and Pusser, 1995, 1999). There has also been a marked shift in the burden of paying for university attendance from the collective to the individual (McPherson and Schapiro, 1998). Public institutions have also begun to charge differential tuition for various courses of study. In the University of California system, for example, fees<sup>5</sup> for an MBA are about twice the cost of fees for an MA in Education. The institutional argument for these higher tuition rates has been that the higher returns to individual students from their degrees justify higher tuition (Gumport and Pusser, 1999).

## **The convergence of nonprofit and for-profit institutional forms**

Over the past decade a number of researchers have noted a variety of shifts in the traditional management practices of nonprofit higher education institutions in the United States (Readings, 1996; Slaughter and Leslie, 1997; Gumport and Pusser, 1997; Levin, 1999; Aronowitz, 2000). These shifts, whether attributed to demands for institutional restructuring, university mission drift, the rise of the research imperative or globalisation, fundamentally describe emerging university initiatives designed to address the institution's efforts to maintain or increase levels of revenue in light of a changing political economy for higher education (Pusser, 1999). At the same time, a complementary literature on the growth of degree-granting for-profit institutions has emerged, one that suggests nonprofit institutions must be competitive with emerging market forces, rent-seeking, and entrepreneurial in order to succeed in the new millennium (Marchese, 1998; Clark, 1998; Goldstein, 1999).

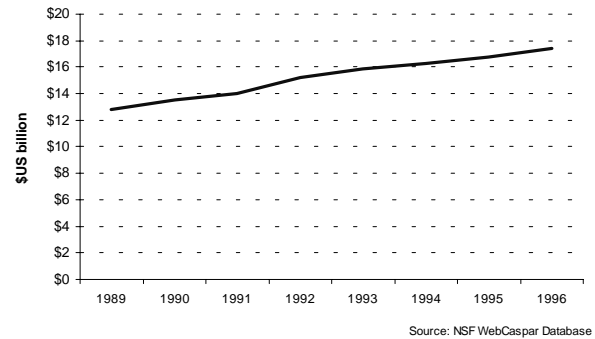
Two fundamental points must be made about these claims. First, there is nothing inexorable about the shifts that are taking place; they are the result of specific institutional strategic choices (Gumport and Pusser, 1999; Slaughter and Leslie, 1997). Second, for the most part they are elements of a continuum of revenue seeking strategies that has been developing for over three decades, and arguably since the end of World War II (Lowen, 1998).

On the first point, higher education institutions, particularly research universities, have justified seeking new and entrepreneurial revenue streams on the basis of declining direct state funding support (Atkinson, 1997). As Figure 7 shows, for the contemporary period (1988-1996) most often cited as a time of "crisis" in state funding for higher education (Gumport and Pusser, 1999), total state appropriations to higher education actually increased, albeit slightly, for the fifty states taken together, and for the ten largest states taken together. However, as Figure 8 shows, over the same period of time state appropriations to research universities declined slightly.

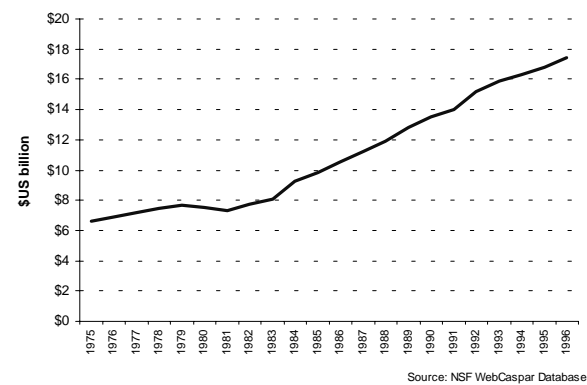
Other sources of revenue shifted in quite different ways. Total revenue from tuition and fees at research universities for the same period increased nearly 50 per cent in constant dollars (see Figure 9). Tuition and fee revenue for research universities has nearly tripled in constant dollars since 1975 (see Figure 10).

This latter increase in the price of higher education has been accompanied by a significant increase in annual student indebtedness (see Figure 11) having more than

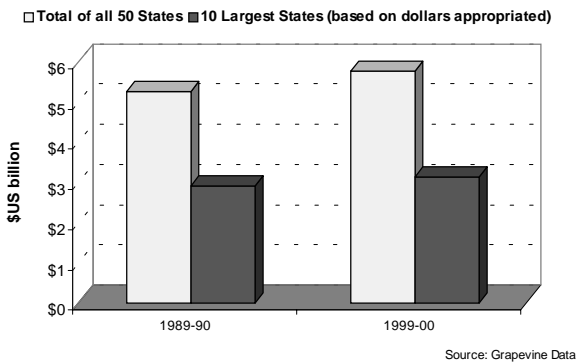
**Figure 9: Total Annual Revenues from Tuition and Fees- All Research Universities 1989-96 (in constant 1996 dollars)**



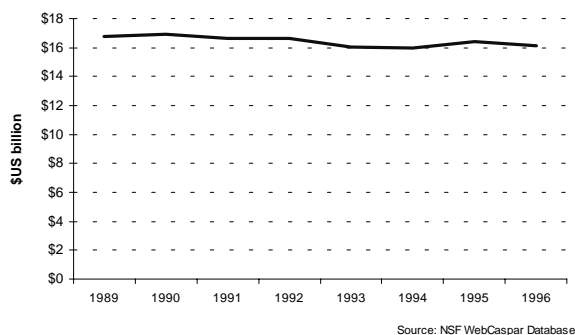
**Figure 10: Total Annual Revenues from Tuition and Fees- All Research Universities 1975-96 (in constant 1996 dollars)**



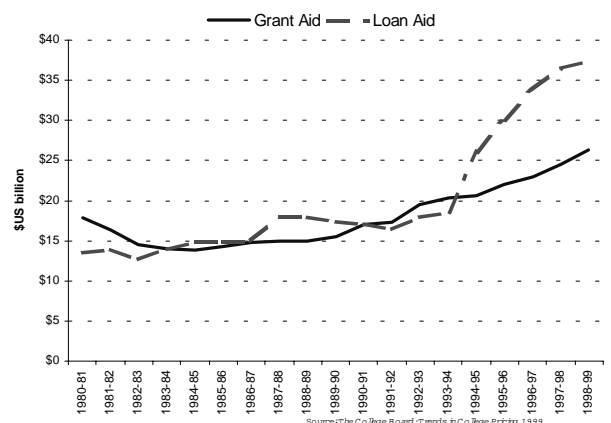
**Figure 7: Total Appropriations of State Funds for Higher Education (in constant 1999 dollars)**



**Figure 8: Total Annual Revenues from State Appropriations- All Research Universities 1989-96 (in constant 1996 dollars)**



**Figure 11: Total Loan Funds for all Post-Secondary Students 1980-81 to 1998-99 (in constant 1999 dollars)**





doubled between 1989 and 1999. It is also worth noting that the capitalised annual return on endowments for the 513 institutions with the largest endowments in the United States was over 300 per cent for the period 1989-1999 (CHE, 2000).

Despite these increases in traditional sources of revenue, research universities have continued to pursue revenue through other sources, most prominently from external research funds, and through such commercial activities as patent licensing, auxiliary enterprises<sup>6</sup> and continuing education programs. The rapid growth in post World War II federally funded research has been well documented (Geiger, 1993; Slaughter and Leslie, 1997; Lowen, 1997) and reached just over fifteen billion dollars in 1997 (Press and Washburn, 2000). Considerably less attention has been turned to the significance of commercial revenue generating activities. These rapidly growing forms of revenue generation by nonprofit higher education institutions point to the emergence of a hybrid form of institution, one that entails a great deal of "for-profit-like" revenue seeking behaviour. Interview data collected at institutions with significant "commercial" revenue generating practices indicate that there are a number of challenges to traditional nonprofit institutional behaviour inherent in these activities.

**Convergence: the hybrid form**

Through the lens of one of the dominant models for thinking about nonprofit behaviour, the problematic aspects of the increasingly hybrid form of nonprofit higher education institutions come into focus. Weisbrod (1998), following on James and Rose-Ackerman (1986), suggests that nonprofit institutions provide varying amounts of three distinct types of goods. He labels these as preferred collective goods, preferred private goods and non-preferred goods. It follows that the State interest in the direct provision of higher education is in the optimal production of the preferred goods of higher education, and to the extent that the pursuit of non-preferred goods detracts from the production of preferred goods, non-preferred activities are not in the State interest.

In Weisbrod's terms, preferred goods are those outputs most closely related to the nonprofit's particular mission. For institutions in most segments of the nonprofit postsecondary arena, that would refer, in the broadest sense, to some mix of teaching and service. At those institutions that conduct significant amounts of research, the research function would constitute a third arena of preferred goods.

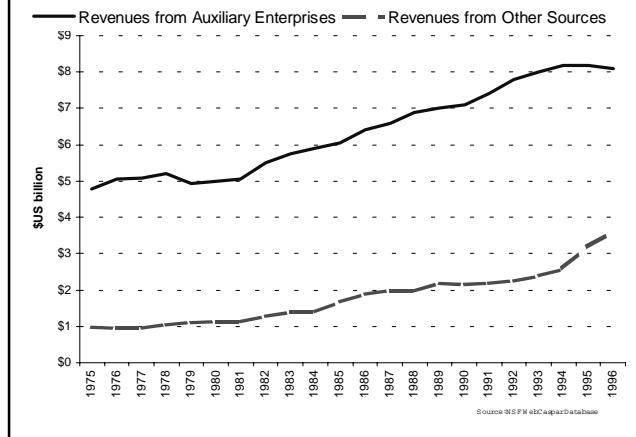
In the case of nonprofit higher education institutions, preferred collective goods (those preferred goods that generate essentially collective benefits) would include, for example, basic research and community service. Preferred private goods (those preferred goods that generate essentially private benefits) would include access for individuals to higher education institutions and elite credentials,

and direct financial subsidies (although each of these also can be construed as having collective benefits as well).

Non-preferred goods are those goods produced by the nonprofit institutions primarily for the purpose of revenue generation, as for example, the rights to advertising on campus. Non-preferred behaviours, such as raising tuition, are those behaviours or activities that constrain the production of a preferred good, such as broad student access. A number of non-preferred behaviours, the auxiliary enterprises for example, have been growing quite rapidly over the past two decades<sup>7</sup>.

While auxiliary enterprises may contribute indirectly to the core activities of institutional mission, core activities are often conducted quite adequately by institutions that do not provide housing, do not participate to any substantial degree in athletics, do not provide food service and the like. The growth of auxiliary enterprises, patent licensing (Powell, 1998; Slaughter and Rhoades, 1997) and other forms of commercialisation is an area at once condoned by, and problematic for, the broader State.

**Figure 12: Total Annual Revenues from Auxiliary Enterprises- All Research Universities 1975-96 (in constant 1996 dollars)**



**The State and commercialisation**

A number of researchers in higher education have raised the possibility of negative consequences from the recent growth in auxiliary and other commercial enterprises (Oster, 1997; Slaughter and Leslie, 1997). Three of those consequences are of primary interest here. First, research on nonprofit behaviour in other sectors such as hospitals and museums suggests that commercial enterprises draw organisational attention away from core mission activities and require a "commercialisation" of the managerial cohort in nonprofit institutions. Increasing managerial attention and expertise devoted to commercial pursuits reduces attention and expertise directed to the nonprofits'

core mission functions (Powell and DiMaggio, 1991; Oster, 1997; Weisbrod, 1998).

Second, commercial activities other than the auxiliary enterprises, particularly continuing education programs, industry-university partnerships and commercial research activities may create significant revenue and asset differentials between disciplines within higher education institutions. The implication in much of the planning and management literature is that successful auxiliary enterprise and commercial activities may "cross-subsidise" areas of the institution that have less potential for revenue generation (Blustain et al, 1999; Goldstein, 1999). To date there is little if any empirical substantiation of such cross-subsidisation.

The third primary consequence of increasing revenue from auxiliary and commercial enterprises is that this behaviour may lead to shifts in other sources of income, such as private donations and legislative block grants. While Weisbrod (1998) and Winston (1999) suggest this may lead to decreases in block grants and donative income, some institutional leaders suggest that success in auxiliary enterprises and commercial activity may lead to increased legislative and donor support (Atkinson, 1997).

## Implications

The rise of for-profit providers in the United States, particularly degree-granting institutions, is usually reported as a challenge to nonprofit institutional hegemony. That may or may not be the case, but even if that claim is accurate, the discourse of a threat to nonprofit dominance masks a broader and more important question about the traditional State interest in higher education, and the role of higher education as a public good. The presentation of for-profits as a threat to nonprofits also obscures the issue on a number of other levels. For-profits are characterised as independent, entrepreneurial and supported by venture capitalists and public stock offerings. As this research indicates, the for-profit degree-granting institutions rely on significant State subsidies for their success. In addition to grant and loan funds made available to students in for-profits, many students in for-profit institutions have some portion of their tuition paid by their employers. Those employers in turn receive significant tax deductions for those payments. Clearly then the for-profits are not independent of the State; they are beneficiaries of State action and resources. The rise in State subsidies to for-profit degree-granting institutions, and other forms of for-profit provision, point to the shifting nature of State commitment to nonprofit higher education as a public good, and of a nascent political retreat from direct State provision.

The growth of non-preferred behaviours by nonprofit higher education institutions points to the need for a better understanding of institutional cross-subsidisation. One justification for engaging in non-preferred behaviours has

been that those behaviours generate surpluses that can be applied to the institutional production of preferred goods. On the basis of interviews conducted for this research, there is reason to question the degree to which this cross-subsidisation is taking place. The generation of surpluses through auxiliary and commercial enterprises and the challenges to cross-subsidisation are a key area for future research.

This research also raises a question rarely addressed in higher education: how do we define preferred behaviour in nonprofit institutions? More specifically, what are the political and economic forces both within and outside of these institutions that determine the types and amounts of preferred and non-preferred goods produced? While there is a fairly active debate on the limits of "mission related behaviours" for tax purposes (a debate that will increasingly be driven by for-profit competitors), the broader question of the State role has been subsumed in a plethora of no less important, but perhaps more narrowly focused conversations about state block grant contributions, capital requirements, shifts in financial aid, access and diversity.

At the heart of all of these inquiries is an issue central to State theory, the role of contest. State theoretical perspectives suggest that there is an essential tension between demands for State support of economic development and demands for State redress of the inequities that have too often resulted from that development (Carnoy and Levin, 1985). It may be that the persistence of State provision of higher education in the United States speaks directly to the latter point. For without State provision it may be that those who have traditionally not been the beneficiaries of economic development and privilege would have nowhere to turn. As some of our most prominent State owned and State subsidised nonprofit higher education institutions face increasing pressure to adopt hybrid forms and for-profit behaviours, researchers face an unprecedented challenge to document what has gone before and to envision what might be lost or preserved for the future.

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## Endnotes

- <sup>1</sup> In this paper the State refers to what Barrow has described as "a social-industrial complex of overlapping public (and even nominally private) associations that formulate policy, exercise regulatory authority, and assist in social control from a variety of institutional centers. It encompasses an array of relatively autonomous institutions that include civil administration; the legal system; professional police, military and intelligence forces; interest groups; parties; professional associations; public corporations and education institutions (Barrow, 1990).
- <sup>2</sup> The GI Bill was introduced as the Servicemen's Readjustment Act of 1944.
- <sup>3</sup> The Morrill Act (1862) provided federal land to states to sell for the purpose of raising funds to establish colleges.
- <sup>4</sup> Those GI bill recipients constituted nearly 70% of male enrollment in postsecondary education in the years immediately following the end of the war (Bound and Turner, 1999).
- <sup>5</sup> Under the California constitution UC is not allowed to charge tuition. Over time fees have risen so that the fee for an MBA at UCLA is in the order of \$12,000 per year.
- <sup>6</sup> Auxiliary Enterprises include campus housing, bookstores, cafeterias and food service, parking, residence halls, and intercollegiate athletics.
- <sup>7</sup> On Figure 12 "Revenues from Other Sources" represents a category of auxiliary enterprise revenue treated separately for accounting purposes. Total annual revenue from all auxiliary enterprises ("Revenues from Auxiliary Enterprises" and "Revenues from Other Sources" on Fig. 12) has nearly doubled in constant dollars for 1975-1996.

# Tuition policy issues in Russian higher education

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## Introduction

The world tendency in higher education is to the privatisation of financing. Increasingly, against the background of the declining availability of public resources for higher education, students and their parents are viewed as being capable of assuming a larger share of costs (Johnstone 1993; 1996). Among the countries that are recent supporters of tuition-charged higher education are those nations undergoing the dramatic transformation from planned economy to market economy. Chinese universities and colleges can now charge tuition fees to all students. The Polish Parliament is preparing new higher education legislation that may legalise tuition. Great Britain has introduced tuition charges for domestic students. There are others following suit.

According to the 1993 Constitution, citizens of the Russian federation are entitled to tuition-free higher education. The Constitution, drawing on the Soviet model, stresses the social values of equality of access, social mobility and meritocracy. However, today developments in Russian higher education are increasingly shaped by financial pressures. The 1993 Constitution specifies that the right to tuition-free higher education is contingent upon two conditions: that higher education is being obtained for the first time, and that admission is gained upon successful performance in competitive entrance examinations. It leaves open the possibility of charging fees to those aspiring for a second higher education diploma, for example for retraining, and also those admitted on the basis of an entrance examination performance which fell short of entrance requirements.

In the last decade the socio-economic fabric of Russian society has been transformed and this has changed fundamentally the conditions in which higher education is provided. There has been an enormous shortage of public money, resulting in 'austerity' in the sense that Johnstone (1996) uses the term, and a weakened current economy. These developments have made the maintenance of full public support of higher education not only undesirable but impossible. The questions of tuition fees, and cost-sharing between multiple benefactors - private and public employers, local governments, and students themselves -

have become part of the policy agenda. As early as 1992, the Law on Education introduced the concept of cost sharing in higher education, complemented by a loan plan, similar to US practice. Since that time, however, the issues of tuition and loan schemes have alternately moved to the front of policy discussions, and retreated back.

The present article examines recent developments with regard to tuition policy in Russia, in the global context. The 'cornerstones' of tuition policy issues in Russian public higher education are discussed. It is argued that the pressures for tuition charge can only be understood in the policy context of the recent changes in Russian higher education. The article examines the evolution of the concept of tuition-charged higher education in Russia: from a quasi-tuition model in the form of contract training, to self-financed students in public institutions and full-fee private education. The article discusses the pros and cons of the student stipend system, inherited from the past in the form of a merit-based and equal opportunity targeted model, and examines the deterioration of the functions of this form of student financial assistance. The article examines patterns of differentiation in tuition costs in higher education. The recent proposal for tuition-grant bearing students, a mechanism for the indirect allocation of public funds, is considered.

## To charge or not to charge tuition?

### The contract-training model of the mid 1980s

No-charge higher education was guaranteed by the USSR Constitution. However, in the mid 1980s, Russian authorities began to consider proposals for funding higher education through the targeted preparation of specialists for particular industries, rather than the direct allocation of taxpayers funds. It was hoped that this would create the more efficient use of resources and improve the quality of what was produced, by encouraging more responsive and innovative behaviour by education-providers. The policy mechanism was designed to establish closer links between higher education institutions, on the one hand, and industries and services, on the other, creating feedback

from the receivers of services in relation to both graduates and research products.

However, contract training did not provide any economic incentives for industry. The opportunity cost of spending funds on training was almost zero, since the public funds for training were the same regardless of judgements about quality. A fixed amount had been earmarked to be spent on training. Nor did the personnel policy at public enterprises encourage an expansion of contract training, since the funding was provided centrally according to the number of employees. In effect employers did not experience any loss of investment for contract training, even when graduates did not show up at the enterprise-investor at the end of the five-year long training period.

Contract training may be seen as a form of quasi-tuition. The costs of training were offset from the same source as provided the direct allocations of public funds to higher educational institutions. These training costs had little effect on institutional behaviour: the reform effort failed to achieve its targeted goals. Nevertheless, contract training set an important precedent, that of a disguised form of tuition charge that was borne not by individual students but by proxy 'persons' in the form of enterprises and organisations.

### **Split admissions in public higher education: state-supported and sponsor-supported education**

Soon after, the environment for higher education changed rapidly. In the early 1990s, with an emerging private sector in the economy and the opening up of the country to the rest of the world, the demand for graduates trained in law, economics, business administration, financing and banking, and with good knowledge of foreign languages and computer skills, rose sharply. At the same time public enterprises found they had a limited capacity to compete and develop under the new circumstances, or to invest in the training of potential employees given the five-year training lags in higher education.

Meanwhile the flow of applicants in high demand study areas exceeded the publicly supported capacity of higher education institutions. Some applicants were admitted on a fee-paying basis, provided that the fee-payers were juristic persons, that is enterprises or companies. At the same time, some qualified individuals who could afford to pay the tuition out of their own savings were unable to find a sponsoring organisation to strike a contract with a higher educational institution on their behalf. By 1994 a clear trend was discernible, whereby many students and their families had to pay recompense to juristic persons acting as intermediaries (Prelovskaya 1994, 17).

