

Globalization and Higher Education

Introduction

Like "globalization, " "higher education" is a high abstraction. Accordingly, it is easy to slip into the assumption that arrangements in higher education globally are pretty much the same as arrangements in the United States. But differences in the histories and political economies of the nations of the world have resulted in differences in the situation of higher education across the globe. This regards not only questions of access, funding, organization, programs and institutional variety, but questions of needs and goals.

Moreover, even if one restricts one's sight to higher education in one country, for example, the US, there are huge differences between public and private institutions, Research I Universities/Liberal Arts colleges, four-year colleges/Community colleges, non-profit/for profit, proprietary schools (which offer training in trades and regulated industries, e.g., auto-mechanics, tourism), online universities, corporate universities (for example, Sun Microsystems University, the University of Toyota) and finally, "diploma mills," digital and otherwise.

Similarly, while it is clear that "globalization" is a real phenomenon, one can easily fail to acknowledge its complex and multi-dimensional character. Depending upon how it is characterized, globalization takes on enormous ideological freight. One popular view, well articulated by Thomas Friedman (1999) holds that "globalization involves the inexorable integration of markets, nation-states and technologies to a degree never witnessed before." Friedman (2005) has more recently coupled this idea with an idea directly relevant to higher education, the idea that "the earth is flat." He quotes the co-founder of Netscape: "Today, the most profound thing to me is the fact that a 14-year-old in Romania or Bangalore or the Soviet Union or Vietnam has all the information, all the tools, all the software easily available to apply knowledge however they want. " Reducing this process to economics and technology is one thing; whether indeed, the process is "inexorable" is another, and finally, whether "the world is flat" in Friedman's sense is still another highly contestable idea. Here we might notice that politics is and will remain a critical difference in outcomes—educational and otherwise. All of these layered dimensions have bearing on higher education, some directly, some indirectly. But three additional problems need here to be noticed.

First, some of the processes and tendencies currently occurring in higher education at some places, at least, might well have occurred in the absence of the post-World War II phenomenon now titled "globalization." Second, there are reinforcing, overlapping and sometimes contradictory features of this process. Capitalism is surely a critical dynamic but as Ritzer (2004) notes, "McDonaldization:" commitment to efficiency, calculability, predictability and control, is a development of the "rationalizing" process which Weber rightly associated with capitalism and modernity. Similarly, "Americanization" is an obvious subprocess of globalization, since not only are US corporations still dominant forces in the global political economy, but a host of cultural features, many propelled by new technologies of mass communication, and many particularly pertinent to higher education, are American.

Third, different kinds of institutions in different places will react to these processes in different ways (Wagner, 2004). As Ritzer argues, "although all nations are likely to be affected by the spread of capitalism and rationalization, they are likely to integrate both with local realities to produce distinctly glocal phenomena" (Ritzer, 2004). For Ritzer, "glocalization" is the opposite on a continuum to "globalization." Finally, there are causal relations between the many various facets of concern in higher education: Policy, including goals, funding, access, institutional variety, organization, including administration and the nature of the work force, and programs. But we first need to notice the most critical fact regarding higher education in the recent past: Its phenomenal global post-WW II growth.

Thus, to take but a few examples, as recently as 1980 there were some 32,000 degree-granting institutions in the US; in 2004, there were 42,000 with a total enrollment of over 16 million. Since Indian Independence, the number of primary schools tripled (even while illiteracy remains high at 44%), higher secondary schools increased by 18 times and the number of colleges for general education increased by 24 times. In 1950, India had 370 Colleges and 27 Universities; in 2002 there were 8,737 Colleges and 272 Universities. There are now in India some 320 universities and 16,000 colleges instructing some 9.3 million students (www.ugc.ac.in). China shows a similar trajectory. From 1978 to 1994, Chinese institutions of higher education went from 598 to 1080. In 2003 there were 1,396 institutions of higher education and more than 1000 "private" colleges with the total over 16 million students (Lin, 1999). From 1960, enrollments increased by 10% in Indonesia, 19 % in Thailand, 20 % in Hong Kong, and 51 % in the Republic of Korea. Indeed, "half of the students in higher education live in developing countries" (World Bank, 1997). By some estimates, the 65 million students enrolled in colleges and universities in 1991 will grow to 97 million by 2015 (Austin *et al*, 2002). A study by Merrill Lynch reported that the higher-education market outside the US is worth \$111 billion annually (*Chronicle of Higher Education*, 8 June 2002).

While this growth surely can be attributed, broadly, to globalization processes, the initial impetus for it was provided by governments committed to policies of economic growth and to the idea that education was a critical factor in this, including but certainly not reducible to the so-called "knowledge economy" (Neef, 1998). These ideas, while contestable, are thoroughly taken for granted by nearly everybody. To be sure, decisions regarding higher education made by governments, both in the advanced and less advanced capitalist and in the socialist societies, were made against the background, and in response to, several global dynamics in the post WW II period. We can only note here the importance of the dynamics of capitalism, which among other consequences, spurred huge technological changes and revolutionary shifts in production arrangements, the dynamics of independence movements and efforts to "catch up," and the political dynamics of the Cold War.

This growth was accompanied by a number of important shifts conveniently identified by critics of the effects of globalization on higher education. These include: privatization, managerialism, the reduction of its "products" to commodities, a single-minded commitment to efficiency, and submission of allocation decisions to the logic of the market (Currie, 2004; Margolis, 2004; Hayes and Wynyard, 2002).

Privatization of Higher Education

There are, broadly, four sources of funds for sustaining an institution of higher education: public funds, tuition, endowments and funds generated by scientific research. As Johnston (2001) writes: "Higher education is experiencing a worldwide shift of cost burden from governments to parents and students." As with growth, this too reflects a globalization process. There are, nonetheless, significant differences across the globe. Most notable here is the fact that "private" institutions of higher education are of critical importance *only* in the US and Japan. That is, higher education in most of the world, until the recent past, was supported by public funds. Given that US system is now taken by many to be the model for "world class" institutions of higher learning, a good deal of what is happening globally looks like "Americanization," often justified in terms of the free market, neo-liberal, ideology of globalization (Steger, 2005).

To give some order to our account, we begin with a consideration of these sources of funding, beginning with endowments, a nearly unique entirely "private" US source of funding, state-supported research funding, and proprietary research funding, the "commercialization" of research. We then consider recent global changes in public funding and in tuition and suggest an explanation for this.

Endowments

The elite universities of the United States, some public, but mostly private, have huge endowments. Harvard's endowment at the end of the 2004 fiscal year was a remarkable \$22.6 billion (*New York Times*, 22 May 2005) —easily more than the GNPs of most nations of the world. Only three public institutions are in the top 20: the University of Texas system (with an endowment of \$5,043,333,000, the Texas A&M system, and the University of California. Having a large endowment, of course, gives these institutions considerable autonomy. While both in the US and globally, these institutions are standard setters, their uniqueness makes them poor exemplars. Indeed, the importance of the endowment for *public* four- year institutions is indicated by the fact that but 0.9% of their current funds revenues were from their endowment. And over 80% of students in the US are enrolled in two or four-year *public* institutions (*Chronicle of Higher Education*, 2004-5 Almanac).

Research

Prominently led by state-funded "Institutes" in Germany, "research" has been a fundamental part of the modern university since its creation late in the 19th century (Wittrock, 1993). In the first two decades of the 20th century, the new universities in the US established the current globally taken-for-granted idea of social science *disciplines* that had as a goal of research the "solution" of social problems (Manicas, 1987). But what may be termed the "commercialization" of research is relatively recent, dating perhaps from the 1930s (Shapin, 2003). A very large impetus for "entrepreneurial" efforts by faculty and an accelerated blurring of "science" and "industry" was the Bayh-Dole Act of 1980 which was motivated by concerns for national commercial competitiveness. The Act allowed (or indeed, mandated) US universities to patent the fruits of research. "Technology transfer" offices proliferated.