### **Sharing costs of higher education: legal foundations, implementation and current trends in practices**

The 1992 Law on Education legalised tuition charges in public universities, but only for non-degree short-term courses and programs termed as additional educational services. It also legitimated fee-charging private institutions of higher learning (Articles 45 and 46). The Law also established a legal basis for greater institutional freedom in the management of funds: for example, it enabled carry-overs from one fiscal year to another, and the use of self-generated resources as deemed appropriate by institutions. It provided institutions with more scope in commercial activities, for example in leasing of equipment and buildings, shareholding and setting up joint ventures or small businesses, and investment in securities and bonds. It also allowed greater autonomy in institutional organisation and governance.

The 1992 Law on Education did not contradict the Constitutional entitlement of citizens to free higher education. However, as noted, Article 5 (item 3) of the Law on Education specified that higher education was provided free to all citizens on condition that it was being obtained for the first time and competitive entrance examinations were passed successfully. This allowed the Russian Federation State Committee for Higher Education, the national-level agency, to introduce a quota of federal-government supported student places, the so-called regularly admitted students. Public higher education institutions were allowed to charge tuition via the 'contract model' to students who were additional to the above quota and close to qualifying under the entrance examination, the so-called fee-charged admissions. In the 1992-1993 academic year, 10.1 per cent of new entrants were admitted on a fee-paying basis. Data on student enrolment in public higher educational institutions for the period 1992 to 1996 are shown in Table 1.

The State Committee for Higher Education decreased the no-fee admission quota in some fields of study that constituted 'goods in short supply', such management, foreign languages and economics. In this manner individual higher education institutions were encouraged to recruit more fee-paying students and to develop self-financing in an emerging market for educational services.

The 1992 Law on Education also indicated the responsibility of students and/or their parents to share tuition costs, but within the framework of a tuition-loans approach. Article 42 on financing higher education specified that the financing of higher education was to be shared by the federal government (or taxpayers) and individual students. Students' tuition costs were to be matched by student loans at an equivalent level to the tuition. The Article introduced the concept of educational loans and specified that they could take three forms: repayable; partly repayable; or non-repayable, that is, grants. The

**Table 1. Student enrolment in Russian higher education, 1992-1996, '000s of students**

A. Public Sector:								
Academic year	Total student enrolment in public higher education	Percentage increase in enrolment	New entrants to public higher education	Percentage increase in new entrants	Regularly admitted students*	Percentage increase in regularly admitted students	Tuition-paying students	Tuition-paying students as percentage of total enrolment
1992/93	2638.0	- 4.52%	520.7	-	467.94	-	52.76	2.00%
1993/94	2542.9	- 3.61%	543.5	4.38%	441.78	- 5.59%	101.72	4.00%
1994/95	2534.0	- 0.35%	567.7	4.45%	451.70	2.25%	116.00	4.58%
1995/96	2655.2	4.78%	628.6	10.73%	n.a.	n.a.	n.a.	n.a.
1996/97	2862.3	7.80%	674.3	7.27%	n.a.	n.a.	123.80	4.33%

\* No data available for 1995

B. Private Sector (1994-1996) <sup>¶</sup>				
Academic Year	Total enrolment in private higher education	New entrants to private higher education	Entrants to private higher education: percentage of total freshman class	Tuition charged students as percentage of total enrollment
1994/95	110.5	58.8	9.39%	8.56%
1995/96	135.5	52.4	7.69%	n.a.
1996/97	162.0	54.9	4.53%	9.45%

<sup>¶</sup> No statistics recorded before 1994.  
Sources: Goskomstat 1996a, 179, 182, 187; Goskomstat 1996b, Table 30; CDPS 1997, 49(40), 18.

fees not only to juristic persons in the form of enterprises and organisations, but also physical persons in the form of students and their families. Thus it was recognised that for-fee higher education was taking root in public institutions. The State Committee for Higher Education recommended that fee-paying admissions not exceed 10 per cent of total admissions by public higher educational institutions.

In the 1994-1995 academic year, public institutions of higher learning enrolled 46,000 students, 9.6 per cent of total admissions, on a fee-paying basis (Prelovskaya 1994, 17). The same year non-state (private) higher educational institutions with state license, mostly in the humanities and socio-economic studies, enrolled 58,800 students, 9.4 per cent of total higher education admissions by both public and private institutions. Overall in the 1994-1995 academic year 16.7 per cent of the country's freshmen class were charged tuition fees.

The same governmental decree 28 April 1994 provided tax incentives exemptions for investments into educational institutions by juristic and physical persons in 1994-1995.

According to the Russian Federation State Committee for Higher Education, in the 1995-1996 academic year the number of fee-paying students admitted to higher educational institutions under the supervision of the Committee increased slightly to 10.8 per cent of the total enrolment. At the same time the total enrolment into higher educational institutions under the supervision of the State Committee for Higher Education reportedly decreased by 7.6 per cent in 1995-1996 as compared to the 1994-1995 academic year (Prelovskaya 1994, 17; Leskov 1996, 15).

With more students willing to pay for their education, public higher educational institutions began to view for-fee educational services, both degree and non-degree, as a major channel of additional resources. However, the concern has been articulated that this source of income

importance of this Article lay in the way that it guided individual behaviour, emphasising that higher education was costly. 'Free' education was to be awarded on the successful completion of competitive entrance examinations in the form of non-repayable grants.

Unfortunately the Law on Education did not provide any detail on the principles and mechanisms of the loan system. Nor is such a loan system conceivable under the current economic circumstances and with the current financing system.

The new Constitution of the Russian Federation, approved by the people's referendum and enacted on 12 December 1993, guaranteed the right to free higher education as had been stated in the 1992 Law on Education. Under Article 43, everyone was entitled to fee-free higher education on the condition they satisfied the requirement of competitive admission to public higher educational institutions, or were entitled to free on-the-job higher professional training (Constitution of the Russian Federation 1993).

On 28 April 1994, public institutions of higher education were authorised for the first time by governmental decree number 407, 'About immediate measures of support of the educational system in Russia' (RFG 1994), to charge tuition

inflow might just as well dry up. In some estimations (Leskov 1996, 15), the average annual tuition fee exceeds the country's average monthly pay by a factor of 20. In the absence of any student loan plan, most employees in the public sector do not see for-fee education as affordable. This includes doctors, teachers, professors, social workers, librarians and others. Deans of schools and faculties increasingly have to deal with capable but 'insolvent' students enrolled on a fee-paying basis. The possible solutions range from transfer to no-fee status on the rare occasions when no-fee students drop out; to payment in-kind, for example with goods produced that are produced privately by the student's family and constitute a market value that is comparable to the level of the fees; or the student selling services to the institution, for example by repairing the institution's rooms. Cash shortages in the economy have also increased the number of in-kind payments for fees, for example in the form of computers.

### Policy stumbling blocks

Meanwhile, public opinion in relation to for-fee education, and the trend to privatisation in the domain of general education, became increasingly negative. The mass media covered public schools in crisis, where teachers were underpaid or suffered from continuous arrears, and buildings collapsed from chronic under-funding and as a result of the federal centre downloading responsibilities for school financing onto the regions and provinces. At the regional and provincial level education had difficulty competing with other heavy spending responsibilities. Among the 87 regions and two metropolitan areas of the Russian Federation, Moscow and St. Petersburg were far ahead of the regions in terms of the quality of educational provision, as measured by such criteria as the volume of financial and human resources per student, the lowest proportion of schoolchildren attending schools in a second or third turn, and the number of post-secondary education graduates per 10 thousands inhabitants (Goskomstat 1996a, Table 34, 35).

The effects of school reform, in replacing standard and uniform education with diversified and varied educational provisions, were reported only to have sharpened the growing income-contingent inequality in society. The introduction of paid additional educational services, the emergence of alternative and private schools to educate the better-off, the mandatory provision only of basic-level general education excluding high school, under the 1992 Law on Education: all these developments were reported to increase social inequalities in access to secondary and tertiary education and signified the failure of authorities to meet their obligations under the proclaimed policy of prioritised funding for education. Educational reform proposals requiring further privatisation, such as a plan for vouchers in schooling, were halted.

In 1994 the Federal Assembly, the highest representative and legislative body of the Russian Federation, postponed

hearings on the privatisation of higher educational institutions for three years, as proposed by the State Committee on Property. The special Committee called for the urgent development and enactment of a Law on Higher Education; it insisted against the privatisation of higher educational institutions and teaching hospitals, it recommended that higher educational institutions should not be transferred to the financial responsibility of regional budgets; and it advocated that the procedures for licensing and accreditation of non-state educational institutions should be more consistent and strict.

In January 1996, the new edition of the Law on Education (Article 41, item 10) established a limit on fee-based admissions in public higher educational institutions, fixed at 25 per cent of the total admissions in high demand programs such as law, economics, management and public administration (Higher Education in Russia 1996, 27). However the fourth Congress of Russia's Rectors in March 1996 considered this legal limitation as disadvantageous to public higher educational institutions, in their competition with non-state educational establishments for students, faculty and resources. Non-state institutions were spared the quota limitations on tuition-charged admissions. In talks in corridors, public university administrators mentioned influential lobbying by non-state higher educational institutions, of which more than three quarters were situated in Moscow and the Moscow region.

### What is ahead? Public concerns and the policy response

The public within and outside higher education sector most often recognises that a combination of reasonable tuition charges and a student loan plan is the policy for equally promoting both quality and equitable access. However, the new Law on Higher Education, enacted by the Federal Assembly in August 1996, made no reference to any student loan plan. In contrast, new educational reform plans, now under consideration, propose significant changes in higher education funding, including student loans.

There are two higher education reform proposals, one being developed under the leadership of the current Minister of General and Professional Education Mr. Kinelev and another under the leadership of his first Deputy Minister Mr. Tikhonov. Both involve significant changes in the public resource allocation to higher educational institutions, in both the short-term and the long-term (On-line documents of the Russian Federation Ministry of General and Professional Education 1997a). The long-term perspective envisages the establishment of student loan plans and schemes. In the short-term perspective it is proposed to replace the direct allocation of public funding to institutions with the distribution funds via students: 'money follows students'.



The proposed new distributional mechanism is in essence a voucher scheme. Students who meet a certain score in a nation-wide standardised test would become eligible for grants. Grant-bearing (voucher-bearing) students would be able to apply to attend the range of higher educational institutions, public or private. The term 'voucher' is not mentioned in the reform proposal, probably due to the ill-fortune experienced by plans for a general voucher in schooling, but vouchers provide the economic model. A comparison between the existing system of funding and the proposed voucher model suggests that though the ultimate origin (the taxpayer) and destination (higher educational institutions) of funding are the same, the effects on institutional behaviour would be different. Because grant-bearing students would have a choice of institutions to which to apply, their decisions would affect the total amount of public resources available to institutions and influence the degree of efficiency with which the resources were used.

Under the proposed funding plan higher educational institutions would become more dependable on capable students. The competition for students, and thus for resources, would be both nation-wide and severe. The expectation is that competition would make higher educational institutions more contestable and contested, and thereby encourage institutions to become more efficient, more responsive to customers and more innovative.

However, the first reaction of academic faculty to these plans was mixed. What if in an extreme case most students applied to Moscow schools of higher education and a provincial university was left without a single ruble of public funding? Rumours were spread that the government was going to close down many institutions in provinces and regions, and only the fittest would survive.

No matter how economically attractive the proposed market model of funding is to the government policymakers, one should not rush to quick conclusions. After considering major 'pros', one should also examine the 'cons'. In this regard, an analysis of national government-instigated marketisation reform in Australian higher education since 1987 might be instructive.

Based on a close examination of the effects of marketisation reform in Australian universities and colleges, Simon Marginson concludes that over a ten-year span 1987-1997 the strong universities became even stronger while the bottom group lost ground (Marginson 1997). Marginson uses the concept of a positional advantage introduced by Hirsch to show that education as a status good provides relative advantage in competition for jobs, income and social prestige. Elite educational institutions reproduce this symbolic value of education and become more sought after than other institutions, and thus accrue relatively more resources over time. Marginson concludes that elite institutions are largely market immune in that they choose the student-consumer more than the student

choosing them. Therefore they do not need to become more efficient or responsive to gain enrolments. On the contrary, to expand would only reduce their positional good value (Marginson 1997, 8). In contrast, severe competition takes place among the bottom-tier institutions. Those institutions often spend more on marketing than successful institutions, while in the bottom-tier institutions real improvements in learning and efficiency tend to be under-recognised. Educational competition is segmented.

This suggests that the notion of economic market is not fully applicable to the quasi-market in education, where the hierarchy of status, prestige and symbolic values play the most significant role, and 'advantage always begets advantage'. Thus the position of elite universities within national educational hierarchies remains stable at all times (Trow 1984, 147-157).

Close examination of some of the current proposals for reform in the funding of Russian higher educational institutions suggests that these proposals constitute mechanisms for securing the position of the elite universities and colleges. The most renowned Russian institutions of higher education are situated in the central cities with sophisticated and lucrative labour markets, Moscow and St. Petersburg. It is reasonable to expect that the elite institutions of Moscow and St. Petersburg would be the most sought-after by grant-bearing students. Under the reform proposal, institutions would have the right to choose students by setting up special entrance scores based on the standardised test. Further, even if elite institutions did not receive an overflow of applicants (for example, because of the cost of living in the cities), their funding would be secured through a special mechanism whereby public resources would be distributed to higher education institutions on the basis of their status category. Though it is not clear how these categories would be identified, judging from the past discussions and practices certain can be surmised, for example universities (research, comprehensive and regional), academies, and colleges. The past five years have witnessed a vigorous struggle for position in the emerging new hierarchy and institutional stratification.

Launched in 1992 as an informal rating of institutions by the State Committee for higher education, ranking criteria were first intended to be used as performance indicators for an incentive funding scheme. In 1996, however, the national agency retreated from the rating procedures, having removed them under the auspices of the non-governmental Association of Russia's Higher Educational Institutions. That did not decrease the aspirations of individual institutions for hierarchical positions, including references to importance, prestige and symbolic value, and demands for special status and special funding arrangements. These developments confirm the tendency to the segmentation of competition in the higher educa-

tion sector, and the impossibility of a pure market. The ultimate barriers to such a pure market are not so much economic, as social-cultural.

Leaving aside the possible consequences of the proposed funding reform, some say it is feasible only upon the abolition of both high school graduation exams and higher educational entrance exams, and their replacement by nation-wide standardised testing. But there are no available estimates of the costs of this reform, nor it is clear who is promoting the potentially lucrative field of standardised testing.

The issue of an affordable tuition fee complemented by a student loan system still waits its return to the front of the policy agenda.

### **Social support: student stipends**

According to long-standing traditions of social protection, the state is committed to the disbursement of student grants based on merit, and the allocation of financial aid based on need, to a limited number of the student body in good academic standing - first of all to orphans and others lacking parental care, invalids, veterans of operations, victims of the Chernobyl radiation disaster and rescue workers (RFG 1995). However, because of the increasing shortage of public moneys, the state has faced extreme difficulties in fulfilling its social obligations.

Throughout the nation, arrears in wages and salaries experienced by those employed in the public sector - 38 per cent of the generally employed or 30 per cent of the economically active population (Goskomstat 1996a, 25) - and also arrears in pensions for the retired, has become the rule rather than the exception. Further, the purchasing power of student stipends has dropped sharply, blurring the criteria for stipend awards. The stipend has deteriorated from being an article of personal pride and a symbol of adulthood, whereby the state rewarded successful work as well as industrious studies, to a social allowance which does not fit the functions of either a merit award or needs-based aid.

The Law on Higher Education of August 1996 stipulated the size of student stipends to be at least equal to two minimum wages (Article 16). On the basis of this Law, student stipends in early 1997 would be fixed at only 42 per cent of the average minimum subsistence level for 1996. Making the student stipend contingent upon the size of the minimum wage, far below the minimum subsistence level, has destroyed much of its significance, either as social assistance or as a merit award. Students come from families with widely varying incomes and have very different attitudes towards the student stipend: while some are indifferent, others consider it an essential addition to their monthly budget. University administration and academic faculty tend to treat student stipends as social allowances, rather than merit-based grants. Sometimes these two categories of student financial assistance, need-

based grants and merit-awarding scholarships, are taken by administrators one for another.

In the past academic year (1996-1997) the federal state failed to allocate the amount stipulated by the law for student stipends. Instead, it provided only one minimum wage size stipend per student. The distributional responsibility was downloaded to individual faculties. Some decided to spread stipend funds evenly among the enrolled students ('less but equal'), thus having abandoned the tradition of a differential award based on academic performance. Other faculties and schools created elaborate score scales contingent upon the year of study and semester performance, as reflected by the grade point average. The rules can vary from one department to another in one and the same institution, leaving many students puzzled about the comparability of criteria. On average, in the 1996-1997 academic year student stipends covered a monthly card for the use of city transportation and three to four visits to the student cafeteria.

In the situation of increasingly insufficient funding of public institutions of higher education by the federal government, especially since 1995, student stipend disbursement and board allowance combined have constituted one third of the total state allocations to individual public higher educational institutions. Noting the degeneration of both the equity-securing and meritocratic functions associated with the state disbursements for grants and financial assistance, a group of rectors of higher educational institutions in Siberia proposed at the Fourth Congress of Russia's Rectors in March 1996 to abolish the now obsolete system of indiscriminate student allowances, and to replace it with means-tested assistance. This radical but badly needed and realistic proposal was not supported by the majority of Rectors, who largely gravitated to the populist position, while working behind the scenes to negotiate special funding arrangements.

However, in the year that followed (1997) the situation with student stipend disbursements almost reached the point of absurdity; and it was increasingly recognised as such by many institutional leaders. One of the proposals for higher education reform presupposes the abolition of the current system of student stipends, and the replacement of it with means-tested financial assistance for orphans and students from families with income lower than the minimum subsistence level. Procedures of means-testing have yet to be discussed.

### **What is the current tuition fee set up? Patterns of tuition charges**

The system of fee-paying admissions in public institutions presupposes the full coverage of costs. Thus while the state subsidises some students as selected by individual institutions, presumably on merit, it requires the rest of the students to provide full compensation for costs incurred. The payment of full costs is an increasing burden for

families. On average, annual tuition costs comprise 20 monthly pays. At the same time, real disposable money incomes have been decreasing annually; while in 1996, savings constituted only 4 per cent of total incomes, with 70 per cent comprised by consumer expenditure (Centre for Economic Analysis 1997, 145). According to the September 1997 survey by the Russian Independent Institute for Social and Nationality-Related Problems, four-fifths of Russia's population is not living, it is merely surviving.

Institutional leaders and administrators attempt to spread partial costs among the total student body, within the framework of the current law. Additional and one-time charges of various kinds are being introduced in public universities throughout the country, such as application fees, charges for issuing student cards, graduation papers and transcripts, and fines for lost student cards.

For example, Novosibirsk State Technical university proceeded as far as introducing charges for optional support services - those who chose to pay will have access

quota; those who refrain from the payment will only use reading halls. An additional charge is earmarked for paying maintenance fees. The total amount charged per semester does not exceed one third of an average monthly pay in the region. The fee is set at USD\$50 (300,000 rubles) per semester while the average salary in Novosibirsk region in July 1997 was USD\$160.83 (965,000 rubles).

Universities' 'price lists' for additional educational services include retaking an exam, and fee-charged tutorials as a penalty for truancy. Through the spread of partial costs across the whole student body, there is a tendency to convergence between the cost-structures borne by the so-called no-fee and fee-charged students. However, these little 'tricks' remain merely palliative. They fail to address the critical issues of revenue generation by public universities, admission equity, and participation rates.

The major discernible patterns in the costs borne by students are shown in Table 2 and can be summarised as follows:

**Table 2. Patterns of annual higher education costs borne by students and their families (1996-1997)**

	Public institutions (regular)	Public institutions (additional /quasi-private)			Private institutions	
		Law, Economics Management	Languages, Psychology, Sociology	Engineering, Science, Mathematics	High	Low
1. Tuition	\$0	\$920-\$4,000	\$920-\$2,000	\$670-\$950	\$2,000	\$800
2. Fees (upfront)	\$0	\$0-\$200	\$0-\$200	\$0-\$200	n.a.	n.a.
3. Application fee & other one-time fees	\$0-\$50	\$0-\$50	\$0-\$50	\$0-\$50	n.a.	n.a.
4. Books and supplies		\$40-\$90	\$30-\$50	\$20-\$35	\$100	\$70

5. Room	Living with parents	\$0
	Dormitory	\$65-\$100
	Private apartment	\$800-\$2,500
6. Board	At home	\$830-\$1,500
	Privately	\$2,000-\$4,000
7. Transportation	Resident	\$0-\$70
	Out-of-town	\$70-\$600
8. Other expenses		\$250-\$1,000
All prices are in US dollars, based on an exchange rate \$US1=6,000 rubles.		

1. The three-way variation between modes of admission:

- regularly admitted (*tuition-free admission*) students in public institutions;
- fee-based admissions in public institutions (*quasi-private admission*) of less than 25 per cent of total enrolment in high demand fields;
- admission to private institutions (*private admissions*).

The gap between the cost of tuition-free public enrolment, and tuition-charged public enrolment, may be as large as 12 to 30 times. The gap between tuition-free public enrolment, and private enrolment, may be 10 to 15 times.

2. The variation in admissions by field of study:

to gyms and swimming pools, those who do not will use outdoor activities and cross-country tracks; those who chose to pay a library fee will check out books from the library and use copy machines free of charge within a

- *law, economics, management* are the most costly fields (though the least costly in terms of expenses incurred). They meet demand for the most sought-after career-building training, and are most likely to attract students capable of full cost payment;
- *foreign languages, psychology* which is now booming in Russia, sometimes *sociology* (though the demand is decreasing and so does the supply and concomitant prices for educational provision) follow the first group closely in price terms;
- *applied mathematics, sciences, engineering*. The tuition charge for these fields is set at the lowest level: there are much fewer applicants than in the above listed fields. However, science and engineering are most costly fields of study to provide.

Prices within groups 1 and 2 above are also influenced by the *status* and *prestige* of the institutions of higher education, whether they are classical universities, or technical and pedagogical 'newly-born' universities; whether they are top institutions in Moscow and St. Petersburg (and thus in the environment conducive to the best employment opportunities and the closest links to good research centres) or among the rest.

3. The variation between *resident students* and *commuter students*.

In higher education the cost differential for these two groups of students may be as large as four or five times. It is assumed that on average a typical resident student lives with his or her parents and therefore has rent free accommodation, enjoys food provided by parents at home, and occasionally uses city transport. A commuter student is assumed to be typically an out-of-city student who stays in a student dormitory or a privately provided apartment or a room, eats in student cafeteria or private restaurants, uses city transport, and travels home at least two times per academic year. The more expensive is the privately provided room and board and the cost of travel, the larger is the gap between the costs borne by resident students and commuter students respectively. An illustration of this problem is the dramatic decrease in the last seven years in the number of out-of-town enrollees in Moscow and St. Petersburg.

Interestingly, the fees charged by private institutions are very competitive. They are often three to four times lower than the costs charged by similar programs in top tier public institutions. Differences in the tuition costs borne by foreign students, and by domestic students, are minimal or absent, though living costs may be different due to the preferences in life standards. For foreign students admitted for four-year studies, equivalent to an undergraduate bachelor degree, there is usually no price differential contingent upon field of study.

## Conclusion

The long-standing tradition of tuition-free higher education in Russia has begun to crack, under the twin pressures of severe state austerity and emerging market relationships. Forced to recognise the reality of self-financed individuals, as opposed to those sponsored by private and public enterprises, state authorities and policy-makers are caught in the dilemma of authorising a policy that allows for the charging of tuition. This dilemma is a socio-political dilemma.

Meanwhile, the proposals of policy-makers and responses of individual institutions indicate an inclination to nibble at the problem rather to solve it. In this indecisive policy climate, there is much room for the pursuit of conflicting individual interests.

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# The Americanisation of the reformed university in Argentina

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## Introduction: the crisis of university identity

Recently in Argentina we were visited by the Nobel Prize winner for Literature, José Saramago, of Portuguese nationality, who attended the tribute to the well-known Argentine writer, Jorge Luis Borges (nominated numerous times by the Swedish Academy but never awarded the Prize). Saramago, in the name of a community which is not valued on the stock exchange, criticised the effects of the neo-liberal economic model that affects our emerging countries. He was referring to the community of artists, writers, scientists, historians, poets, professors, integrated together as the *tribe of sensitive souls*.

In this article I would like to present the other side of globalisation. I would like us to imagine that we belong to the tribe of sensitive souls, in order to share a fictional identity for the defence of different cultural meanings and civic democratic values. I will attempt to demonstrate how the agenda for 'modernisation in higher education' responds to interests of an economic rather than an academic nature, and aspires to eradicate an important identifying tradition: that of the humanistic professional, committed to the community and to democratic practices.

The British historian Eric Hobsbawm (1989, 1998) wrote about the importance of traditions that perpetuate and form the basis for social practices, and strengthen social, institutional and family identity. In Argentina, democratic culture in what is called the 'Reformist' tradition was first practised in the universities, beginning in 1918. Unfortunately the subsequent history of Reformism in the universities was marred by the successive interruptions produced by military dictatorships. Notwithstanding, the Reformist Movement introduced Argentine and Latin American universities to a tradition that turned out to be exportable. The world witnessed the emergence of an intellectual personality that was learning to integrate professional and scientific training with civic commitment, critical thinking and pluralist autonomy. The Reformist tradition was grounded in university autonomy, free tuition, the role of the state as guardian of culture and the sciences, the training of the ruling class in public universities, and intellectual and disciplinary diversity. The French May of 1968 drew heavily upon Reformist inspiration.

At the start of the 1990s, the traditional Reformist values came under attack, in biased analyses of Argentine higher education that were elaborated by agents with particular economic interests - the World Bank, the Argentine Industrial Union, the Bank Boston Foundation, SOFIA, FIEL, and other banking foundations. The Law of Higher Education enacted in 1995 attempted to modify some of the Reformist tradition. In questioning these developments, I do not seek to negate the evaluative culture as such, or oppose myself to the logic of incentives for scientific productivity. Rather, it is a question of defending excellence as the internal academic criteria, in addition to the external quantitative perspective of business interests.

In Argentina, towards the end of the second millennium, cultural expression has been subordinated to the rules of the market. The State selectively finances what appears to be 'efficient'. For example, incentives are promised to faculty members on the basis of productivity indicators (although they are not paid, due to the lack of public funds for education). A Fund for the improvement of Quality allocates resources where quality previously exists, provoking the so-called Matthew Effect: that is, granting more resources to those who already have the most.

The crisis that is most dramatically affecting universities in my country is a crisis of identity. Why an identity crisis? The reforms pushed forward by the World Bank in Latin America and in formerly communist countries derive from global, universal and homogenous diagnoses based on economic interests rather than the goal of scholarly innovation. Most of the reforms carried out in the so-called emerging countries are efficiency-oriented, aimed at the privatisation of public universities and at the discursive recognition of the market as the source of innovation and quality. Correspondingly, the expansion of the training of professionals for the service sector reinforces the predominance of a globalised entrepreneurial university profile. The preferred careers of youth today are Business Administration, Marketing, Computer Sciences, and Communication Sciences.

In order to explain the identity crisis we can use the metaphor of 'medical diagnosis'. A wrong illness has been diagnosed, to force us into buying the wrong remedy. The university reforms of the 1990s in Argentina have not improved academic traditions but, rather, have had a

negative impact on the national culture. They have impoverished the arts, literature, and social sciences, obviously none of which are priced on the stock exchange.

Martin Carnoy points out that the Political Economy of education treats 'education as a factor shaped by the power relations between different economic, political and social groups' (Carnoy 1998). For political economists no study of the educational system can be separated from an implicit or explicit analysis of the purpose and functioning of the government sector. Since power is expressed at least in part, through a society's political system, any model of educational reform based in political economy, has behind it a theory of the state.

My intention in this article is to demonstrate the character of the perspective that the political economy of higher education contributes to understanding the crisis of the University; and to elaborate alternatives for resolving institutional problems, derived from cultural analysis. Economy is a most powerful human science. When it is dehumanised, as is the case in Argentina, it is reduced to finances, to the administration of balances-of-payment and to the interests of investors. Such economic policies lose sight of the actors who suffer and perish, subordinated to the performance of economic indicators.

The main purpose of this article is to present a different approach to the diagnostic framework used by international agencies and local banking agents. I personally believe that replacing the pragmatic economic analysis with a cultural analysis of universities, enabling us to elaborate another diagnosis, can provide solutions for supporting institutional improvement.

## Understanding higher education: between knowledge and learning

Jean-Francois Lyotard (1979) draws attention to a revealing difference between the words 'learning' and 'knowledge', suggesting a preference for the former. Lyotard maintains that 'knowledge' is the set of statements that denote or describe objects, excluding all other statements. These statements are susceptible to being declared 'true' or 'false'. On the other hand 'learning' goes beyond this characterisation. Learning refers to an 'ability that exceeds the determination and the application of criteria of truth' and that extends to the criteria of efficiency (technical qualification), justice and/or happiness (ethical wisdom), and sonorous and chromatic beauty (auditory, visual sensitivity, etc.). Learning, thus conceived, refers to a set of abilities. Moreover, it refers to the subject who fulfils these abilities, that is, to the 'wise man'. Nonetheless, the increasing complexity of social activities through history has required differentiated, profound and complex knowledge all at once. The history of universities is the history of the process of complexity and the systematisation of knowledge, which has its origin in the 'wise man' (the

intellectual) but later gave rise to the scientist, the professional and the specialist.

Learning has expanded beyond the subject that initially contained it. It became expressed through writing, then it became accumulated outside of individuals in books, giving rise to the modern culture of the book. Practices of learning that used to be spontaneous became organised and institutionalised. They became limited and fixed within universities where organised knowledge was kept, specialised and disseminated, up to the present day. Since then, the history of universities is the history of the institutions that have knowledge to store, knowledge to distribute, knowledge to discover, knowledge that is produced, invented, censored or simply repeated.

The prestigious historian of British universities, Sheldon Rothblatt (1988, 1989), in an illuminating piece, describes the importance of analysing 'the idea of the idea of a university'. A university can be recognised according to the particular aims that define it or differentiate it from other social institutions, for which purpose the 'tradition' or the 'idea' that the institution embodies must be taken into account. Thus, for example, the idea of Newman's university, embodied by English Colleges at the middle of the nineteenth century and inspired by Oxford University (Newman 1881; Jay 1983), contrasts with the German university of Von Humboldt. Newman's idea affirms that the university is the place to study universal knowledge. Its principal function is the teaching or distribution of that knowledge. It is oriented towards teaching and its institutional organisation is that of a College with a general curriculum, emulating the classical liberal arts model. The university forms and trains the elite of Church and State through a curriculum that maintains political stability and presents a comprehensive system of ideas and values.

The idea embodied by the second type of university, the German style, is constituted by three concepts:

- *lehrfreiheit*, the right to teach according to one's ability, generally referred to as 'course autonomy';
- *lernfreiheit*, the right to choose the course of one's preferred professor, and;
- *bildung* self-learning and striving toward intellectual and spiritual perfection.

This type of university focuses upon the investigation of knowledge or *wissenschaft*, and upon individual efforts to achieve intellectual and spiritual perfection through a general curriculum directly linked to the academic profession, considered as a part of the civil service of the State.

## North and South

Joaquín Brunner (1988, 1993) recognises the existence of two mutually exclusive approaches for studying the functioning of systems of higher education, each belonging to different geo-cultural territories: the North and the South. *Organisational analysis* is applied in the developed

North, mainly in North America: Burton Clark (1983, 1984, 1987a, 1987b) has a leading role in this perspective. *Sociological-historic* analysis is currently used in the South. In the last decade it has become a dominant perspective in Latin America, particularly in Argentina (Gregorio Weinberg, German Rama, Hanns Steger, Daniel Cano, Marcela Mollis).

Organisational analysis is characterised by its internal and synchronic emphasis. Priority is given to learning relevance, disciplines, differentiation, work relations and the structure of the system. On the other hand, sociological-historic analysis emphasises external and diachronic forces. Priority is given to the actors and their interests, and relevance to macro processes in different periods. In understanding the macro rationale, the issue of power is key.

Towards the end of the nineteenth century, the style of university was characterised by professional knowledge. In the case of Latin America, it is described by Hanns Steger (1974) as the 'University of Lawyers'.

The growth of professions and its relation to social mobility in different European societies has been the subject of numerous studies, brought up to date by works such as that of Peter Flora and Arnold Heidenheimer (1981), and that of Gomez Campo and Tenti Fanfani (1989) for Latin America. When using a comparative approach to distinguish the growth of professions associated with the rise in social status, the work of Joseph Ben-David (1966) remains a classic. In the development of higher education in industrialised nations during the first decades of this century, universities and institutes of technology, professions, and social mobility constitute a representative trilogy.

Luis Sherz (1968) recognises in the professional university a predominantly secular, pragmatic and statist conception, which assumes responsibility for the formation of citizens, professionals and administrators. The same author affirms that this model emerged together with the Napoleonic idea of the university.

Lawyers graduating from these institutions were professionally and ideologically linked to the idea of agrarian property, and as statesmen or public functionaries they created the instruments of political control within State institutions, such as the courts, public prosecutor's offices and police departments. Through schools and the press they engaged in other activities that permitted the dominant classes to broaden their forms of expression as writers, poets and educators. 'This group generated a bureaucratic elite and a political class with a formalist style that was perfectly suited to the interests of the dominant classes' (Sherz, 1968).

One of the constituent characteristics of this type of university is its academic and administrative autonomy in organising the institutional program. Nonetheless, despite the aforementioned autonomy, Latin American govern-

ments have historically exercised their power of control over universities whenever they have been seen to stray too far from tolerated behaviour. In any case, what appears to be the central task of the 'University of Lawyers' is that of professional training. For this reason, it serves the interests and needs of a social class that is primarily *political and cultural*, that shares or controls political power, exercises considerable influence in the area of ideas, and has increasing leverage over the system of cultural institutions.

### Cultural analysis of university institutions

Another useful approach for understanding universities from a historical perspective is what Willem Frijhoff (1986) has called *cultural analysis*. Cultural analysis draws on Anthropology in considering the university as an articulated part of culture, that is, as a space for cultural mediation. In universities, the cultural practices of the creation, appropriation and transmission of knowledge constitute values and representations at the highest level within the system of education. The images, rules and strategies produced in the confrontation between different roles and representations reveal the role of high culture in different societies.

The cultural analysis of universities refers to three interrelated dimensions: the *historical*, *social* and *anthropological*. The historical dimension alludes to the history of intellectual and aesthetic products, which may be considered as the highest level. The social dimension refers to the actions taken by a society to apply these ideas: such actions determine the position – hierarchical or not – of the arts, sciences and technology as referents for shaping norms, values, images and codes determining social life as a whole. The anthropological dimension refers to the universities as spaces in which certain forms of basic social organisation are elaborated, establishing timetables, gestures, attitudes and modes of reflection. They reproduce the intellectual, social and political behaviour of an elite that, in turn, presents itself as a model to be followed by subordinate groups.

This cultural analysis of universities contributes to our understanding of the current crisis in institutions of higher education. Here the university is not viewed as an autonomous institution that produces ideas that society may or may not consume. Quite the contrary: the university is governed by complex processes of interaction between the nature of science, the professions and the disciplines, and the expansion or contraction of the labour market. It reflects the differences between social classes, ethnic minorities, gender dynamics, and the respective positions of manual and intellectual labour on the scale of social values. In this sense, the university as a cultural institution produces, controls and gives legitimacy to knowledge and meanings, in a context of constant tension between the way these elements are understood by society, by the State and by the market.



## The reformist culture that changed Argentine universities

The student movement of the Reform gave Latin American universities, especially Argentine universities, their particular organisational style and government. The Reformist ideology was, fundamentally, Latin Americanist and anti-imperialist. It strongly supported the political engagement of University youth with what was perceived as the national and Latin American destiny. The Reformist culture of 1918 has been inherited by the institutions of today.

What were the triumphs of the young Reformist? In a restricted sense, student participation in the university's decision-making process. In a broad sense, they were university autonomy, the appointment of teaching staff by periodical examination and competition, open access to courses, updated teaching methods, and a system of university co-governance with the representation of three key groups (professors, students and graduates) in the governing bodies of the university. All public universities (the two oldest being the University of Cordoba, founded by the Jesuit Order in 1610, and the University of Buenos Aires, founded in 1824) are ruled by co-governance in the Collegiate governing bodies: the University Assembly, the Superior University Council and the Directive Councils of each School.

The Reformist movement emerged one year after the Russian Revolution and was consolidated under the first Argentine democratic government without electoral fraud (1916-1922 and 1928-1930). This political innovation implied a profound renovation in Argentine social life. For the first time in national political history, a government was representative of the majority and, as such, permeable to the influence of different sectors during this period.

Despite the efforts of Yrigoyen's democratic government to pursue independent national policies, economic structures remained in the hands of the conservative oligarchy, which maintained its majority in Congress. Both the foundational oligarchical State, and the welfare State of the first Radical government, needed to consolidate their legitimacy and public authority. Thus the Radical government sought to build an institutional alliance with the public universities.

The Reformist democratisation of the universities can be understood, first, as the quantitative incorporation of those social sectors that had been traditionally excluded from these institutions. The quantitative incorporation was apparent in the notable increase between 1918-1923 in the number of immigrant offspring from the growing middle classes that registered in the universities. Second, University Reform was marked by a qualitative dimension, by the political representation won by two new university strata, students and alumni, in the collegial bodies of university government. The Reformist period saw the creation of a democratic university model, in advance of the student 'massification' of the 1970s.

One of the most important principles promoted by the youth of the University Reform was the lifting of limits on the number of students entering the University:

*The State shall guarantee all citizens the possibility of attending the university and to respect their innermost freedom, to which end free and absolutely secular education is to be established.*

The qualitative democratisation meant not only the inclusion of the non-elite groups in the make-up of the university, but also the political representation of the new university actors, the students and graduates. All of these groups together were to become the constituency of institutional government generating the internal democratisation of the university. Thus the young student leaders broke the monopoly that the conservative academic elite had exercised in political-administrative university decisions. The behaviour of the national universities during this stage vividly illustrated the intimate relationship between the university and the social changes of the period. The sectors that had recently arrived in government, via non-fraudulent elections, faced the necessity of conquering institutional spaces formerly dominated by the oligarchical State. The objective of political domination, and the need for the new governmental actors to establish legitimate public authority, demanded the 'conquest' of the universities.

The government's support for the University Reform of 1918 was expressed by the Minister of Public Instruction at that time, on behalf of the President of Argentina, on the occasion of the centennial of the University of Buenos Aires, August 12, 1921:

*...The new life of the Nation that is no longer governed but, rather, governs itself. We can affirm that at the present time, the Argentine University, having cast off its former garb, liberated from privileged circles, removed from special interests, with neither allegiances nor selfish interests ... can march toward the securing of its essential attributes as an autonomous, educational and democratic institution. The three entities that form the university organism participate equally in its constitution: the authorities, precisely as such, the professors, in all categories and denominations, and the students, the life and soul of the Institution... The feverish and passionate participation of the youth in the noble enthusiasm for the reform, that sounded the alarm for the long overdue moral progress of the Republic, is none other than the reality of university democracy...*

The democratisation of the universities survived with the support and the agreement of the President and some of his ministers. The first and second generation children of the rising immigrant population, that had left the rural countryside and moved to the cities, went to the universities and obtained diplomas which, in turn, made it possible for them to be heard in the Congress and to have their rights assured. Their parents' labour in industry and

commerce, as well as in agriculture, permitted them to become 'university students' and to acquire the prestige bestowed by the title 'Doctor' or 'Lawyer'.

Intermittently, successive military dictatorships in the years 1930, 1966 and 1976 put an end to the democratic period initiated by the Reform. The statutes of the Argentine universities, as Reformed after 1918, were modified and censured. Student participation in university government was suppressed, being considered 'anarchistic'. Military dictatorships expelled, imprisoned and just two decades ago, caused to 'disappear' many hundreds of people, including Reformist professors and students.

### University missions, values and ethos

Alexander Astin (1994) asserts that the evaluation practices carried out in the universities are a faithful reflection of institutional values that, in turn, promote institutional goals and missions. What were the missions supported by the Reformists? Have they changed?

The three constituent missions of the Reformist organisational culture, interrupted during the political periods of the military dictatorship, were teaching, research and extension. Today we must add the new institutional goals of administration and management to the original 'multi-functional' description of the university.

Nonetheless, history tells us that the multiple missions of the Argentine universities were dominated by one of these functions: the teaching of professions.

The vast literature of the Reformist Movement reveals its renewed university 'ethos', that of the *humanistic professional*. The Reformists criticised the lack of comprehensive training, the absence of historical and literary contents in the curricula for technical careers, and a dearth of 'cultural and community consciousness'. This critique was sustained and defended by authorities of the governing organisms of the national universities, such as Rafael Araya, Gabriel Del Mazo, Julio Gonzalez and Alfredo Palacios.