Taken together, in the US, government and private contracts for research represent some 20.3% of current funds revenues for public four-year institutions. For private, non-profit four-year institutions, the total is a remarkable 31.5%. Thus, in 2001, Johns Hopkins showed over \$1 billion in Federal research and development expenditures, of which over \$283 million were defense related. (*Chronicle*, 2004-5 Almanac). Although US institutions have set the pace, others are definitely moving in this direction. For example, according to Shapin (2003), total licensing revenues at Cambridge University exceeded £1 million for the first time in 2001.

To be sure, there are obvious problems with the "commodification" of the "products" of research, not least the tradeoff between the effort to advance science and technology and the loss of autonomy of researchers whose work inevitably will reflect the interests of their sponsors. And, if only marketable products are created, what of attention to "public goods" which have little or no market value (*ibid.*)?

Almost certainly, the Cold War and then globalization has powerfully reinforced this development in the US, and increasingly elsewhere. The institutions of higher education were never ivory towers single-mindedly devoted to truth for its own sake, but the pressure to generate research monies—from whatever source, has challenged faculties and administrations in new ways. It is now commonplace for the classics faculty to be told that their computers were paid for by overhead funds from contracts generated by faculty in the physics or biology departments.

Public Funding

The opposite of "privatization" is public funding, the dominant source, until recently, of funds for all "public" institutions of higher education, in the US and elsewhere. In the US, State support peaked in 1979 at 62 % and has declined steadily ever since. At the beginning of its most recent spiral, in 2001, it was 31.9% (*Chronicle*, Almanac). "We used to be state-supported, then we became state-assisted, and now we are state-located." European institutions of higher education still get the majority of support, as much as 90%, from public funds (Slaughter and Leslie, 1997). For a variety of historical reasons, public funding was also the rule in most of the rest of the world.

In today's global political economy, governments are over-burdened in seeking to support a wide variety of infrastructures. In the US, these include prisons, the states's share of medical costs for the elderly and indigent, and a host of other "public services," including, obviously, public institutions of higher education. In Europe, efforts to sustain even modest "welfare" policies are under attack (Judt, 2005). In the poorer countries, of course, since all their needs are great, there is the complex problem of deciding what portion of public revenues should be used to support education, both lower and higher (Garnier 2004). It has been argued that while the advanced nations provide a considerably larger share of their large GNPs to education than do the poorer countries, poorer nations need to spend more (Fleisher, 2002)

Certainly, globalization processes have reinforced the difficulties faced by governments. Of particular importance is the set of beliefs about globalization which has been used to legitimate decisions by governments to privatize. Once "free market" fundamentalism captures

the ideological territory, privatization becomes not only reasonable but essential. Nevertheless, these governments have made choices. While there is disagreement on what is to be counted as a pertinent expenditure, one study argues that California annually spends \$5.6 billion on prisons and \$4.3 billion on higher education (Prison Activist Resource Center).

Tuition

A key mechanism of privatization is the shift to tuition as a source of revenue. It is a rapidly growing source of income for *all* institutions, both public and private, but despite recent tendencies, still a relatively smaller ratio in most nations, excepting the US and Japan. Great Britain, with a strong traditional commitment to free tuition for higher education, introduced limited tuition fees in 1998. Prime Minister Tony Blair pushed to allow Britain's universities to triple their annual tuition fees, to £3,000 a year, or \$5,300, starting in 2006 (*New York Times* 25 December 2003). This compares with tuition in US public institutions, but is much less on average than tuition at US private colleges and universities--a fact of some importance as regards access and affordability. In 1998, cash strapped German Universities abandoned free tuition for students. But Germany's highest court ruled early this year (2005) that a ban on tuition imposed by the Social Democratic leadership of the Federal Government was unconstitutional (*Chronicle* February 4, 2005), a victory for the German conservatives. In France, undergraduates pay from 280 to 350 euros a year, or \$350 to \$435, an obviously nominal fee. Fearing changes that "would lead to competition between universities and pave the way for increased privatization and higher tuition fees," students in France took to the streets to protest" (*New York Times* 25 December 2003).

But the most radical changes are occurring in China and India where it is clear that increased integration into the global political economy has been the significant dynamic. We need to distinguish two sorts of changes, both representing privatization. One regards the fairly recent imposition of tuitions in state institutions; the other is the creation of "private" institutions, paralleling US "for-profits."