The Rector of the Universidad Nacional del Litoral (the National University of the Littoral), Dr. Rafael Araya, in 1928 expressed what he believed to be the social function of the modern University:

*The University has always remained indifferent to its true mission, which is to train people according to a comprehensive conception of education. The University has limited itself to preparing technicians and scientists, within an environment that is, in some measure, distant from real life, indifferent to and unconcerned with the social consequences which should have been directed toward the greatest diffusion of public culture in an environment of spiritual liberty... (Araya, 1928).*

This quotation refers to a training ideal inspired by the Anglo-Saxon model, encouraging knowledge of the Liberal Arts in the comprehensive training of future leaders, in accordance with the idea of the university put forth by

Cardinal Newman in the mid-nineteenth century. The Reformists of the Argentine universities contributed to the formation of the ethos of the university by replacing the traditional elitist subject, who was oriented by the ethic of privilege, with the active political subject: the middle class cultivated in the universities for national leadership.

Gabriel del Mazo, in a conference held in the main lecture hall of the Faculty of Legal and Social Sciences, under the auspices of the Student Centre of the Faculty of Law of the University of La Plata, explained:

*Our universities have inverted the natural process of human culture... and the consequence has been the production of a type of uncultured professional; that which has been called the 'modern barbarian'... The University should not refer to itself as such if it does not have solid cultural bases for the formation of the professional, or if it has become hypertrophied in its technical function and is inspired only for individual utilitarian ends, without intellectual ties that maintain human solidarity... The university-trained techno-professional must be nourished with those elements of learning that make a person complete as a member of the national community (del Mazo, 1955).*

This identification of the University as an institution for the formation of elite leaders and humanistic professionals places the emphasis of training and preparing professionals for political performance on another feature of the Reformist university culture. As Alberto Mendioroz put it:

*I also affirm that my hope is that the youth, more precisely the university youth, who must govern tomorrow, is to whom will fall this sacred labor... From the University we can and we must expect the spiritual harmony of the Nation to come, the university will give us idealistic children and lovers to govern the Nation (quoted in Ciria and Sanguinetti 1983, 12).*

This quotation is revealing. It anticipated the scenario that prevails in universities today: the triumph of professional training in traditional careers such as Law, Medicine and Civil Engineering. These diplomas opened direct access to national government. Thus, the formation of human resources were practically eliminated from university education, subordinated to a kind of industrial development, until the advent of the doctrine of adjustments and the globalised market of the 1990s.

### The modernisation agenda: rejection of the Reformist tradition?

Most of the institutional practices of the Reformist tradition are still in use, though the old social context of the production and dissemination of knowledge, its circulation and appropriation, is obsolete. It entered into crisis, in the same way that the social status of the liberal professions entered into crisis. The traditional values of Reformist culture supported the maintenance of 'universi-

ty excellence' through meritocratic competition among, and regular evaluation of, university staff. However, growth in the number of students led to the hiring of part-time teaching assistants who were recent graduates with no teaching experience and low levels of professional knowledge, contributing to later 'diagnoses' of poor academic performance. The lack of professionalisation in university leadership, outdated curricular contents, low researcher salaries, and demagogic strategies regarding the constituency of administrative staff, have become significant obstacles to the achievement of better academic 'excellence'.

Adding to these problems of the Reformist tradition is the so-called 'solutions' to the problems of the universities that are propagated by such agencies as the World Bank. Since the 1980s the consequences of the so-called 'crisis of the Welfare State' have become increasingly serious. This crisis has been accompanied by a crushing external debt, the stagnation of economic growth, and the impoverishment and marginalisation of an increasing number of the population, provoking the consequent widening of social inequalities.

We agree with Maurice Kogan (1998) and his research associates in regard to the purpose that most higher education comparative analysis should accomplish: 'to comprehend the purposes for which and the strategies by which policy is elaborated'. Their British/ Norwegian/ Swedish project illuminates the relationship between theories of the state, government, and educational reform. The zones compared by this project coincide with the issues we explore here:

- Changes in the theories of the state in the three countries
- Changes in the mechanisms of government in the three countries
- Policy formation and the place of elites, interests groups and networks
- The nature of the reform created by government
- The impacts of reform in terms of epistemic identities.

Using the cultural analysis of universities jointly with the socio-historical framework, our analytical interest goes beyond the purposes of Kogan's project. It extends to incorporating the global role of the international agents in the shaping of reform policies in higher education.

In its brief diagnosis of the university situation in Argentina, the World Bank (1993; 1994) approaches the problem of quality in education by linking it to two key concepts of the Reformist tradition: state autonomy and financing. It considers these factors, in turn, as causes of qualitative impoverishment. The World Bank detects the danger underlying Argentine institutional habits. It justifies ministerial control and the selective allocation of

resources as the necessary 'solution' to this 'danger'. The Bank assumes that there is a 'generalised lethargy in the performance of academics'. This is sufficient grounds for evaluating their productivity, and authorising the use of economic stimuli in relation to them, in order to reverse this tendency to 'lethargy', expressed in terms of inefficiency, lack of discipline, politicisation, demoralisation, and so on.

Problems of low quality and inefficiency also affect the universities. The faculty on this level is poorly compensated, commonly works only part-time, and frequently misses classes or only exerts minimal effort to teach. The students enjoy free education but generally take much more time than necessary to complete a course of study or drop out before completing their studies. In addition, higher education is highly politicised: the universities are legally autonomous, the students participate in the elections of their university government, and the faculties (or colleges) are frequently disrupted by political confrontations between political parties and interest groups.

*One of the reasons for the low quality in education is inadequate and inefficient expenditure. ... Although the expenditure should be increased as part of a solution to the problems in the education sector of Argentina, it should be accompanied by institutional changes in order to resolve serious problems of morale and discipline (The World Bank 1993, 83/84).*

The Bank urges that this loss of prestige also extends to the students. As a solution, it suggests monitoring of student performance, as well as restricted admission to the university, and the payment of tuition. In its argument, free admittance to the university is linked to the squandering of university resources and to the increased politicisation of the university.

The government of Argentina has efficiently fulfilled the recommendations proposed by the international agenda for the modernisation of higher education, including:

- the reduction of subsidies and redistribution of the budget;
- the creation of new bureaucratic organisms in order to monitor the universities' policies, such as the Secretaría de Políticas Universitarias (SPU), and the Fondo para el Mejoramiento de la Calidad (FOMEQ);
- the setting in motion of evaluative and accreditation processes. The Law of Higher Education established the National Commission for University Evaluation and Accreditation (CONEAU), an organism that functions under the auspices of the Ministry of Education, composed of representatives from the Chamber of Deputies and Senators of the Nation, university rectors and one representative from the Academy of Education.

Nonetheless, in Argentina – and probably in the rest of Latin America as well – an important paradox has been produced. From the middle of the century onward, the so-called Welfare State, understood as the Pedagogical State, exercised its control by monopolising educational financing at all levels. In this way, the State could intervene directly in order to guarantee the availability of public education, although in the case of the university this was done in the context of academic and scientific autonomy, both proclaimed and real. Now, the university community interprets the central government as the 'Evaluator-State' (Neave and Van Vught, 1991). The Evaluator-State strives to preserve its controlling function, but not the financing function. This has serious consequences for the quality and equity of public universities. The new 'modernised' State tends to distance itself from public interests and general welfare, in order to preserve its finance-based rationale (financing what appears to be efficient) and obey the commands of a limited market. Here we note that in Argentina the entrepreneurial market is almost monopolistic. Its dynamic does not reflect the two liberal rules of pluralism and free competition

In summary, economic globalisation has transformed the Welfare State into a neo-liberal State, promoting a significant change in the relationship between university actors and the public sector. For example, under conditions of structural adjustment and financial regulation, the coexistence of diverse missions ('multipurposes') within a university reduces the possibilities for achieving any of the university's missions with the excellence required. The entrepreneurial perspective of the university does not take into account excellence in the production and distribution of knowledge as the sole mission that best reflects the nature of the university. This creates a gap between the international agents' diagnoses and the university's traditional identity.

## Final reflections

To respond to this crisis with history and culture constitutes a proposal that is hardly consistent with the values of structural adjustment and regulatory policies oriented toward efficiency, efficacy, and financial resource management. This very fashionable vision implies returning to the theory of human capital, assigning the universities a dominant role in the training of human resources. These values are the expression of a corporate culture – a corporate culture that is a counter-culture to the Reformist culture.

The confrontation between the two cultures revolves around two constituent ideas of the Reformist ethos. First, whether the university should or should not be the place where professionals are formed in order to become the national ruling class. And, second, whether the primary function of the university should or should not be the teacher-student function, at once formational, in terms of

moral character, and promotional, in terms of the national humanistic culture of the ruling class.

Both conceptions, the Reformist culture and the corporate culture, are far removed from the reality of our university institutions today. The Argentine universities are not currently forming humanistic professionals who become part of the national ruling class. Nor are they governed by administrators or 'effective managers' who run the institutions as true corporations, operating upon the logic of cost-benefit analysis. The two scenarios are fictions. Nonetheless, universities are now being used increasingly to serve the interests of the corporate culture.

The cultural analysis of universities asserts that society not only demands products from its universities that are consumed passively, but also that society itself assigns meaning to those products that do not necessarily correspond to the intentions of the scientists, the academics, the professors or the students themselves. The professional model of the 'University of Lawyers' was constructed upon the idea of the university formulated by Cardinal Newman and the Napoleonic University. State and University were an indissoluble dyad for training the ruling class in Latin America. Today, the interaction between a neo-liberal state and a society in search of new identities offers Latin American universities a scenario for institutional change characterised by the transition from old paradigms toward new models in construction. Diverse tensions are produced at this moment of transition.

How can we overcome the confrontation between the Reformist culture and the entrepreneurial culture? How can we gain access to excellence in a context of adjustment and regulation? How can we change multi-purpose institutions into single-mission institutions that serve the democratic expectations of the actors involved? Does institutional differentiation constitute a solution for achieving the sought-after excellence? Are the new private entrepreneurial universities training the future corporate leaders or are they being trained in the public institutions? Are Argentine young generations being formed in democratic, pluralistic, and participatory values as they used to be formed under the Reformist tradition?

The Church and the universities, both medieval institutions, have withstood the passage of time. Confronting schisms, reforms, cataclysms, struggles, and wars, nonetheless, they have survived. The history of the Reformist culture is the testimony of university actors who set out to improve academic quality together in conjunction with a democratic ethos. They created a new institutional style.

One possible response to the university crisis is to reinvent history, one more time.

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# Comparing national education systems in the global era

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## Introduction: International comparison in education

As global communications thicken, a growing number of students cross borders for part of their education, university staff travel more and international collaborations multiply. Australians in higher education are increasingly aware of education systems other than their own, especially the ubiquitous American universities. Likewise, governments are increasingly mindful of international competitors and cases when they frame policies; and the calculations of vice-chancellors now routinely incorporate global markets and systems of quality assurance, and the strategies of this or that international university comparator.

While the national dimension still matters, no longer are judgements and decisions referenced only to the national context. Global relationships, global comparisons and global benchmarks have all become important. Higher education in Australia – as in all countries – is now framed simultaneously by the local, the national and the global.

But more than one global standard is possible, drawing on the many different cultural traditions. Further, in a global context more than one kind of engagement with other and complex national contexts is possible: shallow or deep. In making international comparative judgements, *the basis of comparison*, including the theories and methods (whether hidden or explicit) which inform comparison, are determining of what we see.

Such comparative judgements create varying policy messages, depending on *how* the judgements are reached. For example if the measure of comparative school achievement is test scores, national systems will tend to focus on improving their test scores. To do this they might need to install American-style standardised tests, and a curriculum to match. This also illustrates the point that when national systems focus on performance as measured in the common comparison, a homogenising logic is installed. Over time all systems tend to become the same. In the 1990s, this kind of homogenising logic entered university evaluation

and quality assurance around the world (Mollis and Marginson 2000).

This article is about how international comparisons in education are made and might be made; and the varying implications of different comparative methods for national policy and university identity. It is also about the dramatic effects of globalisation on the methods used in international comparison in education, and the new potentials that globalisation creates.

Though it has older roots, 'comparative education' has been significant in education policy studies for at least four decades. As with other social sciences, comparative education has been affected by a continuing, fragmented but compelling relationship with the world of government and political-economic power.

The dominant strand of comparative education is largely quantitative, and emerged in the USA in the 1960s, at the same time as the positivist brand of structural functionalism in sociology which influenced it (Hesse, 1980; Morrow and Torres, 1995). Orthodox American comparative researchers accepted positivist notions of linear development, social regularity and equilibrium, and the instrumental role of education in national development as framed in universal theorisations of the relationship between education, economy and society, such as human capital theory (Marginson, 1997, 92-118). At the same time comparative education became linked to American foreign policy and the often congruent work of global agencies such as UNESCO and the World Bank. Much of the research in the field since has consisted of large-scale cross-country data collection financed by governments and global agencies.

The global templates of education systems used in such studies, grounded in social models mostly taken for granted and implicit, are 'Western' and English-language in content and fashioned by an idealised version of (especially) American education. As Benjamin Barber put it almost 30 years ago – and it is more true today – in comparative education, the 'models of development and

modernisation turn out to bear a remarkable resemblance to the evolution of American industrial capitalism' (Barber, 1972, 424-436).

At the same time there are other strands of comparative education. An older school sought to draw out national differences as much as similarities, using philosophical and historical methods. There are contemporary researchers who use qualitative studies to focus on what is distinctive in national sites, or are located in countries where the standardising policy role of global agencies is problematic and 'Americanisation' is a serious concern.

### 'Sameness' and 'difference' in comparison

Making educational comparisons always involves both 'difference' and 'sameness' (Mollis, 1991). Difference and sameness are philosophical opposites, but these opposites are not necessarily antagonistic or mutually exclusive, either in logic or in the real world.

In the real world an education system can exhibit diversity in one respect and sameness in another, and the relation between the two may be complementary rather than antagonistic. For example, take 'league table' institutional ranking in higher education. The process of ranking rests on the common template used for comparative purposes, and it encourages institutions to converge with each other. Yet it also establishes a hierarchy of institutional outcomes, thereby creating one form of difference.

Likewise, the logic of comparison incorporates both sameness and difference. First, any act of comparison assumes an *a priori* notion of difference, whether difference of degree as in unequal quantities of the same kind of object, or difference of kind as in the contrasting of objects with varying qualities. Second, comparison involves a search not just for variations between cases but for resemblances between them. Comparison is only possible on the basis of common criteria, including the identification of units for comparison, the quantitative and/or qualitative methods used in making comparisons, and the theoretical framework linking the criteria together. Neither sameness nor difference *can* be absolute. If sameness was absolute and the world was one homogeneous place, there would be no meaningful variation, and hence nothing to compare. If difference was absolute, there would be no common basis that would permit comparison. In that sense, each term, sameness and difference, provides the condition of possibility of the other.

It is important to note that the relationship between sameness and difference is not fixed, it is variable. Those comparing national education systems can vary the focus on one element in relation to the other, depending on the theories and methods employed. Qualitative studies are more readily associated with focus on difference, while quantitative work lends itself to projects which emphasise sameness: the fit between the pairings of sameness/

difference and quantity/quality is not exact, but it is suggestive. Fundamentally, how much sameness, how much difference, depends on the purposes of the work.

To illustrate these points, it is useful to look closer at the process of comparison. When we use qualitative techniques to examine phenomena drawn from a common set, the closer we look and the more complex the criteria used in observation, the more that 'sameness' dissolves into different cases. In qualitative studies based on complex case work, where there is always more to investigate than can ever be encompassed, there is a *prima facie* bias to the creation of difference and incommensurability between cases. In terms of logic, this tends towards the elimination of the possibility of comparison itself.

At the same time, comparison can be used to turn 'different' phenomena into similar phenomena. For example, in quantitative cross-national comparisons of educational achievement, though the same numerical data may have different contextual meanings in each national context, in a cross-country table the different contexts disappear. A '7' from Norway looks the same as a '7' from Malaysia regardless of the circumstances in which each '7' was produced. Indeed, even in qualitative studies designed to prepare a content-rich and context-rich description of each national case, there is a moment of abstraction which occludes at least some elements particular to each nation. Here the process of comparison contains a *prima facie* bias towards the creation ('discovery') of sameness. Again, this tends towards the elimination of the possibility of comparison itself.

### Ultra-relativism

Though educational comparison requires both sameness and difference, the field of comparative education is bedeviled by work pushing to one extreme or the other, either of sameness (universalism) or difference (ultra-relativism).

The universalist imposes a uniform model on every specific case. The ultra-relativist treats each case as completely different (Epstein, 1998, 31-40).

Ultra-relativism treats different cultures as wholly heterogeneous. It is premised on difference, but an abstracted and ahistorical 'difference'. Bob Young comments that 'notions of cultural incommensurability appear to rest on the assumption that frameworks are totally closed and unchangeable' (Young, 1997, 497-499). But identities were always more fluid than this, and in a global era identities have become ever-more multiple, hybrid, cosmopolitan and changeable (Appadurai, 1996). This suggests that the ultra-relativist position, far from being fashionably post-modern, is increasingly obsolete. Ultra-relativist 'comparative' education obscures what is common to national systems and denies mutual effects in international relationships. This not only blocks comparison, it handicaps understandings of the dynamics of each

system, in which national, international and global elements combine. Ultra-relativism ultimately precludes sympathetic engagement with the object of research. It cannot interpret difference.

### The dominant approach: universalism

In contrast, the dominant approach in comparative education, connecting to the requirements of American government and global agencies, is semi-universalist. Here Comparative Education is akin to Hegemonic Education. The underlying assumption is that all education systems are fundamentally the same and if they are not, they ought to be.

The dominant approach encourages sameness across national sites while preserving a limited form of difference. This is expressed as unequal quantities of the sameness, enabling ranking. Comparative league tables of national system performance are prepared either by matching national data sets to each other, or by cross-country surveys. Here the comparativist eliminates all local features, all forms of difference except for measured differences in the particular 'universal' criteria selected for comparison. The result is an outcome deceptively simple: the transparent 'performance' of each national system, though shorn of the richer national context data that would explain each 'performance'.

Thus comparison is reduced to two steps, aiming to: (1) identify similarities between the object of study and another object; and (2) identify a limited form of difference as deficiency, by comparing one education system against another, or an ideal type. This is difference expressed not as qualitative difference, but as unequal quantities of a single quality. This approach to comparison excludes the 'other', and the possibility of discovering 'otherness' or 'alterity', the state of being other or different (Kempner et al., 1998, xiii-xvii). It excludes recognition of what might be called 'deep difference'.

H. J. Noah provides a revealing insight into this universalising positivist strand of comparative education. For him, the primary goal of comparative education is to establish generalised statements about education that are valid for more than one country; 'law-like' cross-national statements on relations between education and society, and teaching and learning (Noah and Eckstein, 1969, 114). To Noah comparative education focuses on 'the careful identification, validation and measurement of variables', maps relations between the variables in each nation and synthesises the national equations into a general equation. 'Country names' are brought in 'only when the ability to make valid generalisations across countries fails' and 'when no amount of within-system (nation) adjustment of either the independent or dependent variables can reduce the across-nation differences in observed relationships' (Noah, 1988, 12). *Only at this point* are national character or historical background introduced into the equation.

Noah contrasts this method favourably with what 'used to be' the primary goal of comparative education, which was 'the most complete description possible of other education systems, and the most telling comparison of one system with another' (Noah, 1988, 12). His own 'comparative' education has no intrinsic interest in specific countries, or in subjecting its would-be universal 'laws' to tests of local relevance and cross-national transferability. This underlines the point that like ultra-relativism, universalism in comparison precludes sympathetic engagement with the object of research. It cannot interpret difference.

In the face of complex questions, the positivist comparativist strives for single models and dualistic yes or no truths. Yet much social theory suggests that in contrast to the natural sciences, the social sciences exhibit a principle of ambiguity. Given the open-ended and ultimately idiosyncratic nature of social life, many events do not conform to rules of universality. When such rules are invoked, the notion of universality is invalidated; or, rather, it becomes not a precondition for scientific work but another contested terrain. To account for this the conventional sociology of education now resorts to quantitative, statistical probabilistic models, in place of laws or law-like explanations. But the underlying problem remains. The dominant strand of comparative education suppresses much that is real from view.

For the positivist comparativist, more complicated analyses seeking to understand the historical nuances and interrelations of things, using multi-disciplinary analyses that are uncertain or problematic, are simply unnecessary (Samoff, 1990). If pertinent in theoretical terms, they are seen to lack usefulness for government, which is concerned with (apparently) well-defined and immediate problems and motivated not by the search for rich explanations, but actions which efficiently resolve those problems. Instrumental positivism in comparative education is intellectually simple and politically pragmatic. It is a striking example of the manner in which the social sciences have learned to speak to power in easily digestible terms, regardless of the cost for our deeper social understandings and larger capacities for action.

This article takes an agnostic position on the relationship between sameness and difference, rejecting the extremes of both universalism and relativism. In comparative education neither sameness or difference can be absolute. Theories and methodologies should reflect this. Against the universalist position, method in comparative education should be orientated towards the interpretation of differences, and the recognition of the 'other'. It is necessary to devise techniques that foreground identified forms of difference, and enable unexpected real world differences to surface within the discourse. Against the ultra-relativist position, comparative education needs to interpret individual differences not as terminal, but in the context of a wider set of variations; recognising that there



are also commonalities that are structured by the relations between 'others' and between 'other' and 'self'.

## Between Scylla and Charybdis

In summary: in comparative international education, sameness and difference are interpenetrated and omnipresent: not as uniform 'same-sameness' and 'same-difference' but capable of taking a myriad of heterogeneous forms. The interactions and tensions between the two poles give the field much of its ambiguity, vibrancy, dynamism and varied potentials. This underlines the point that comparative education must avoid privileging either sameness or difference in any lasting sense, using each to interrogate the other, constantly moving between them. Further, because choices of theory and method have implications for sameness and difference – and because the relation between sameness and difference in education can be powerful, for it can affect education policies and shape cultures – then the implications of those theoretical/methodological choices should be made explicit. This would enable comparative education as a field to become more reflexive.

In other words comparativists should put aside the conjuring tricks, the posturing about the one road to 'true' comparison, and acknowledge the field is politically relative.

## The impact of 'globalisation'

Into these long-standing debates has stepped 'globalisation'. It is rapidly remaking the terrain on which education, and international educational comparison, are taking place. All social science fields which emerged in the modern nation-building era are experiencing dramatic discontinuities in the global era: comparative education is no exception.

'Globalisation' is characterised by transformations in the economic, technological, social, cultural and political, often separated in conventional analyses (Appadurai, 1996) and little theorised so far in comparative and international education itself. These transformations are remaking the central unit of comparative analysis, the nation-state, and touch all aspects of identity. Relations between sameness and difference, and the self and other, are being reworked. So far comparative education has remained largely isolated from the extraordinary fecundity of contemporary social and cultural theory, still sustaining the concepts, methods and development narratives of the previous era. It deploys the nation-state as its basic unit of analysis much as it did in the 1960s.

First a comment about the term 'globalisation'. In this article it is used simply to mean 'becoming global'. 'Globalisation' is not used in the neo-liberal sense to mean the formation of a world market, though this interpretation is potent in government, the corporate world and popular

cultures. To distance the term here from neo-liberal usage, it is placed in inverted commas ('globalisation'). What then does 'becoming global' mean? It refers to systems and relationships beyond the scale of the nation, at continental, regional and world levels.

'International' trade, inter-national trade, trade between nations, has a very long history (Hirst and Thomson, 1996). Cross-continental religions with universal ambitions date back two thousand years and more. 'Western' academic knowledge dates perhaps from the Renaissance. Nevertheless, in the last three decades or so a further change has occurred, in which global relations have become more extensive and intensive. This change is marked above all by thickening networks of instantaneous media and communication, and the new forms of identity, community and action they facilitate. 'Globalisation' is also characterised by the increasing mobility of people for the purposes of business and labour, migration and study, creating a more complex cultural mix and cosmopolitan and hybrid identities (Babha, 1990; Appadurai, 1996).

In this environment people undergoing new cultural influences use media, communications and return travel to maintain contact with their previous place-locations, their previous selves. Travelling is less a passage from one absolute place-identity to another, more an absorption of additional strands of identity in a setting in which 'selves' are cosmopolitan, linked to multiple cultural groups and centres of activity and simultaneously affected by kin-based, local, national, regional and global markers. Many international students and academic faculty come to assume hybrid identities. While this kind of 'globalisation' excludes the poorest part of the world's population who lack access to telecommunications and whose experience of the global is limited to (and by) images of global consumption, it has a broad and ever-growing impact on other social layers. Held et al. note that 'notions of citizenship and national identity are being renegotiated in response to contemporary patterns of global migration and cultural globalisation ... in many cases the trajectory of these negotiations is far from clear' (Held et al., 1999, 326).

Theorisations of cultural 'globalisation' conjure up an incessant changeability, flicker and fleetingness, derived from the rapid turnover of images and systems. It is important not to fall into a universalistic 'globalisation' which loses locality, contingency and cultural context amid a supposedly transcendent 'world-culture' subject to continuous reinvention. Much of what is described as reinvention is the same practices recycled, attached to a few novel signs. Perpetual reinvention is one of the markers of the neo-liberal ideology of 'globalisation', creating a continuous obsolescence and ever-new products and markets, while basic relations of power remain unchanged. However, in the real world, while there is

novelty and discontinuity, 'globalisation' does not constitute a *complete* break from the past.

### 'Globalisation' and education

'Globalisation' has immense implications for education. As well as changing the potentials of national government, the incubator of modern higher education systems, 'globalisation' is associated with the growth of international markets in on-site and on-line education, and ever-more mobility and communications. World-wide the number of international students has grown from one to two million since 1980. On-line education, crossing national borders, hastens the cultural inter-penetration of nations and education institutions. In policy, international comparisons that were once the province of a few specialists are often now the terrain on which national policy is conceived and formulated. This raises the stakes in comparative education. E. Oyen remarks:

*People flow between countries in ways that have never been seen before, at the same rate that international organisations are established non-stop. Politicians go for comparisons to increment their comprehension and control of national events, though they end up accepting intuitive comparisons to justify a great part of their policy preferences. Bureaucrats make extensive use of national and international statistics in their comparisons, and industry and the world of business constantly compare the social context of national and international markets ... This tendency to globalisation has changed our cognitive map. While some cultural differences tend to vanish, others become more pronounced. Comparative investigation probably has to change, going from emphasising the search of uniformity in the variety, to studying the preservation of enclaves of unity amid an ever increasing homogeneity and uniformity (Oyen, 1990).*

It is often noted that 'globalisation' is associated with two contrary trends: a trend to world-wide convergence, homogeneity; and a trend to difference via more extensive and complex encounters with cultural 'others'. Paradoxically 'globalisation's' homogenising systems, reaching into every corner, render heterogeneous difference more uniform than before. Globalisation foregrounds those differences that appear within the frame of global systems, while progressively eliminating the potential for 'others' located outside those systems and opaque to them. Global systems in finance and communications, and most world products, are carriers of particular Anglo-American national traditions. For example, four fifths of all electronically-coded information is in English (Held et al., 1999, 346).

Despite 'globalisation's' dual potential for homogenisation and difference, it would not be hard to mount the claim that homogenising aspects are presently uppermost in education. The neo-liberal argument for school reform by John Chubb and Terry Moe (1990), grounded in the unique circumstances of locally-controlled US public

schools, became required reading in policy circles everywhere. In the Anglo-American countries, courses for international students in business and information technology are forming a global elite steeped in American language and business practices. The World Bank (1994) model for higher education reform -mixed public and private sector provision and funding, corporate-style competing institutions, and the transfer of responsibility for educational quality from government to institutions - has become a widely adopted benchmark.

The means of transmitting this model are global, the reach of the model is global, yet the model has a local first world, 'Northern' and particularly American identity. Global hegemony in comparative education does not mean the methodological extinction of the national dimension and its replacement by abstract universalism, so much as the world-wide elevation of the educational practices of one nation (or rather, an idealised version of those practices). Other nations do not vanish, they are subordinated.

Outside the USA, educators often experience the homogenising side of 'globalisation' as a strong 'Americanisation' which threatens to overwhelm all forms of identity not minor variations on global themes. Nevertheless, the notion of 'globalisation' as an *automatic*, universal, unstoppable Americanisation should be resisted. Appadurai (1996) comments that the newly mobile identities are not so much determined by hegemonic culture as chosen by their subjects. There is still room to move. There is also the possibility of plural global systems. A strong version of Americanisation is one set of possibilities. More fragmented and diverse kinds of 'globalisation' constitute other possibilities. Likely we will experience a mix of the two, varying by sector, with unitary 'globalisation' strong in sectors such as finance. Where educational practices will fall is as yet uncertain.

### Comparative education in the global era

In relation to the cognitive map used in comparative education, the implications of 'globalisation' vary, depending on the theorisation of 'globalisation' that is adopted, and also on the approach taken to comparative education itself.

As discussed earlier, comparative education has never been innocent of the global, in that its positivist form has contributed to the homogenising 'globalisation' of national systems. Of course orthodox comparative education will not acknowledge its own global effects (let alone acknowledge the content of those effects): positivist science is, after all, neutral! An Americanising global mission is concealed within a pre-global methodology, and the global dimension appears as merely an appendage of American national identity.

No doubt there are practical reasons for avoiding the issue, and these have blocked the theorisation of the

changing global/national relationship. It might suit the positivist comparativist to opt for more of the same, so that comparative education continues to test national education systems against global templates and advise national governments on how to reach ideal global forms. It might seem convenient to leave the nation-state at the centre of the methodology, thereby protecting agencies such as the World Bank from scrutiny and debate while maximising the pressure on 'sovereign' national governments to conform. Yet this position is becoming increasingly untenable, given the empirical weight of global agencies and supra-national regional groupings such as the European Union, not to mention the globalisation fever in social science and cultural studies.

For comparative international education, the immediate issue posed by 'globalisation' is its relativisation of the nation-state. Governance remains national in form, and nation-states continue to be central players in a globalising world. Nevertheless, the nation-state now operates within global economic constraints, and is often the agent of global forces. While it retains the potential for self-determination and global influence, it no longer provides a sealed political-cultural environment. This is a great change, and it suggests the need for research on the global agencies, and other global institutions and relationships; investigation of the new geo-political-educational structures of power in a globalising world; the study of international education including on-line education; and the implications of new forms of governance and identity other than the national. In turn, these sites of research call up the need for a post-positivist comparative education.

'Globalisation' creates both sameness and difference, and the relationship between them is open-ended and contingent, reinforcing the earlier point that comparative education should not privilege either sameness or difference in a lasting sense. Similarly, comparative education should be framed so as to encompass both hegemonic culture and the alternative voices, and move between the macro and the micro, and between the qualitative and quantitative. To exercise this strategic intellectual freedom, it is essential that to a significant degree comparative education is beyond the control of government or global agencies. Within the field, the strand of independent research needs to be enhanced.

Such independent research is able to acknowledge that in terms of its explanatory power, the positivist method has entered an irreversible crisis. First, the crisis of epistemologic universalism: the inability of universalist arguments to account for relativistic partial truths grounded in gender, class or culture. Second, the crisis of universal explanation: the inability of one model to encompass all aspects of the real, and the need for complex multi-variable models to enable complex understandings. Third, the crisis in the relationship between History and Sociology. Fukuyama's statement about the

end of history signified positivism's abandonment of social history, in the neo-liberal era. But to dispense with history is to lose not only the explanatory power of the past, but the sense of possible futures, of becoming.

The new cognition required by comparative education rests on scepticism about grand narratives, data collection and data analysis techniques, without falling into the nihilism of gross relativism.

This new cognition takes into account the uniqueness of the object of study, the historicity of the life world, and the heterogeneity of social subjects and their evolving identities. It draws on a broad range of academic disciplines, with attention to the junctions between history and sociology (Braudel, 1972; Tilly, 1984; Marginson and Mollis, 2000), and takes a flexible approach to theory. At the same time it subordinates methods to theories, rather than *vice versa* as at present. It encompasses both quantitative and qualitative methods, tending to subordinate the former to the latter rather than *vice versa*. It is reflexive: it understands the implications of the practical role of comparative education for its theories and methodologies, and *vice versa*.

This article will now touch on three elements of this new cognition: the ethics of sameness/difference and self/other in comparative education; theories, methods and disciplinary frameworks; and elements of a research agenda for the global era.

## Ethics for the global era: difference, the self and the other

When modern education systems were being built, democratic reformers focused on the spread of educational opportunities. They favoured universal and homogenous systems that weakened old exclusions and hierarchies. With difference understood as inequality, the goal was to reduce difference (Tedesco and Blumenthal, 1986, 9-28). With cultural diversity a tool of elite power, the goal was a common culture, with its double-meaning of 'universal' and 'popular-democratic'. But in a global era, homogenising systems of unprecedented cultural power are able to break down subaltern identities *without* lifting subaltern status or material position. This suggests the old democratic agenda should become pluralised, and that one of its axes should be reversed.

Oyen's point was that the need is not for sameness amid variety, it is to sustain the capacity for difference: the right to cultural self-determination, the universal human right to identity. This raises the question of the conditions under which the right to difference is promoted. In comparative education, it invokes relations between self and other.

The forgoing argument suggests that in comparative education in the global era, the approach to sameness and difference needs to be grounded in an explicit ethic of relations between self and other (this refers not just to

individual self/others, but cross-national and cross-cultural relations between institutions, between national authorities, etc.). Research in comparative education should not privilege the self over the other, or *vice versa*. Rather, it should be concerned to recognise the other, and explain difference. While all national education systems should be transparent to external scrutiny, these systems also have the right to self-determining identity, including the cultivation and expression of national or regional differences. This suggests that the *a priori* bias towards global models should be replaced with an *a priori* bias against claims to hegemony and in favour of cultural diversity. Negative 'othering' is replaced by empathy with the other.

To argue for a greater capacity for diversity is not to take the ultra-relativist position that all imitation and sameness are 'wrong'. For example cross-national educational convergence in participation rates, levels of public spending and aspects of institutional modernisation may well be welcome. However, the issue of concern is the *cultural contents* of curricula, pedagogies and socialisation in education. All else being equal, greater cultural diversity between national systems is a sign of a more potent self-determination. From this perspective, a key question for comparative education is the pedagogical, cultural, political and economic preconditions necessary for, say, indigenous identities in education; or the conditions for national policy-determination in a globalising environment.

This kind of research requires a capacity to engage with the identity of the other via deep comparison, without the collapse into ultra-relativism. Deep comparison requires a capacity and willingness to change the self, opening the possibility of partial hybridity. Understanding of the other is never complete, but this is true of all relationships. Young argues that:

*The appropriate remedy for xenophobia and ethnocentrism is not a culturally relativist embrace of all cultures ... but the development of bi-cultural or hybrid awareness, followed by more pluralistic perspectives* (Young 1997, 504).

The guiding principle is equality of respect. The comparative educationist willing to incorporate part of the object of study into her/his own identity – and thus able to make the transformation of subjectivity a fruitful part of the process of comparison – can engage more effectively in and draw more profound lessons from the research. This requires recognition that the self lies, as Young puts it, 'somewhere between, on the one hand, heterogeneity and total plasticity' and, on the other, 'the entirely homogeneous, harmonised single self of the myth of character' (Young, 1997, 499). The self and other are each open to change, but they are also each valued and sustained. Appreciation of the other does not have to rest on deconstructing the other, or dissolving the self.

Opening the self in this manner can be uncomfortable, even laden with risk. For the positivist, the process of

distancing oneself from the other (from the object of study) is defensive, the assertion of an unchanging inviolable self. The hegemonic comparativist expects all identities and practices to be open to transformation except his/her own. A fixed self is preserved, at the expense of understanding the other, undermining the comparative project. In contrast, when 'deep comparison' is used then no one system has hegemonic or privileged status. All education systems can be relativised for analytical purposes, without exception. Questions can be raised about the education system from which the comparison is being made, as well as the system or systems with which it is compared. Questions of relative status and value are open for the duration of the project.

One way to actualise this 'deep comparative' perspective in cross-national comparison is via *reciprocal* methodologies. Instead of a solo researcher comparing another national system against her/his own system, two researchers each compare the other system against their own system. They then collaborate in identifying similarities and differences between the two nations, using a hybrid set of criteria constructed in mutual consultation. Subsequently, in the process of validation, they return to the bilateral and reciprocal. As Young states, 'an interpretation is verified by the other, in the new mutual intercultural ground that the communicative exploration of meaning creates' (Young, 1997, 503).

## Theories, methods and disciplines

To produce a comparative thought we elaborate a set of linked characteristics within a system. The linking system, the 'prism' used in the research, determines the richness of the outcome. In constituting this 'prism' which aims to throw light on the object, theories, methodologies, empirical observations and quantitative analyses all constitute useful inputs. *Any* tools that can assist the task of explanation should be available. There is no one single path to understanding, whether *via* discipline, theory, method, or the schema of their integration. Recent perspectives in the Sociology of Education envisage reality as ever-changing, with a number of dimensions or layers which constitute independent spheres but share intertwined dynamics. The acid test is not the internal consistency of the intellectual system *per se*, still less the capacity of that system to produce numerical data, but its capacity to generate *better explanations*, however defined. As Dow notes in relation to political economy, within the overall research program, a wide range of tools may be employed to secure a common purpose of inquiry (Dow, 1990, 146-147).

To those who argue that the choice of theory or method is driven not by its purpose but by its alleged 'universal' applicability as a privileged source of truth, it can be argued that no *one* approach can produce all relevant 'truth', that different theories and methods are associated with different truth effects and all truths are partial truths,

and that we are not so rich in our understandings of comparative education that we can afford to neglect insights from a range of approaches. This is not to argue that all theories, methods and disciplines are interchangeable, equivalent or 'equally valid'. On the contrary, it is to argue they are incommensurable and hence *cannot be* equally ranked truths.

Hitherto in comparative education, debate about analytical tools has mostly centred on methodology. For the positivist, claims to superior research are underpinned by statements about quantitative rigour, so that the path to knowledge is reduced to the maintenance of internal logical consistency in research design, and fidelity to the empirical protocols. While theory is never absent, it is mostly implicit, buried deep in various methodological positions. However, theory tends to be determining, whether or not it is made explicit. In a reflexive field the contents of theory *are* made explicit; and all theories, methods and research protocols are open to interrogation. A field unable to reflect on its own theoretical preconceptions is ultimately doomed to obsolescence.

The distinction between quantitative and qualitative methods is problematic only when the categories are opposed and mutually exclusive. While quantitative tools are indispensable for certain kinds of explanation, such as those tabulating elements common to different cases; qualitative tools enable data to be situated in their real life context, foregrounding difference and isolating problems of transferability between cases. The two kinds of method can be worked in conjunction, in the same research project. This is not to argue that qualitative and quantitative methods are 'equal' or equivalent to each other. Qualitative methods are able to encompass a wider spectrum of sameness-difference than are quantitative methods, which by definition emphasise singular quality, sameness.

In comparative education the argument for a plurality of foundation disciplines is widely accepted because of the range of disciplines already used in comparative work. Yet few comparative researchers themselves employ a genuinely multi-disciplinary approach. The field largely consists of competing singular approaches: it is multi-disciplinary, but not multi-disciplinary. Multi-disciplinary and inter-disciplinary approaches – for example by combining history and cultural anthropology, with the sociology of education and political economy, joining the identification of particularities to the process of comparison – enable a richer set of methods and insights, and hence enable a greater complexity in the research. At the same time, this poses the problem of which foundation disciplines, and of the conceptual architecture used in their integration and mutual interrogation.

## A research program: global comparative education

In conclusion, the article draws attention to five implications of the global dimension for a reformed comparative education.

### A global framework of analysis

First, 'globalisation' suggests that nation-to-nation comparisons should be located in a larger analytical framework, noting tendencies to convergence and other global effects, and noting also that these effects are contested and uneven, and vary between nations, regions and institutions. At the same time, in nation-to-global-standard comparisons, such as large scale cross-country data sets, the cultural content of global standards (which mostly reflect one or another set of national practices) should be made explicit. There is also a new necessity for comparisons in which the pan-national region is the key unit, including the EU, NAFTA, and MERCUSOR in the 'Southern Cone' of the Americas.

Further, the global dimension itself is now a key site for comparative and international research: the role and effects of global agencies, and their relationship with national governments and non-government agents; the manner in which global effects feed through national effects and *vice versa*; patterns of cross-national influence including regional effects; global inequalities in resources and educational power. There are already some relevant studies, such as Martin Carnoy's path-breaking *Education as cultural imperialism* (1974); and more recent work by Karen Mundy (1998), Phillip Jones (1992, 1997), Miriam Henry et al. (1999) and Marcela Mollis (1999/2000). Still, further critical-empirical study of the World Bank, International Monetary Fund, Asian Development Bank, Inter-American Development Bank and similar agencies; and of the shift from the socio-cultural UNESCO to the economically-defined-World Bank as the primary global agency in education; would be illuminating. Other research sites are suggested by global trade agreements such as GATT; and the politics of cultural harmonising and respect for cross-national difference, in education and other sectors.

### A new geo-political cartography of education

Second, *the traditional comparative map of the world*, in which all nations are formally similar and ranked according to their level of development on a single scale, *is more inadequate than ever*. It eliminates global phenomena, it fails to explain power relations between nations, and between national and global, and it hides qualitative national differences. This suggests the need for a new geo-political cartography tracing the flows of global effects, and the patterns of imitation, difference, domination and

subordination in education policy and practice. Many new questions are on the agenda:

Are the categories of 'third world' and 'North/South' relevant? Does the 'centre/periphery' framework provide a useful structure for understanding hegemony in education policy? Is there more than one hegemonic centre of power? For example, does the European Union have a major role to play in global developments, and what is its relationship to Anglo-America? Given the spread of English-language communications what is the longer term scope for other global systems from China, Japan or the Islamic world? What are the prospects for Spanish as a second global European language?