Tuition costs in institutions of higher education in the developing world are not in themselves helpful since the question of importance is affordability: the extent to which people have the resources to pay for higher education. The much more remarkable development is the growth in Asia and elsewhere of self-supporting "private" institutions, comparable to US "for profits." Indeed, along with a host of features characteristic of the US system, including disciplinary divisions, the commercialization of research, and the changes, in Europe, in the credentialing of faculty, this development distinctly represents "Americanization." To understand what is happening in China and India and to round out the US picture, we need to consider the "for profits."

The For-Profits

As Ruch (2001) points out, the essential difference in the US between private non-profits, for example, Yale, and private for-profits, for example, Phoenix, is that their tax liability differs both as a source of revenue and as a form of expenditure. The main shared feature is the relative

absence of public funds. Lacking endowments, however, the for-profits operate like businesses with close attention to the bottom line. Similarly, we tend to think of the for-profits as uniquely American and committed to the use of on-line pedagogies. Neither assumption is true. There are now many more for-profits outside the US than in the US, and, for good reasons (below), few for-profits extensively employ sophisticated on-line technologies.

In the US, in 1991, there was one for-profit, degree granting, accredited institution listed on US stock exchanges, DeVry, Inc. By 1999, there were forty (Ruchs, 2001). Generating some \$16.5 billion in revenues, for-profit revenues increased by 20% in 2001 over the previous year. "According to analysts, enrollment growth at the seven biggest for-profit companies has outpaced overall enrollment growth in higher education for at least the last half-dozen years. Projections for next year show that trend will continue" (*Chronicle*, 19 December 2003). Indeed, the for-profit higher education industry is now valued at \$15.4 billions with some 8% of the 20 million students enrolled in 6000 degree granting institutions in the US (*Chronicle* 7 January 2005). There is every expectation that this growth will continue.

Much of the success of these institutions depends on their willingness and ability to accommodate the special needs of non-trationals, and on their niche programs-- "degrees with real-world relevance" --which include information technology, international business, criminal justice and homeland security. The pattern is being reproduced around the globe. Of course, these institutions will need to prove that they can do what they promise, but what they promise is clear enough: Rather than hard-to-measure values like "becoming a well-rounded person" or "a liberal education," students are promised what they came for: completing the program and getting a better job. The US for-profits are highly conscious of placement rates. For example, they range from 96% at De Vry to 76% at Strayer. Similarly, the return on educational investment (ROEI) is higher than for the average BA: 28% as compared to 18.7% (Ruch, 2001; Thomas, 2004).

But the most remarkable shift toward the American system is occurring in China and India (Adamson and Agelasto, 1998; Altbach, 1999; Mauch and McMullin, 2000). Following the US model, in China and India the shift to "private" institutions includes primary and secondary education as well as higher education. Thus,

the first private school to thrust private education into the spotlight was the Guangya Primary School, set up in August 1992 in the city of Chengdu in Sichuan province. Dubbed the 'first school for [training] aristocrats in China,' it caught national and international attention for its high tuition and fees, promise of high teaching quality, and superior learning conditions (such as computers, color TVs, and pianos installed in air-conditioned classrooms). Other features of the school, such as small class size, comfortable living conditions, foreign teachers teaching all subjects in English, and standard running tracks, also aroused much curiosity" (Lin, 1999).

By 1994, China had 60,000 private, nongovernmental schools and other types of unofficial educational institutions. Among them, 16,800 were kindergartens, 4,030 were primary schools, 851 were secondary schools, and more than 800 were institutions of higher learning (Lin, 1999).

The development in India is more recent (Suri, 2004). In both places the problems are obvious enough and include questions about the quality of such institutions, problems of access and affordability and problems with the ideology of "privatization" and "markets." In India, a government established Task Force (February 2003) considered measures to stop "commercialization of education." More recently, India's Supreme Court quashed a provision that allowed the establishment of private universities (Neelakantan, 2005a). The outcome is not yet clear.