### Cross-border international education

Third, the growth of cross-border international education foregrounds it as an object of research in itself, only partly encompassed by studies of particular national practices. International education sits between global, inter-national and national systems.

This opens a host of inquiries, from hybrid subjectivities among mobile students; to the attributes required for educators, institutions and systems in a nationally-interpenetrated educational world; to comparative policies on languages and bi-lingualism; to the patterns of international research collaboration and competition; to the spread of commercial practices in international education and the resulting tension with pedagogical practices and national cultures; to the mushrooming of on-line education communities and their relationship with national regulation, and so on. Research in international comparative education needs to encompass the cross-national recognition of education qualifications (Harman and Meek, 1999), the emerging pan-national systems of accreditation and quality assurance (Van Damme, 1999), and cross-border electronic distance education, which partly evades national regulation altogether.

### New forms of place-identity in education

Fourth, as noted 'globalisation' opens up a new potential for forms of place-identity other than the national. The singular methodological focus on the nation has downplayed supra-national cultural and religious identities (Shamsul, 1999) and obscured intra-national regional variety in educational participation, resourcing and outcomes (Fry and Kempner, 1998) despite some research in this area (Parrado, 1998). This near exclusion of the regional is unsurprising. The modern nation-state has been a mechanism for achieving national definition, political reconciliation and homogeneity; a set of tools for *overcoming* diversity. Now, the global relativisation of the nation-state allows regional and cultural diversities to resurface, in education and other sectors.

Nevertheless, and despite the fact that groups such as indigenous people draw support from the global level, in the overwhelming majority of cases it is only where national infrastructure provides protection from the homogenising effects of 'globalisation' that diverse identities are furthered. For example, minority cultures are stronger in Western Europe than in African countries that lack the resources and policies needed, including policies on languages in education and government to facilitate indigenous identities.

### The impact of the global at national level

Finally, *a further set of research problems are generated by the impact of the global dimension at the national level.* Modern education systems are still organised locally and nationally, subject to national regulation, and powered by a nation-building mission, albeit an often fragile one (Marginson, 2000). The trends to mobility and cosmopolitanism have major implications for policies on the preparation of citizens in education.

Another set of research is suggested by patterns of global policy borrowing and imitation, which suggests the need for a methodology for studying conditions for successful transfer of educational policies and practices. For example, the 1994 World Bank model of higher education urges systems to move to mixed public and private funding. Not all nations can draw on a domestic capital base sufficient to underpin major private funding: no other nation, with the possible exception of Japan, has the American capacity for tuition financing, corporate research, and donations from alumni and foundations. Comparative education could research the varying capacities of individual nations to meet this and other global policy norms. In turn this would allow the development of a more nuanced, variable model of public and private financing.

A further research agenda triggered by 'globalisation' is to directly examine education policy borrowing itself: to map in and between nations the forms and instances of isomorphism and convergence, and their opposites, self-determination and diversity, in education systems and institutions. (Marginson and Considine, 2000). Here the key policy issue is whether, to what extent, and within what limits, nationally-determined education practices are viable. What are the conditions necessary to sustain national and local self-determination and difference in the global era? Clearly, the answer will vary by nation.

To take the extreme case, educational self-determination is not an issue in the USA. In that country there is a robust national agenda. It is not contradicted by 'globalisation' which is partly constituted *by* that American agenda. But in many other parts of the world, 'globalisation' appears in conflict with national identity, and self-determination is a burning issue. The problem of Americanisation creates a principal dividing line in the academic field of

comparative education. Within the USA itself there is as yet little *internal* critical reflexivity in relation to the global effects of national American practices, effects mediated not only by government but by universities also. Nevertheless, this problem is at the heart of both the dyad of sameness/difference integral to comparison, and the power/knowledge effects of comparative education in the global era.

As such Americanisation is a principal policy and research site for independent scholars inside and outside the USA, and provides coordinates for dialogue and debate in academic forums. Though comparative education is an American-dominated field complicit in the global-as-convergence, its theories and methods can also be redeployed to explain hegemony, difference and self-determination on a world scale.

Comparative education could do this more effectively if there was genuinely equal sharing between the traditions in the field, manifest in a multi-lingual approach. Diversity of tongues shapes the diverse and multiple phenomena accounted for by comparative education: that linguistic diversity is not the norm is symptomatic of Americanisation. Significant communities in comparative education in Spain and Latin America, Europe and China are under-translated and under-published in English (Altbach, 1991). Data from Held et al. show that 'it is books originally written in English that are overwhelmingly the object of translation into other languages' not *vice versa* (Held et al., 1999, 346).

In comparisons which cross language barriers, comparative researchers ought to be conversant with the languages and cultures of all of the nations under study, precluding 'intellectual tourism'. To the extent that comparative education is focused on difference as well as sameness, on local specificity as well as global standards, we should expect more curiosity about what non Anglo-American voices are saying, and greater sensitivity to the rights of the other.

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# Articles

## Silencing the Academy? Reflecting on a dispute in a corporatising university

ALLAN PATIENCE  
VUT

In Part I of this article I outline aspects of the corporatising of universities. My proposition is that recent far-reaching administrative and policy reforms affecting universities are undermining their proper role in society. It could even be - as Robert Manne has suggested - that what we are now witnessing is the death of the university. In Part II, I offer a personal (and therefore necessarily partial) account of a dispute with senior management in a university, to highlight the analysis in Part I. As one anonymous reviewer has correctly noted, 'The dispute described is at one level somewhat trivial, but at another level very revealing of what appears to be a developing 'culture' within the upper echelons of university administrations in Australia.' In Part III, I suggest some strategies for countering the inappropriate corporatising of universities. My vision is of an autonomous and collegial public university, one that nurtures - before all else - the republic of the mind.

### Part I

Some recent literature about universities is - to say the least - disturbing. For example, in a much praised analysis of higher education the late Bill Readings (1998, p. 2) proposed that:

*[T]he wider social role of the University is now up for grabs. It is no longer clear what the place of the University is within society nor what the exact nature of that society is.*

Rutgers philosopher Bruce Wilshire (1990, p. 95) bluntly concludes: 'The university is in crisis.' In a passionate and intelligent essay, historian Frank Crowley (1997, p. 190) declares: 'After a decade of explosive growth and massive upheaval, higher education is in a shambles and needs urgent attention' (see also Grayling 1997). And Raimond Gaita (1999, p. 203) has written:

*The institutions which are called universities are compromised by mendacity, by a pervasive untruthfulness in their descriptions of how they have changed to accommodate the political pressures of recent years. Academics*

*tend to deny the extent of untruthfulness, but everybody knows that it is now widespread and that knowledge generates a debilitating cynicism about the higher ideals of the university.*

Similar sentiments can be found in a wide range of scholarly warnings about universities from around the globe.

The most disturbing aspect of this literature is how little of it appears to be read - disinterestedly, even critically - by policy makers and administrators, especially senior managers in universities. There is even evidence that some senior managers may prefer to suppress criticisms of contemporary universities (see, e.g., Coady 2000; James 2000). Is it that these senior managers think the literature - thus the scholarship behind it - is without foundation, misleading, even worthless? If so, just how informed is their criticism? And if it is uninformed - or worse, if the literature is ignored for its inconvenience or for its truthfulness - what hope is there for the definitive intellectual work and scholarly integrity of universities? Are we now seeing the silencing of the academy, even its overthrow as a major cultural institution?

The situation described by Professors Crowley and Gaita is taking place in the context of a public policy framework loosely labelled as 'economic rationalism' and in a world rapidly being caught up in the complexities of globalisation (see Stretton 2000). There are three broad consequences for contemporary higher education arising from these developments:

- (i) A comprehensive shift from an elite higher education system to a mass higher education system
- (ii) Over the past decade or so universities have been subjected to radical administrative reforms. One of the results is the rapid rise in highly paid, academically inexperienced staff numbers relative to academic (teaching and research) staff members in that period. This is broadly illustrated by official staffing numbers at Monash University where there are 2391 academic

staff to 2665 non-academic staff (Monash University 2000). *However, it is the non-academic staff at senior management levels - awarded salaries and employment packages significantly different from 'ordinary' academics and administrators - that is the most striking feature of this development.*

- (iii) Higher education has been displaced from its relative autonomy within public policy practice - it is now a pawn in macroeconomic policy.

## (i) The shift from an elite to a mass higher education system

In Australia, this shift has come about since the policy interventions of former Minister for Education John Dawkins (1988). It has been mainly achieved by amalgamating vocational training (mainly TAFEs) and applied educational (mainly CAEs or IAEs) institutions into larger institutions designated as 'universities.' This has resulted in the *alleged* abandonment of a binary system of tertiary education.

It has also seen the creation of 'dual sector' institutions. These are so-called universities with a special focus on vocational training and with substantial technical and further education divisions. So far they have developed as educationally and administratively schizophrenic institutions and on present indications are likely to remain so.

What it has not achieved is a richly diversified tertiary education system. Perhaps we need what Alan Ryan (1999, p. 25) has identified as the strength of the American system: 'The US combines mass higher education with elite excellence (in both its state and private sectors), but it only achieves this through allowing wide diversity in standards, salaries, tuition fees and so on.'

Some scholars are unpersuaded by the glib mass society assumptions of the post-Dawkins universities. Professor Crowley (1997, p. 14) asserts:

*The present gigantomania should be halted and governments made to realise that further national investment in additional undergraduates and additional degrees is unlikely to improve national competitiveness. The immediate goal of university education should be to have fewer and better, not more students; and to ensure that they are capable of benefiting from university education, and are given the best facilities for learning how to learn.*

This argument is based on the highly contentious judgement that there are students now entering universities who are incapable of completing a meaningful course of academic study. It also assumes that there is probably an identifiable and finite group of people - almost certainly a minority, probably an intelligentsia - in any given society with the mental capacity to pursue intellectually demanding degree programmes. These assumptions are controversial; the more so if it is being claimed that most students prior to the Dawkins reforms were the 'brightest and the

best.' They simply weren't - in fact, many of them were run of the mill. The assumptions are also questionable in the light of Australia's still feeble attempts to catch up with tertiary education participation rates in comparable countries - e.g., the US, the UK, Japan and Canada.

But if there are significantly fewer intellectually superior university students - if the vast majority are sub-tertiary education standards - we would need to cut back on the number of universities - e.g., by closing, or amalgamating, or 'combining' many of the institutions now trumpeting the word 'university' in their titles but performing as little more than super-TAFE institutes. This would facilitate the rationalising of expensive administrative staff and the pooling of teaching and research resources (e.g., libraries and laboratories). We would also have to re-invent an explicitly *progressive* binary system of tertiary education, to counter the slide into an implicitly *regressive* binary system - e.g., where the so-called 'sandstone' universities use their status and power to confront the rest over funding shares. A range of liberal arts and sciences colleges, on the one hand, and a variety of vocational training institutes on the other, may relieve the undergraduate teaching pressures on universities to enable them to get on with research and research-related teaching.

On the other hand, it is more likely that - provided there are talented and inspiring teachers, appropriately resourced - many more people (far more than in pre-Dawkins times) can take a tertiary degree and society (and the economy) would benefit immensely from an increase in tertiary education participation rates. Indeed for Australia to prosper in a rapidly globalising world that is precisely what we must urgently work towards.

If this is true, a number of issues present themselves for immediate action:

- We need to revise curricula to ensure that high levels of literacy, numeracy, critical thinking and expression, as well as a wide range of research skills and training, and an informed understanding of cultural and global affairs, are all being achieved in the mass university system. At the moment this is not always being achieved; students are increasingly the victims of narrowing ('dumbing-down') curricula.
- We need to establish creative foundation programmes to deal with increasing numbers of students whose cultural illiteracy is inhibiting their academic progress. Increasing numbers of Australian undergraduate and graduate students - and, for that matter, increasing numbers of university academics and administrators - are inarticulate (in writing and speaking) and they are largely unconscious of the globalising world closing in on them.
- We need to educate (not train) university teachers. This will mean doing a great deal more than offering lecturers and tutors mindless training sessions in IT

gimmickry: *Powerpoint is the opiate of the pedagogue*. Despite some schemes to promote tertiary teaching (the criteria of which remain suspect), the pedagogical enterprise in our universities remains grotesquely under-valued and under-resourced.

- We have to better resource libraries, laboratories, classrooms.
- We have to reduce class sizes (tutorials of more than 25 students are now not uncommon in Australian universities) so that affective, personalised, dialogical, and humanising teaching can take place.

If we fail to address these kinds of issues, the shift to a mass higher education system will wreck the *whole* system, not just its post-Dawkins accretions.

## (ii) Managerialising universities

Our contemporary universities have been captured by a 'managerial mode of control' (MacIntyre 1981). This is control by *detached* administrative specialists in which the *administrative process* takes precedence over the defining work of the organisation (Patience 1999). In universities this means teaching and research. Academics are being elbowed out at the cost of academic standards. It would be interesting to see a comparative study of the management structures of private corporations and 'corporatising' universities. Are we getting value for money here, especially as administrations gobble up ever larger chunks of university budgets, at the expense of academic teaching and research?

Detached managers achieve productivity increases from their subordinate workers by down-sizing, by limiting contracts, by cutting wages and conditions, and by imposing stress (sometimes ruthlessly), uncertainty, insecurity, even fear, in the organisations. As Richard Sennett (1998, p. 121) notes, the consequences are ethically questionable and socially destructive: '[...] the uncertainties of flexibility; the absence of deeply rooted trust and commitment; the superficiality of teamwork; most of all the spectre of failing to make something of oneself in the world, to 'get a life' through one's work.' In the long-term, this results in increased burnout and illness rates (e.g., a rise in depressive illnesses), high workforce turnover (with the loss of experience in organisations), increased social pathologies (especially in areas like alcoholism, drug abuse), and economic decline.

In the face of this detached managerialism, universities can usefully and radically be re-imagined as courteous, scholarly and collegial communities. In this re-imagining, we need senior managers as *prima inter pares*, not members of a corporate hierarchy. As Monash academic Andrew Butfoy (1999) notes: 'Corporatisation has its place, as long as it isn't pursued by fundamentalists who either don't know what traditional university values are or who hold such values in contempt.' We should expect

senior managers to be (in Dr Butfoy's words) '[...]leaders of academics' - i.e., cosmopolitan scholars with established teaching and research reputations, profoundly committed to the republic of the mind, and capable of critical disinterest in the face of political bullying and corruption. They need to be in regular collaboration with the teaching and research functions of their institutions and profoundly sensitive to the public education and cultural roles universities need to play in a globalising world (Kohler 1998).

Wise leaders and many successful private corporations are well aware of the advantages of 'flattening' managerial hierarchies and democratising organisational structures (McKenna 1998; Limerick *et al.* 1998; see also Gottleibsen 1999). The CEO or senior manager as an unaccountable tyrant (sometimes unaccountable even to her board) is now widely recognised as a corporate dinosaur. To be collaborative with such tyranny in universities is to be shockingly anti-intellectual.

Public universities fall into a category conventionally referred to by management scholars as 'Not For Profit Organisations' (NFPs) (Bowman and Asche 1996, ch. 9). While privatisation strategies are seeking to downsize the number of NFPs, there is a limit to the extent that public universities (and other NFPs) can be privatised. NFPs are characterised by high levels of altruism, moral purpose, and citizenship. They are in contrast to the more instrumental cultures of organisations principally geared for making profits and its associated ego-centred gratifications (Butler and Wilson 1990; Drucker 1992).

*NFPs function well only where their unique values are organisationally recognised and affirmed, where a culture of collegiality is continually being fostered.* Collegiality in universities necessarily entails consultation, debate, dissent, deliberation, respect for intellectuals and the life of the mind, respect for academic expertise and scholarship. A tyrannical and hierarchical managerialism in universities crushes scholarly collegiality. As one of the most reputable academic writers on modern universities, Professor A.H. Halsey (1992, p. 13), explains: 'Managerialism gradually comes to dominate collegiate cooperation in the organisation of teaching and research.' He elaborates:

*Research endeavours are increasingly applied to the requirements of government or industrial demands. The don becomes increasingly a salaried or even a piecework labourer in the service of an expanding middle class of administrators and technologists.*

## (iii) Making universities pawns in macroeconomic policy

The relegation of higher education to short-term macroeconomic policy goals means, *inter alia*:

- Maximising vocational training curricula while minimising broader (liberal) educational curricula - the result is a flawed and limiting vocational training.
- Directing public funding to tertiary education according to the narrow perceptions of specific interest groups about short-term employment/labour market requirements.
- Keeping young people in education programmes to keep them out of unemployment statistics while charging them fees through HECS.
- Limiting the conditions under which teachers and researchers can critically challenge current policies and practices.

The idea of a higher education system maximising intellectual freedom *and responsibility* has been abandoned by many politicians, senior managers and bureaucrats. They have lost sight of the pivotal role that academic freedom entails in nurturing successful 'pure' research and 'applied' research and teaching programmes (Russell 1993).

Professor Sheila Slaughter (1998) has shown that late-modern universities are subject to government pressures to play an economic role in conformity with globalisation. This entails a shift of (especially public) capital into specific niches within the private sector. These niches include the construction industry, and media and IT conglomerates, many of them multinational and transnational corporations. It also favours 'industries' such as casinos and gambling, horse racing, and 'big events' like the grand prix, international sports (the Olympics, the Commonwealth Games), movies and entertainment, and fashion shows. It curtails the maintenance of public enterprise and public infrastructure (e.g., telecommunications, water and gas supplies, roads, transport, schools, hospitals, post offices, community services).

It is not at all clear in what sense the policy outcomes are successful. We need to ask at least three questions about them:

- Are they appropriate? (In fact they are largely taken as given; they shouldn't be.)
- If they are appropriate, are they being usefully and regularly measured? How transparent and convincing is the measurement?
- Are they achieving their stated goals or are they actually undermining them?

We need to know whether the postulated economies of scale and the gains in efficiency and quality promised in the post-Dawkins era of amalgamations and up-gradings of TAFE colleges, CAEs and IAEs into universities have actually been achieved. Some work is being done on this. But what is noteworthy is the huge silence from academics - especially economists, political scientists and sociologists

- about these realities. Academics who are keen to investigate and measure other groups and institutions in society seem strangely reluctant to turn their various analytical spotlights on themselves. Why?

The proponents of macroeconomic reforms in higher education have also concluded that 'expensive' academics could profitably (in strictly financial or accounting terms) be replaced by computers and by expanding distance learning facilities. If this illogic persists, eventually there will be one professor of law, for example, left in the whole world, presumably at Harvard, 'teaching' millions of students on the Internet.

*These attacks comprehensively under-estimate the pedagogical and psychological importance of the teacher-student relationship which in itself ought to be valued - and honoured - by society as being similar to the profoundly affective relationship between parents and children.* Herbert Kohl refers to this as 'the daily, intimate and complex interaction between teacher, students, and the content and process of learning' (Kohl 1998, p. 9).

To imagine that you can electronically virtualise these sorts of relationships takes us into a Brave New World of appalling possibilities. And it grossly over-estimates the effectiveness of distance learning and on-line teaching programmes (Chaudhry 1999; Faust 1999; Launder 1997). Michael Arnold (1999, p. 91) cite to evidence suggesting that '[...] digital technologies do not of themselves make a critical difference in enhancing the teaching and learning process.' He continues:

*It is therefore to be expected that whilst distance education suits many students, and whilst many academics are pleased to make certain course materials available on the web, to communicate with students via email, and to employ multimedia products in the place of certain 'live' activities, these innovations are modest rather than dramatic, are heavily qualified, and are often undertaken in support of traditional methods rather than in place of traditional methods.*

Those who demean face-to-face teaching in universities have often failed to understand the important philosophical distinction between education and training. This has led to a decline in meaningful degrees in universities, an issue raised by Professor Robert Manne (1999) following a deal between a university and a supermarket chain in which students are taught everything, from supermarket management to shelf stacking:

*The fact that shelf stacking can be accepted as a suitable university subject is no minor matter. It is a conceptual catastrophe - one telling sign that the traditional idea of the university in Australia is now dead.*

Thus 'irrelevant luxuries' like Classics or Music or Fine Arts or Literature are soon identified for eviction from university curricula via budget pruning.

*The problem with this sort of reasoning is that it confirms*

*the prejudices of [...] people disinclined to believe that an activity can be justified without a concrete, preferably financial result, a 7 per cent per annum yield or an increase in the general health of the population. Measured against such criteria, scholarly work - indeed most artistic work - seems a waste of time* (de Botton 1998).

If we can't speak convincingly of the civilising and humanising role of scholarly and artistic work, we don't deserve to be heard. The American philosopher Professor Martha Nussbaum (1997, p. 10) has given us an impressive lead:

*Citizens who cultivate their humanity need [...] an ability to see themselves not simply as citizens of some local region or group but also, and above all, as human beings bound to all other human beings by ties of recognition and concern. The world around us is inescapably international [...] Cultivating our humanity in a complex and interlocking world involves understanding the ways in which common needs and aims are differently realized in different circumstances. This requires a great deal of knowledge that [...] students rarely got in previous eras, knowledge of non-Western cultures, of minorities within their own, differences of gender and sexuality [...] One of the errors that a diverse education can dispel is the false belief that one's own tradition is the only one that is capable of self-criticism or universal aspiration* (see also Taylor 1994; Honneth 1996).

The cultivation of humanity is an art far beyond the capacities of a computer and virtual (largely narcissistic) fantasies. *Only humans can cultivate humanity, and that entails taking the vocations of parenting and pedagogy seriously.* Much of the *duty* of academics is pedagogy in the very best sense - i.e., teaching, mentoring, personal engagements with, and pastoral care for, students. This can only be performed successfully in a richly humane context which is richly informed by on-going research. This duty balances academic freedom nicely. As a former President of Stanford University notes:

*The lists of tasks for which faculty are held responsible has grown from moral teaching to include knowledge production, technical assistance, community outreach, and many others. Faculty members enter an arena full of personal and professional challenges that result from that cargo of expectations* (Kennedy 1999, p. 23).

## Part II

Some of the tensions in contemporary academic life are illustrated by a dispute in which I figured early in 1999. The dispute highlights the tension now evident in universities between academic freedom and the commitment to an intellectual culture on the one hand, and the mass education challenges, managerialism and macroeconomic shifts confronting universities on the other.

My personal involvement in the affair certainly needs critical reappraisal; but the dispute showed that traditional forms of contestation in universities - robust intellectual critique, scholarly irreverence, irony, testing the very limits of policy discourse - are now constrained.

Early in 1998 I was elected to a university council. From the outset I observed several things about the council:

- It was made up mainly of people with limited experiences of academic life and limited understandings of the 'idea of a university.'
- Insofar as they did have tertiary education experience, council members appeared more comfortable with a technical and further education focus.
- This background meant that the council mostly took an instrumental approach to directions the university was taking. One could be forgiven for believing that council saw the university principally as a kind of super-TAFE training institute.
- This TAFE focus was shared by most of the other elected members of council - especially the students (the main representative being from the TAFE sector of the university). I was the only elected higher education representative on the council. The vast bulk of council was from business and vocational backgrounds. Thus there was little common ground for caucusing before or during council meetings.
- Council seemed to me to rarely question executive committee recommendations, policies and decisions.
- Council often appeared unwilling to encourage the role of academics and students (in both the higher education and TAFE sectors of the university) in policy making at senior levels in the university - e.g., the executive committee warned council about the dangers of 'politicising' the 'election' of the chancellor, by consulting or otherwise involving academics and students (on that alarming grounds that 'suitable' chancellorial appointees would be dissuaded from making themselves available if academics and students had a say in their appointment).

I began to feel that senior management's perception of my role on council was ambiguous. I suspect that this was partly because I was the only *elected* academic member - i.e., from their perspective 'politicised.' It was also partly because I assumed that academics should question and criticise. In other words I came from a 'collegial' approach to administration. Senior management (and the majority of council) seemed to prefer a corporatising - or managerialising - approach. I was out of step with '[...] changes to university governance arrangements to allow existing institutions to be more businesslike' (Storey 1998; see also Office of Higher Education 1997).

This became especially evident late in 1998 in council discussions about a strategic plan for the university.

Former Monash Vice-Chancellor, Professor Mal Logan (1999, p. 79) has said of such plans: 'There is already some bewilderment about so-called corporate plans devised by some vice-chancellors, long after the corporate sector jettisoned them as fatuous management exercises.' The strategic (corporate) plan we were considering seemed to me to be tangential to the work of the teachers, researchers and students in the university for which it was being prepared. From a senior management perspective, this probably seemed heretical - and there appeared to be little council sympathy for the view that heresy is one thing that universities probably should be tolerating, if not nurturing.

My most dramatic - and certainly most stressful - moment as a member of council happened early in 1999. I was aware that cuts to teaching and research budgets, and to basic services like the postal department (which included redeploying or making redundant several very loyal female staff members), were undermining morale of the lecturing and general staff. I tried to make this clear to senior management. Guarantees of new efficiencies and new economies through out-sourcing were barely apparent to academic staff and students. Thus I was bemused at a council meeting to learn that senior management intended to outlay some \$100,000 (annually) to rent a corporate box at the new Docklands stadium. (Later this figure was increased considerably.) This, we were assured, would be economically neutral, it would help the university in fund raising and 'friend raising.'

The day after the council meeting, I e-mailed a report about the corporate box to the members of the university. In the e-mail I referred irreverently to senior management as 'boynos' and I singled out one senior manager for some lampooning. The chancellor who severely criticised the 'undergraduate tone' of my e-mail telephoned me to convey his displeasure with my action. Soon afterwards I had my access to the university e-mail system cancelled, without warning. Later on I received a letter from the vice-chancellor alleging that I had infringed regulations for the use of the university's IT facility. The letter noted that a legal opinion had been obtained by the chancellor advising that my e-mail message had defamed senior managers and council members. It warned - or threatened? - that formal defamation actions against me could be forthcoming. That threat has not been removed.

Senior management subsequently requested that I sign a prepared written guarantee that I would abide by the regulations governing the university's IT facility. I declined to do so and protested my innocence when senior managers (and the chancellor) accused me of breaching them. I was at no stage given an opportunity to answer the charges, nor was I allowed access to due process or to legal advice from the relevant university authorities. After some weeks of e-mail blackout I was reconnected. Senior management announced that a committee would be set up to revise e-mail regulations and dispute procedures.

One impressive outcome of all this was the strong support I received from my academic and administrative colleagues throughout the affair, both from within and outside the university concerned. In media reports, letters, and public discussions senior management's actions were portrayed as bullying, an attack on academic freedom, and a worrying departure from traditional forms of debating in universities.

The affair has certainly soured my relations with the council, the chancellor, and with senior management. I would nonetheless welcome an opportunity to debate the affair publicly with those senior managers involved in the dispute. This would be best pursued in an open scholarly forum with an impartial chair. I believe such a forum would not work with the threat of defamation actions hanging over any of its participants. Nor could it work in a context that did not respect the values of academic freedom and the intellectual culture of a university.

### Part III

Is there anything to be done? I think so.

*First*, public funding for education in general and universities in particular has to be increased appropriately and urgently. Without proper public funding universities will continue to go down the managerialised, TAFE-like road.

*Second*, academics need to re-imagine - comprehensively re-think - the concept of scholarly collegiality and community. John Henry Newman (1982, pp. 76-7) laid the foundations for this re-imagining in the nineteenth century and we have yet to catch up with him (if not with his gendered language):

*This I conceive to be the advantage of a seat of universal learning, considered as a place of education. An assemblage of learned men, zealous for their own sciences, and rivals of each other, are brought by familiar intercourse and for the sake of intellectual peace, to adjust together the claims and relations of their respective subjects of investigation. They learn to respect, to consult, to aid each other. Thus is created a pure and clear atmosphere of thought, which the student also breathes [...] He profits by an intellectual tradition, which is independent of particular teachers, which guides him in his choice of subjects, and duly interprets for him those which he chooses. He apprehends the great outlines of knowledge, the principles on which it rests, the scale of its parts, its lights and shades, its great points and its little, as he otherwise cannot apprehend them [...] A habit of mind is formed which lasts through life, of which the attributes are, freedom, equitableness, calmness, moderation, and wisdom [...] This then I would assign as the special fruit of the education furnished at a University [...] (see also Coady and Miller 1993).*

Academic collegiality entails a richly diverse and tolerant intellectual community that is highly conscious of its

fundamental value to a civilised society. Contemporary scholars need to refine the praxis of this collegiality and start fighting for it, seriously and consistently, against the corporatising and managerialising tendencies that have been imposed by short-term planners on the public domain.

*But, to achieve this praxis we have to avoid a distracting nostalgia about universities.* Some of the corporatising problems now facing universities are a back-lash against inefficiencies and dishonesties in the old tenure system, banal and self-serving research programmes, nepotism in recruiting, gender discrimination (which results in women being still under-represented at senior levels), cultural and class exclusivism, constricted political agendas, the moral failure of academics to stand up publicly against injustices within and outside the university, the detachment of universities from their tax-paying communities. And, most importantly, *many* of the attacks on universities grow out of parents', bureaucrats', managers', politicians', and media commentators' myriad bad memories of inferior teaching, uncommitted and lazy academics, doctrinaire or otherwise irrelevant curricula, alienating campuses, and poorly resourced libraries, laboratories and class rooms.

In embarking on such a struggle, we need to understand that we are engaging in an intellectual contestation with what can be described, in shorthand, as 'economic rationalism' (Slaughter 1998) and 'globalisation from above' (Falk 1993). This could well be the principal intellectual challenge for the late-modern university. In determining to be genuinely collegial communities, researching and teaching universalising scientific and humanistic knowledge, universities are among the most important agencies for advancing 'globalisation from below' - *the creation of a world where people matter, above all else.* This means advocating human rights, freedom from hunger and violence and disease, sound environmentalism, and helping to facilitate access to health care, housing, education, and social justice. For the academy to be concerned with anything less is an unconscionable attack on humanity itself. And such complacency will mean the silencing and ultimate death of the university.

*Third*, academics need to take back some central scholarly responsibility for their universities from the non-teaching, non-researching bureaucrats who are running graduate studies committees, student welfare committees, curriculum committees, and research committees. In part, it has been slothfulness on the part of academics that has permitted the shift of responsibility for running universities to non-academics. Good teaching and good research are inextricably and creatively entwined with conscientious administration. The first step towards taking back this responsibility should be ensuring that university councils have substantially increased academic and student representation.

*Fourth*, academics need to form mutually supportive alliances with other knowledge producers, writers, artists, musicians, dramatists, media people, and especially teachers in the wider community - particularly in primary and secondary schools. By developing these alliances, a public recognition can be developed of the crucial work of educators as public pedagogues. A society lacking this recognition is one that is on the edge of barbarism.

*Fifth*, teachers everywhere - whether in schools, universities or in other public institutions - need to take stock of the centrality of their role in a civilising world. The demoralisation of the teaching profession - at all levels - is one of the gravest dangers presently confronting contemporary society, especially Australia. As noted above (and it needs to be repeated often), good teaching is every bit as fundamentally important to society as good parenting. By developing a reasonable and creative pride in their work - as educators, as mentors, as responsible role models, as 'attached intellectuals' (Patience 1999) - they will encourage the wider community to rethink the devaluing of education that has started to undermine community life with very destructive consequences.

Years ago the sociologist Herbert Marcuse (1972) warned us about the dangers of a 'one-dimensional' mindset in capitalist societies. The silencing of the academy and the stifling of academic freedom - with all the fertile intellectual untidiness and contestation that that freedom necessarily entails - is one treacherous way of imposing one-dimensionality on the contemporary world. It is the responsibility of all academics to resist it.

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# Tensions unresolved: some current issues in university governance

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*Recent legislative changes affecting the composition of university governing bodies in South Australia and Victoria raise questions about the role of councils/senates and of elected staff members. This article, which focuses on the Victorian legislation and its emerging impact, suggests that councils have become less representative of the community and that staff members increasingly find themselves in a more marginalised and even vulnerable position. A tension persists between a managerialist board of directors model, as favoured by governments and university managements, and a more representative/democratic approach, as still preferred by staff and students.*

Elected staff representation on university councils or senates<sup>1</sup> has been a feature for some time, although for a long period this was restricted to academic members. More recently, general staff representation has become the norm, so that, at the time of writing, only the University of Western Australia failed to provide for general staff membership on its governing body, but even there, current proposals to amend Senate membership include the addition of a general staff member.<sup>2</sup>

The role of governing bodies was addressed in the federal government's 1988 White Paper (Dawkins, 1988), it being asserted that university councils were often diverted from a (desirable) institutional perspective by an over-emphasis on a representative role, the main culprits being, implicitly, elected staff members. The paper went on to suggest ten to fifteen as the optimal size for a governing body. The New South Wales government initiated a review of governance following the White Paper, resulting in restructured councils which ranged in size from eighteen to twenty six, a broad consensus having emerged, even among "reformers", that memberships of fifteen or less were too small.

The 1995 Hoare report addressed the issue of governance in greater detail. Paradoxically, it effectively argued that because tertiary education was now open "to the full spectrum of society" (Hoare, 1995, p. 42), governance arrangements needed to be less representative, when a respectable argument might have been made, at least by democrats, for a more logical and opposite conclusion. The report saw strategic planning and accountability as the key roles, and regarded twenty as the maximum size with

which these could be achieved, noting that existing bodies ranged in size from eighteen to forty. While the thrust was predictably managerialist, the report did suggest that governing bodies should "ensure that decisions take into account the views of appropriate stakeholders" (Hoare, 1995, p. 42), although no attempt was made to integrate the role of dissenting views into the model of governance being advocated. For example, a useful distinction might have been drawn between the articulation of such views on the one hand and whether these should frustrate or delay a majority decision on the other.<sup>3</sup>

This section of the report included the observation that "the governing body should ensure that an independent and vigorous academic board or senate is operating to monitor academic matters and protect academic freedom of individual staff members" (Hoare, 1995, p. 42). Members of the academic community might profitably reflect on how well this role is played in their particular institutions. Such reflections will probably not take long.

The defeat of the Keating government (March 1996) consigned the minister who had commissioned the Hoare report (Simon Crean) to opposition, and although much of the review's thrust was consistent with coalition philosophy, implementation was not a priority for the new government which pursued its higher education agenda in other ways. In any event, the Commonwealth has no direct legislative power over universities located in the six states, these having been established under state or (in some cases) colonial legislation. That is not to say that the power of the purse strings could not have been used to "persuade" universities to effect change, but such a course of action was not pursued.

As events transpired, two state governments, South Australia and Victoria, did take steps to restructure the governing bodies of their universities. In each case, the result was a significant reduction in the size of councils and a reduction in the categories of membership. These changes have the potential to affect significantly the role of elected staff on university councils. It is on the Victorian "reforms" and some of their implications that this article primarily focuses.

The South Australian inquiry came first, established by Education Minister Bob Such and chaired by company

director Alan McGregor. Quaintly titled *Balancing Town and Gown*, the report (McGregor, 1996) echoed the Hoare inquiry's views about the need for a more streamlined approach to university governance with a focus on policy, strategy and performance review. The collegial culture was seen as central to academic decision-making, but less so at the governing body level. External members should be those with "the background and experience to assist the universities..." (McGregor, 1996, p. 5)

The Victorian Committee was chaired by former state Liberal Minister, Haddon Storey, and reported in June 1997. Its emphasis was consistent with that of Hoare and McGregor, and was perhaps even more business-oriented, hardly surprising given the ideology of the Kennett Victorian government. A recommendation that at least one external member have substantial business experience and at least one have financial qualifications was included. (Storey, 1997, p. 18)

Of considerable significance were the categories of membership targeted for abolition in both the South Australian and Victorian reports, namely graduates and members of state parliament. The latter were seen as having inadequate attendance records in the South Australian report and both reports observed that such members, where their talents were worth having, could be secured through the appointment and co-option methods.

A similar point was made concerning graduate representation, it being argued by the McGregor committee that participation in relevant elections was too low and that graduate representation, as with that of MPs, could be secured through appointment. As some form of concession, the South Australian report provided for nominees of the relevant alumni associations to serve on the selection committees which would nominate external members for Council service. The Victorian report made no reference to participation rates in graduate elections nor did it recommend a selection process involving alumni associations as active participants. Its only concession was to note that councils could "make arrangements to select as members a certain number of persons elected or nominated by Convocation or its equivalent." (Storey, 1997, p. 17)

A further category, albeit one only involving two institutions, fell by the wayside in the Victorian exercise. At the time the Storey committee was established, Monash University (by law) and RMIT (by practice) included in their memberships one person nominated by the Victorian Trades Hall Council (THC).<sup>4</sup> Predictably, there was to be no specific representation for the trade union movement in the Kennett government's councils, it being longstanding conservative mythology that while trade unions represent narrow sectional interests, business is synonymous with the general interest. Indeed, the notion of the external members as "representatives" of community interests was also dispensed with: the new legislation merely refers to

members being appointed- either by the Governor in Council or by the Council itself.

The South Australian report contained some acknowledgement of the role of the community in university affairs. Membership of the proposed selection committees (see above) were to include "Three people, each being the President or its equivalent at the time, of one of a list of respected relevant associations or organisations in the community". (McGregor, 1995, p. 15) This list, while containing the predictable conservative elements (Farmers' Federation, Chamber of Commerce etc) also included the United Trades and Labour Council of South Australia, the South Australian Council for Social Services and the Aboriginal & Torres Strait Islander Commission. (McGregor, 1995, p. 24) At least in theory, this represented some acknowledgement of a wide notion of community and of that community's legitimate connection with universities. Readers would scour in vain for a comparable sentiment in the Victorian report.

In the institutions concerned, the THC nominee made for an additional member with an independent point of nomination/election and thus not readily "controlled" by the executive of the university or by the Chancellor. It was the potential of the category which was important, regardless of how certain individuals played the role. For elected staff and student members, the value of MPs, THC nominees and elected graduates was their independence and capacity to listen to a staff or student perspective without undue concern as to the possible consequences in terms of continuity on the governing body. This was especially the case with graduate members who benefited from being directly associated with the institution and from the legitimacy which came from election by their fellow graduates (however uneven the participation rates). As the present writer put it in an ultimately futile communication to the relevant Victorian state minister:

*I am aware that the review suggests that graduate membership may be secured through the appointed and governor-in-council categories, but it remains the case that such a method would have the potential, however remote, to compromise the independence and impartiality of graduate members which only direct election can ensure. This has been a considerable strength of the existing system. Staff members can be put under pressure, usually implicit, as can student members, and external members must secure a certain level of peer support to secure reappointment...*

*I contend that there is considerable value in retaining at least one directly elected graduate member as a source of distinctive, uniquely independent advice and at the same time ensuring graduates an ongoing influence in the governance of their university.<sup>5</sup>*

The minister's response was predictable, that graduates could be elected or appointed to councils within other

categories.<sup>6</sup> The graduate category died with the amending legislation.

In Victorian universities, the reduction in elected staff numbers<sup>7</sup> has meant an obvious diminution of total available talent, but more importantly, the handful of those with an independent source of election/nomination has been legislated out of existence. All external members now depend for reappointment on retaining the support of their peers, especially, one imagines, the Chancellor, and realistically, the Vice-Chancellor.<sup>8</sup> Certainly, the climate is such in some institutions that being too supportive of staff members' views and/or siding with them in a conflict probably constitute unwise behaviour for those externals seeking renomination to the governing body.

The problem is compounded, in the Victorian context, by the formal abandonment of even the legislative fiction that governing bodies should represent the broad (tax-paying and university-using) community. Instead, the focus is heavily on the recruitment of those with relevant skills, which at times sits uneasily with the caution in both reports that councils should steer clear of managing. Needless to say, the sort of skills sought (finance, business) ensure that the external membership is, even more than in the past, predominantly conservative and committed to a free market view of the world. An odd maverick may emerge, but it seems reasonable to assume that the predominant orientation will be right of centre.

Elected staff, by contrast, are probably members of the relevant union and are more likely to subscribe to a left of centre view. They are often quite likely to come from the very faculties increasingly under budgetary threat (Arts, Science, Education) and will be committed to a properly funded public education system. While one should be wary of overstating the pluralism of previous councils, it seems at least likely that that elected staff members may find less sympathy for their views than was the case in the past.

Apart from student members, elected staff members are now alone in Victorian universities in having clearly identified constituencies on whose support they rely for election and re-election. This raises the issue of representation and the role of staff members, and it is in this context that a 1967 New South Wales judgement by Justice Lawrence Street is of relevance. The case, *Bennetts v Board of Fire Commissioners of New South Wales and Others*, has been much cited in commentary on governing bodies, but it is this writer's contention that there is less to this judgement than meets the eye.

Briefly, the Bennetts case arose when an elected (fireman) member of the NSW Board of Fire Commissioners refused to provide the president with an undertaking not to reveal to his union details of a confidential legal opinion, it being argued that such revelation would weaken the Board in its dealings with the union. Given this, the president refused to make the opinion available

and the fireman, Bennetts, then sought legal intervention to overturn that refusal.

In the course of ruling against Bennetts, Justice Street asserted that even where members of boards were elected or nominated by external bodies, they were obliged to act in the broad interest, rather than in the interests of those who elected or nominated them:

*The consideration which must in board affairs govern each individual member is the advancement of the public purpose for which parliament has set up the board. A member must never lose sight of this governing consideration. His position as a board member is not to be used as a mere opportunity to serve the group which elected him.... Once a group has elected a member he assumes office as a member of the board and becomes subject to the over-riding and predominant duty to serve the interests of the board in preference, on every occasion up which any conflict might arise, to serving the interests of the group which appointed him.<sup>9</sup>*

This ruling is routinely wheeled out when, from time to time, chancellors or vice-chancellors wish to caution elected staff members from voting in what is asserted to be a sectional way, rather than for the good of the institution as a "whole". It also features prominently in introductory material for new council members. The problem with the judgement is that, with the exception of extreme cases such as that of Bennetts, it is hard to see how is enforceable in the ordinary life of a university governing body.