In both China and India, the leading institutions remain the publicly funded state institutions. Currently, while tuition and fees are very low and loans are available, affordability is a serious problem. *But the effective demand is there:* as in the US, education has become sufficiently profitable to propel educational entrepreneurs, including foreign investors. It has been estimated that by 2003, there were 746 "China-Foreign Cooperative" schools operating in China (Wang, 2004).

Access and Affordability: An Emerging Global Middle Class?

A recent study restricted its concerns to fifteen "of the world's most developed societies" (*Chronicle*, 22 April 2005). The nations included were Australia, Austria, Belgium, Britain, Canada, Finland, France, Germany, Ireland, Italy, Japan, the Netherlands, New Zealand, Sweden, and the United States. There were no surprises. Sweden has the most affordable higher-education system, Japan with its high percentage of private schools, the least affordable with the US next to last. With evidently the least differences in participation by class indicators, the Netherlands is the most accessible. The US places fourth for accessibility, "with nearly a third of adults between the ages of 25 and 34 having paid the price to complete a college degree."

But the real problem is not among the world's most developed societies but among the world's *least* developed nations, with nations like India and China somewhere in the middle. And the problem has been created largely by processes of globalization. While the process began earlier, we now have a global political economy which is rapidly eliminating all pre-capitalist modes of production. This means that the sons and daughters of subsistence farmers will either find employment in market-based modern economic activities or they will struggle in sweat shops or in the rapidly increasing informal economy (Mike Davis, 2004). With global inequalities in nations increasing, it is not easy to be optimistic on this score.

Primary education remains critical, but those who gain post secondary education are potential players in an emerging global middle class. In a sense, young people all over the world now find themselves increasingly in the situation of young people in the advanced societies. But they are only *potential* players since their opportunities will depend critically on the character of development in these countries. In this regard, there are huge differences between India, China, the nations of Southeast Asia, Russia, the Middle East, South America and Africa. Indeed, an increasingly difficult problem is the absence of good jobs for well-educated youth, perhaps especially in Egypt and the Middle East. A move to a radical politics is often the response (Kepel, 2002). In India, there are 5.3 million unemployed university graduates, and in Kerala, with its high literacy, "it is not uncommon to find bus drivers who are engineers or who hold

multiple master's degrees or law degrees" (Neelakantan, 2005b). China most certainly will produce increasingly large numbers of well-educated persons, and like India, it will increasingly become an important player in the global political economy. Most of the nations of Africa, tragically, remain in a poverty quagmire.

On the other hand, it would be a mistake to suppose, as suggested by Friedman's idea of the "flattening earth" that the well-educated of the advanced industrial societies will be replaced by well-educated elites in the developing world or that in the foreseeable future, the US will become a minor player in the global political economy. Neither is likely.

To be sure, current "information" technology has joined with what has been called "flexible accumulation" (Harvey, 1987), making it possible, among other things, that "intellectual work, intellectual capital, could be delivered from anywhere. It could be disaggregated, delivered, distributed, produced and put back together again -- and this gave a whole new degree of freedom to the way we do work, especially work of an intellectual nature." Friedman continues: "And what you are seeing in Bangalore today is really the culmination of all these things coming together." This suggests Robert Reich's enthusiasm for what he called "symbolic analysts." But both ideas overlook obvious objections.

First, we are speaking about a tiny minority of workers in the global political economy. Most work is not "intellectual" and it will not become so. The next "napster" may well "come out of left field," but this does little for the overwhelming majority of workers, well-educated or not. Indeed, worldwide, human labor is trafficked in conditions barely seen since the 19th century, including not merely terrible working conditions and long hours, but exploitation of women and children-- including sex workers who are made vulnerable to HIV/AIDs. Second, as wages rise, the "out-sourced" white-collar employees in the developing countries will lose whatever initial advantages they have over those in the dominant corporations of the advanced industrial nations. Third, most of the work done by even the technologically sophisticated will remain low-paid and mostly uninteresting. Historically, while technological innovations in manufacturing did require that new skills be learned, overall, the result was a deskilling of workers (Granoveter and Tilly, 1988).

Indeed, if construed instrumentally, education is a perfect case for what Hirsch (1976) has called the "adding up" problem in which "opportunities for economic advance, as they present themselves serially to one person after another, do not constitute equivalent opportunities for economic advance by all. What each one can achieve, all cannot." For each of us the scramble for education is rational since individually we never confront "the distinction between what is available as result of getting ahead of others and what is available from a general advance shared by all." Wider participation affects not only what one gets from winning the game, but the nature of the game itself. If the goal of a bachelor's degree is a better job and better income, then while getting a bachelor's degree remains rational, the consequence is the diminishing value of the degree—especially if the skills and knowledge represented by the credential are lacking. As Thomas concludes: "for most, the new economy has helped make the college degree a necessity for maintaining one's rung on the socio-economic ladder. Career options for those without college credentials are increasingly bleak" (Thomas, 2004).

But as elsewhere, enormous differences in access and affordability continue to make educational opportunity an increasingly unequal affair. While the US was an early leader in efforts at mass education, even in the US, there are huge advantages to completing work at an elite college or university, and access is very much structured by socio-economic status. Indeed, there is no nation in the world, excepting perhaps Cuba, that is anywhere near to achieving equality of opportunity, a mythical idea imported globally by a misunderstanding of the American educational system.

Globalization and the New Technologies for Education

It has been widely assumed that the new internet technologies, a visible feature of globalization would, of themselves, create a revolution in higher education. We need to notice, first, that there are a wide variety of "distance learning" forms, which range from traditional correspondence courses, to the use of TV, both interactive and not, to the use of new on-line technologies. The Chinese, for example, have an extensive system of RTVUs (Radio and Television Universities) which serve to deliver credit and non-credit courses aimed at developing various technical competences. But for a variety of reasons, "e-learning" in China, as elsewhere, remains marginal

In the US, the for-profits have attracted students who otherwise might not have been in higher education—in part because community colleges and four-year institutions have generally not addressed their needs (Ruch, 2004). But by offering on-line courses and programs, especially in high-demand vocationally oriented areas, some large four-year public institutions have done very well in this. These include the University of Illinois, Pennsylvania State University, and the University of Maryland. Indeed, perhaps contrary to generally held belief, the large public institutions, including both two-year and four-year institutions, dominate online education. In Fall 2003, 1.9 million students were studying online with only 200,000 on-line students in private for-profits (Allen and Seaman, 2004).

While the quality of pedagogy of on-line teaching remains contested, there is good evidence that it is at least as good and probably better than much face-to-face instruction—especially given the often large numbers of students in large lecture sections (Odin, 2004). Despite problems and faculty resistance, effective assessment remains a crying need, not merely the assessment of on-line teaching outcomes, but more generally the assessment of the too often unclear goals of all sorts of education. Assessment has recently become a major requirement of accrediting agencies. This is often taken to be a symptom of "McDonaldization," but of course, it is also a consequence of pressures from bill-paying parents and governments with shrinking budgets to get the most from their dollars.

But good on-line pedagogy needs to be learned and it is not a cost-saving approach (Odin, 2004). Student opinion regarding its use is mixed, at best. 40.7% of schools offering on-line courses found that "students are at least as satisfied" with their online courses, with 56.2% neutral (Allen and Seaman, 2004). Only 28.0% of students in private non-profits agreed that their online work was "at least as good," suggesting that market-sensitivity, coupled with a realistic assessment of the costs of effective on-line teaching, may explain the more limited use of on-line

teaching in the for-profits. Similarly, unlike Research I institutions, there are no TA's and generally no large lecture halls. This helps also to explain generally smaller classes for the for-profits in the US. Given that they are not a panacea for mass education, the future of the use of on-line technologies remains contested (*New York Times*, 25 April 2004).