It is highly unlikely that any elected staff member of a council would ask for a confidential document and admit that his/her purpose was to breach that confidentiality. On most councils, there would have been occasions when confidential documents have made their way into a more public domain and where staff or student members may have been suspected as being responsible. What usually follows are solemn homilies from the chancellor at the subsequent meeting, but prosecution is unknown. In any event, it is unwise to assume that all leaking of confidential council documents is the work of staff or student members. In the political environment which is the modern university, the relevant truck (from which documents fall) may be driven by any number of suspects.

The Street judgement, in its essential conservatism, was not value-free, and this should be acknowledged. As used in the university context, it conveniently allows the vice-chancellor and senior management to define what is in the university's interests and potentially marginalises all dissenting opinion as "sectional". But, to pursue the point implicit in the ruling, let us imagine that there is some issue on which there is a clear university interest and an equally clear narrow sectional (staff) interest. An elected staff member asserts an intention to vote for the sectional interest, defines it in those terms and then so votes. What happens next? Is the vote disallowed? Is the offender

rushed off to court? Is s/he prosecuted? Is the member's position declared vacant and a new election ordered?

The reader will probably regard the questions as silly and rightly so. They are silly, not only because nothing will happen, but because the very notion that there are issues on which there is a clear university interest and a clear narrow sectional interest is at odds with sociological, psychological and political reality. In reality, members of any deliberative body (including external council members) will view the broader interest through the prism of their own ideology and experience. Try convincing an elected academic staff member from a department in the Arts Faculty that closing down the Arts Faculty is in the best interests of the university. Try convincing an elected general staff member that contracting out half the jobs of the general staff is in the best interests of the university. Even more starkly, it would seem difficult to convince an elected member that closing down his/her whole campus is in the university's interests. It is thus contended that the Street judgement has no practical application except in such rare cases as that which brought it about, and there are no such known instances in the university context. It has become a tool of political and moral persuasion, used by those who seek to convince elected members that the interests of those who elected them can rarely, in any situation of conflict, be equated with those of the university as a whole.

There is, of course, a further reason why staff members may vote to protect their constituents: failure to do so will probably result in defeat at the subsequent election. Homilies about the Street judgement, White Papers and Hoare reports have not changed the essentially democratic relationship between elected staff members and their representatives, and even if there may well have been a golden age in which staff elected "good all round people" to pursue their idiosyncratic version of the good university, the onset of funding crises and managerialism renders this improbable now. It is increasingly likely that staff will elect as representatives those who articulate a critique of the university administration and who undertake to carry that to the council floor with voice and vote. Indeed, a vote for council positions remains one of the few opportunities for staff to have a say in their institutions' affairs and it is suggested that candidates who identify with staff insecurities and concerns will poll better than those who do not.<sup>10</sup> The role of the NTEU is potentially crucial in this context, with some branches already routinely "endorsing" candidates. This writer suspects that such endorsement will probably become the norm.

One of the unresolved issues for university governing bodies is whether they are properly viewed as analogous to boards of directors or something else. Certainly, large councils are more comparable to representative fora, given their capacity to represent various interests both within and outside the university. The South Australian

and Victorian reports sought to push the model more in the business direction, although even the hard-nosed Victorian version conceded:

*...Councils are different from company boards. They must act in the interests of a broad range of clients not just in the interests of shareholders. Their members serve in an honorary capacity and do not have a financial interest in the outcomes of their decisions. They oversee complex collegiate decision making processes relying heavily on consultation and consensus rather than operating principally through a hierarchical management structure. Their legal responsibilities are different and their membership is far more diverse. (Storey, 1997, p. 13)*

In response, one might suggest that this exaggerates the level of consultation and consensus in universities, especially in recent times, and that in terms of diversity of membership, that very quality was diminished due to recommendations in the report in question.

While governments and university managements may wish to push university governing bodies more in the direction of the board of directors model, their preferences do not guarantee that outcome, especially if, as noted above, staff and students, who retain elected categories of membership, refuse to play by the "new" rules. Chancellors may proclaim that, as with business, the attitude to CEOs must be "back them or sack them", but this is just too much of a cultural transformation to find ready acceptance amongst members of the university community.

To be fair, more astute and informed chancellors and external council members do not seek to assert that a complete replication of the board of directors model is either possible or desirable. It is the balance which matters and elected staff members clearly have an interest in ensuring that a too close embrace of the business model is avoided. In the business world, it is not customary for boards of directors to include elected non-executive employee members among their numbers and whereas members of a traditional board will usually be driven by a bottom-line profit motive, this is unlikely to apply to a university council which includes elected staff. Indeed, such staff may well have been elected for espousing the opposite view, a point well illustrated when staff cutbacks and redundancies are under consideration. The consensus which is more readily achieved on a board of directors will remain elusive on a university council and rightly so, not just because of the need for staff interests to be represented, but because of the importance of the notion of dissent within a university community.

Although, at one level, internal dissent and the composition of governing bodies are separate issues, I contend that they are linked. The more broadly-based the external council membership, the more likely that elected staff will encounter colleagues who share some of their anti-corporatist views about the university. But even where

such external members do not share staff views (or may not feel free to make such support public), they may at least acknowledge the legitimacy of their expression within the governing body. Increasingly, the same cannot be said of those external members from the corporate sector nor indeed, some vice-chancellors. One former staff member of the Monash Council was asked by an external (business) member of that body how she could possibly disagree with "her CEO". Her succinct reply was "quite easily".<sup>11</sup> In passing, one might observe that while it is quite easy philosophically, it may not be quite so easy in career terms.

In dealing with the concept of dissent, external council members will find no parallel in their experience on boards of companies or business generally. Whereas a business, like a political party, will seek to speak with one voice and convey an impression of unity, no such obligation has traditionally attended the university. On the contrary, many would argue, convincingly in this writer's view, that dissent is one of the defining qualities of a university: it is not an optional extra. If one holds to this position, it is difficult to see the case for excluding the governing body from this framework. There seems little point in having a democratic free-for-all at departmental level but rigidly circumscribed debate at the top, not that many would attest that the former is rampant within our institutions.

It is apparent that the notion of the university as bastion of dissent is under attack at many levels, as evidenced in the pages of this journal. Clearly, the assumption that councils can be fora for the expression of internal dissent cannot be taken for granted, as the case of Allan Patience spectacularly attests.<sup>12</sup> One of the dangers inherent in a total embrace of the competitive business model for Australian universities is that it invites those in authority to treat dissent as a negative for the institution. Rather than dissent being viewed as an indication of the inherent health of the university, it is seen as the opposite, something akin to "trouble in the club". The argument runs that this will disadvantage the university *vis a vis* competitors, so therefore it must be suppressed, but this is flawed on at least two grounds. First, there is no evidence that signs of internal dissent will weaken the position of the university, although the decision which gives rise to the dissent may well do so. For example, it seems more likely that a significant reduction in resources to faculty X at university Y, once known about, will affect student enrolments in faculty X more than the fact that someone seeks to criticise the decision-making which brings it about. And secondly, the very attempt to suppress dissent attracts such negative publicity that it is nearly always counterproductive, so that university Y now not only has a problem with the perception of faculty X but also with how it handles dissent. In the age of electronic communication, no university has the apparatus to control totally all

critical comment: it should be remembered that even at VUT, Allan Patience was able to fire off one e-mail before being closed down.

I am not so naïve as to argue that a desirable governing body is one in which staff, backed by "bolshie" external members, frequently "roll" the vice-chancellor, nor that such a state of affairs ever existed. Most remotely competent vice-chancellors, with any council membership, should be able to prevail on all or most matters of substance. What I am arguing is that the composition of the governing body helps determine its outlook and behaviour and that recent changes, especially in Victoria, have exacerbated a trend which is inimical to the notion of the university as a place of free inquiry and dissent.

The danger of a less representative council is that, with external members uncritically supportive of management, elected staff members, invariably elected to play a critical, even "oppositionist" role, become more isolated, marginalised and pressured to conform. Although my own experience was not as brutal as that of Allan Patience, I can observe that over the course of nearly thirteen years on CAE and university councils, I received, at various times, support from graduate members, MPs, THC nominees and non-business external members. Members from the business community, with rare exceptions, were more likely to exhibit an uncritical attitude to the leadership and its policies. This tension between the roles of external and internal members remains unresolved, and that state of affairs will not be changed by ex-cathedra statements by chancellors, vice-chancellors or management reviews.

There are, of course, other reasons for supporting more broadly based councils in addition to any part they might play in defending what is seen as the traditional role of universities. First, to use the jargon of the day, there are more "stakeholders" involved with universities than merely the business sector, and unless external members are there to "manage" institutions (a prospect routinely deprecated by governments and university managements), community participation should be maximised, not reduced. Secondly, idealistic and even dated as this may seem, there is possibly greater hope for sound decision-making if more than one perspective is brought to a problem or issue. That seems less likely if all external members share the same (business) ethos, thus leaving staff and (possibly) students marginalised as the sole voices of dissent. If councils are to become rubber stamps at worst or seduced into some more innocent "group-think" (Janis, 1983) at best, then even a council of twenty seems excessive: one can achieve the same outcome more cheaply with half a dozen.

Ultimately, it is perhaps less important that a dissenting staff viewpoint prevail than that it be seen as legitimate to express one. In my own time on governing bodies, I have noticed a decreasing tolerance for what should be an accepted principle in a university, namely that dissent is (at

least) legitimate.<sup>13</sup> While some vice-chancellors and chancellors may hold the view that internal dissent, especially at governing body level, harms the institution, they have done nothing to demonstrate the validity of such a proposition and indeed, most still lack the courage to articulate it explicitly.

In the final analysis, elected members of university councils must remain free to represent their constituents as they see fit, even where this entails the risk that they will be characterised as sectional by those who seek to monopolise the right to define the university's best interests. There are enough examples of bad decisions by universities to justify ongoing vigilance and scepticism by those who represent the people most likely to be affected by such decisions. Ultimately, this must include the right to criticise decisions on those occasions when staff are in the dissenting minority.<sup>14</sup> In exercising this role, elected staff need a climate in which the essential pluralism of the university is recognised and in which dissent is seen as legitimate. Staff should not be at risk of intimidation and retribution whenever they ask a difficult question, oppose a recommendation or criticise a decision,<sup>15</sup> and they must be free to communicate with their constituents using available means within the university.

## Endnotes

- 1 "Council" will be used as a generic term to describe governing bodies, whatever the local usage.
- 2 See Universities Legislation Amendment Bill 2000, details kindly provided by Registrar's Office, University of Western Australia.
- 3 Of course, to entertain such a debate is to undermine the notion of "consensus", the dubious concept through which representative roles are deprecated, in universities as in political discourse. The role of "consensus" in universities is problematical to say the least, but space does not permit a further discussion here.
- 4 See Monash University Act, 1958, S.7 (1) (a) (ii), as amended 1990. (Monash University Calendar, 1996, p. 98)
- 5 P Rodan to Hon P Honeywood, Minister for Tertiary Education and Training, 19 August 1997.
- 6 Hon P Honeywood to P Rodan, 11 September 1997.
- 7 For example, the former Monash Council included four elected sub-professorial academic staff and three general staff, for a total of seven. In the reconstructed Council, that number is two (one each).

8 The one exception to this is the category "A person appointed by the Minister", but the restrictions on this nominee's freedom and independence are self-evident.

9 *Bennetts v. Board of Fire Commissioners of New South Wales and Others*, Vol. 87, 1967, Weekly Notes, p. 10, p. 11

10 This proposition would benefit from empirical analysis, but such a task is beyond the scope of this article.

11 As related to the author by Jennifer Strauss, Monash University.

12 See Allan Patience, "Beyond the Silencing Academy" in Paul James (ed), *Burning Down the House: The Bonfire of the Universities*, APU/Arena, 2000, in which the author relates the story of how his e-mail access was terminated by university management following some critical comments about a VUT Council decision in May 1999. For other observations about the fate of the contemporary dissenter, see also Paul James, "How Monash gained the world and lost its soul", *Age*, 11 August 1998; Raimond Gaita, "Academics must fight", *Age*, 24 August 1998; Peter Craven, "How Melbourne Uni muzzled mild dissent", in *ibid*.

13 During 1999, I established an e-mail network of several elected staff members of Victorian university councils. From the exchanges which occurred, I concluded that my experiences and interpretations were not unique.

14 Obviously, defamatory comment should be avoided if only for the elected staff member's financial well-being, but those in authority are notorious for using the Australian defamation laws to avoid criticism even when it is unlikely that a court would find in their favour: it is the threat which works.

15 It is ironical that, in the light of the Street judgement, so much emphasis is placed on the problem of elected members being pressured by "outside" bodies such as unions. Comparatively little attention is given to the dangers of intimidation of elected members by senior management and while once, it may have been thought that general staff members were more vulnerable than academic staff, the gap may be shrinking, as academics are drawn into more conventional supervision and appraisal arrangements.

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# Reviews

## Exercise in nostalgia

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**Tony Coady (ed), *Why Universities Matter: A Conversation about Values, Means and Directions*, Allen and Unwin, Sydney, 2000, xvii + 254, \$24.95.**

This is not so much a book review as a series of reactions to reading this book. These reactions included affirmation, disagreement and sometimes rage. Given that, it is appropriate that I explain from whence I come. I have spent most of my career as an academic in a post-1987 University; the University of Canberra. I currently work at the University of New South Wales which at the time of its foundation fifty years ago faced some of the essentialist criticisms that have been leveled at some of the institutions that emerged from the Dawkins 'revolution' (see O'Farrell, 1999:16-21). It still bares some of the self-consciousness associated with its nickname of 'Kenso Tech' which was common parlance when I was an undergraduate at a 'real' University (of Sydney) in the 1960s. Moreover I have been an activist both in the Union of Australian College Academics (UACA) and the National Tertiary Education Union. I make this biographical point for two reasons. First the notion of University is dynamic and contestable, and secondly it may allow some of the authors of the book under review to read no further, on the grounds that such an intellectual (and industrial) formation would make it difficult for the reviewer to empathise fully with the values enunciated in *Why Universities Matter*.

The book is divided into three sections: 'values and perspectives', 'specific concerns' and 'looking ahead'. It will be the first section that will be the principal concern of this commentary.

In his introduction Tony Coady assures us the book is not an exercise in 'nostalgia' (xiii). In his chapter on 'universities and the ideals of enquiry' he warns against those who may dismiss his arguments as 'essentialist and logocentric'. Such views, he says, are likely to be 'the result

of confident muddle rather than serious thinking' (p.4). In his contribution 'truth and the university' Raimond Gaita is concerned that many vice chancellors fear that reflection on the nature of universities will produce only 'elitist nostalgia' (p.26). John Molony ('Australian universities today') is fearful that any questioning of the 'number of courses and degrees now offered is to invite being branded 'elitist'' (p.77). Despite those fears, all three offer views about the nature of 'true' (essential?) university values. From Coady we are offered a reworking of Newman's 'Idea of a University'. One wonders if such an 'ideal' (Coady's term) ever existed in Australian universities before Dawkins. Gaita tells us that the 'essential' purpose of universities is the pursue 'truth' without really explaining what that actually is exactly, other than suggesting that it is not 'Management Newspeak'. A university without a Philosophy Department, it seems, should not call itself a 'university'. Molony asserts the notion of 'commonality': it seems to be a reworking of 'collegiality' that incorporates a largely self-referential notion of accountability.

Coady, Gaita and Molony are primarily concerned with reasserting some 'immutable' values and are less concerned with providing policy prescriptions to provide a system that would better embody these values. They nevertheless hint at the kind of system they would prefer. It is to this that I now turn.

Coady sets out the defects of the current university system. They are too big, increasingly 'bureaucratic' and therefore less democratic in governance. They are 'frequently inefficient and quality diluting'. They are fixated on 'innovation', but their increasingly authoritarian structures are 'hostile to diversity and variety'. The rights and privileges of academics have been undermined by the 'increased industrialisation of academic life'. In this organisational model academics are reduced to 'mere employees of the corporation' (pp.17-22). So what does Coady want? He seems to want a return to small institutions. These will be more conducive environments for quality, collegiality and diversity. He seems to want a return to staff associations representing tenured academic staff that operates on 'the chat with the Vice Chancellor over a glass of sherry' model of grievance resolution. Of course he does not say this directly, but he gives the game away when he cites with apparent approval Thorstein Veblen's view that there is no place for 'professional and vocational teaching in universities'. Even if it was possible to achieve such a nirvana (an institution built around a Philosophy Department perhaps), it would eliminate Monash Univer-

sity and the University of New South Wales from the system, as well as all the 'Dawkins' conglomerates. One wonders too what the Universities of Sydney and Melbourne would look like without their Faculties of Law and Medicine. At best this would be a super binary system with a tiny 'elite' sector and probably a very large vocational sector given the demand for 'university type' education (to use the words of the Martin Report). Perhaps a more modest version of this project would be to expel Molony's cheap targets -tourism and hospitality (which he characterises as learning how to mix a cocktail)- from the university system. It is all so silly and profoundly ahistorical. It displays a lamentable ignorance of the history of universities both in Australia and elsewhere.

This is not to say that there is not a real struggle going on in universities between defensible, but contestable, university values and the threatened dilution of those values wrought by entrepreneurialism, through the quest for full fee paying students and contracted research. Indeed in his contribution on 'research policy in a managed economy' Simon Marginson invokes the useful distinction made by Slaughter and Leslie that universities try to be both 'prestige (quality) maximisers' and 'profit maximisers' (p.188). In the provision of education to overseas students quality is used as a marketing tool, but profit maximisation may be better ensured by some perceived dilution of standards. In the Faculty of Commerce in which I work income is increasingly dependent on full fee coursework paying postgraduate students and where HECS paying local undergraduate students are sometimes called 'loss leaders', there is an ongoing concern that the quest for dollars should not compromise standards. How that balance is achieved is a matter for constant care and continuous debate. It is not assisted by essentialist arguments, which bear little relevance to the actual struggle that takes place in both pre-1987 and post-1987 universities.

There are more worthwhile contributions in this collection. Tony Klein calls for cross subsidisation of Physics (p.108), particularly in those institutions that are able to generate considerable income from non-government sources. A similar argument could be made for Classics or Philosophy. But this laudable plea is marred by gratuitous references to 'proper universities' (p.101) in contradistinction to 'mere trade school(s) or business college(s)' (p.105). In fact the cross subsidisation was the objective of a campaign to save the Arts Faculty at ANU a few years ago. It was greeted with less than enthusiasm from other faculties, not all of whom were led by the 'robber barons' of professional education. Seumas Miller (who has a chair in a dreaded 'Dawkins' university) provides some coherent argument for the maintenance of academic autonomy, although he assumes that the status of 'industrial employees' is inimical to that objective. Miller is not alone in his

complete refusal to recognise that the industrialisation of universities began long before the High Court deemed the tertiary sector to be an 'industry' (see O'Brien, 1994). At least John Molony is prepared to concede that university academics have an employment relationship with their institutions. I have a vivid memory of a joint meeting of FAUSA and UACA in Canberra in the late 1980s where Molony demanded that the draft motion be amended to remove all references to 'the employers' on the grounds that university staff (he meant academics) do not have 'employers'. One should be grateful that he now includes 'secretaries, laboratory assistants, accountants and library staff' among the threatened 'commonality' of universities (p.75). Jane Marceau suggests that some academics might 'free' themselves from the boundaries of institutional employment and move between universities and private and public research facilities. The practicality of this seems to be unexplored in her contribution. Judith Brett, on the other hand, reminds us that notions of collegiality and community reach beyond disciplinary and institutional boundaries. Janet McCalman argues for the pursuit of 'pure knowledge' and 'training for the long run' as desirable attributes for all universities. One of the great heroes of some of the contributors to this book, Sir Robert Menzies, used the term 'university training' quite unconsciously. Nevertheless, 'training for the long run' is not a bad formulation in the present circumstances. Peter Karmel argues for the restoration of the Menzies model of Commonwealth scholarships as a partial solution to the significant decline in the public funding of universities. It hardly constitutes a ringing call for a restoration of at least some of the funding lost since 1996.

Allen and Unwin published this book after it was rejected by Melbourne University Press. Both Tony Coady and Morag Fraser provide an account of this decision. It seems that at least part of the reason was that some senior figures saw the criticisms as inimical to the interests of the University of Melbourne and, in particular, its private arm Melbourne University Private. Whatever the reasons, the controversy may have encouraged Allen and Unwin to take a risk with the publication. I am not sure it was worth the risk. Perhaps the kindest thing that could be said about this book is that it is rather 'uneven'. I regret to report that I felt some sympathy for the post modernists who receive the occasional glancing blow from some of the contributors for contesting the immutability of truth. For me that was, perhaps, the most disturbing reaction I had to this book.

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