The Instrumentalization of the Curriculum

Despite obvious changes in the character of student bodies, both in the US and elsewhere, for many there is continuing nostalgia for the idea of a university where the *ars liberalis* were sharply distinguished from the *artes serviles*, where intellectually well-motivated students and an autonomous faculty could learn together and reflect on the meaning of life. It is surely contestable whether this was ever the case, even when universities served but a tiny percentage of well-to-do male students. It is certainly not the case today. If in the US, roughly 84% of incoming students in 1966 indicated that their primary goal was "to develop a meaningful philosophy of life" and 44% identified "to be very well-off financially," in 1990, these numbers were reversed (Thomas, 2004). Evidence suggests that globalized "consumerism" makes economic motives even more pronounced elsewhere. Thus, in Kerala, India, applications for higher education have been falling. Neelakantan (2005b) quotes a 22 year old shopkeeper very much interested in making money: "... college is cheap enough, but it is no use... "Better that I started a business early and started to make money than do a useless degree." An Indian social scientist explains: "College education is neither job-oriented nor research-oriented... It has created a false notion of knowledge and ego in people's minds" (Neelakantan, 2005b).

The histories of India and of China almost certainly bear on attitudes regarding the "status" of those who attain higher education, from producing *babus*, a pejorative term used to describe a class of clerks and petty bureaucrats, developed by British colonialists (*ibid.*), to producing a "mandarin" class of "globalized political elites" (Hao, 2004). But while everyone would seem to agree that "basic skills" and "knowledge" are critical, it is not clear what this means in practice. For example, we very often hear that US graduates lack linguistic and mathematical competence or a basic familiarity with history, and that in the current competitive global environment, this predicts disaster (Friedman, 2005; *New York Times*, 7 December 2004). But, typically, efforts at seeking consensus on measures of competence and on what should be taught run head-on into philosophical differences regarding the very idea of "knowledge" and how it is to be measured, with a loss of confidence in what constitutes a basic "core," with a perfectly reasonable shifting of blame to primary and secondary education, and, as important, with unclarity regarding the goals higher education (below).

Managerialism and Markets

There is considerable difference globally in the degree and kind of control exerted by governments, generally through ministries of education (Wagner, 2004). More or less centralized authorities can more easily define national goals, for example, to produce large numbers of scientists or engineers, as in China. Similarly, "private" institutions have greater freedom, including efforts to resist critical aspects of globalization processes, for example, as in "Wahibism"—the creation of International Islamic Universities (Inayatulla, 2004).

But even where educational institutions have relative autonomy, for example, the Oxford system of colleges, it is no longer possible to make decisions about programs, curriculum, student services, staffing needs, etc., without attention to costs. Nor is the role of "stakeholders:" the Ministry of Education, the Regents, the Chancellor, the faculty, taxpayers, *or* the students any longer clear.

Managerialism and a market orientation emerge as responses. The for-profits exemplify both. On the one hand, with clear goals, "managers" can manage and faculty can teach. Similarly where there is a clear "product," outcomes can be assessed and the institution can reproduce itself only if people will pay the price for securing the "product." But such is not the case as regards most institutions of higher education. Indeed, the worry is that globalization guarantees that in the near future this will be the case.

For most of these institutions, while "faculty governance" has been an ideal, the degree and kind of faculty "governance" has been institutionally variable, both historically, and between, for example, traditional Asian, European and American systems (Wittrock, 1993). But if the increased tendency toward managerialism owes partly to globalization processes, it owes partly at least to decisions by faculty. One study (Minor, 2004) showed that just 19% of faculty in US doctoral universities had a high level of interest in governance matters. Typical responses were that their faculty senate is "a waste of time": much time is spent, and given the highly bureaucratic structures of governance, all that is accomplished is the legitimation of decisions by administrators who are either beholden to powerful interests, official and otherwise, or take the path of least resistance.

Similarly, it is hardly clear that under present global circumstances, "markets" should play no role higher education. But we need to be especially clear about what this means. As Smith (2004) argues, "there clearly needs to be greater reliance upon market-related factors, but these factors need to be filtered and structured through a governing set of educational principles and goals, which in turn need to be subject to constant review." Indeed, since World War II the modern university has tried to adjust to a host of demands, demands which, indeed, are not necessarily compatible.

Consider: Is higher education primarily aimed at graduate, including professional education, or at undergraduate education? Is it aimed at liberalizing the young mind, developing skills for employment, promoting a national identity, or developing political elites or democratic citizenship? What are the goals in terms of access, or the priorities regarding the creation of new knowledge against an interest in its dissemination, in economic development, and in service to the community or to the individual?

Perhaps because demands imposed on institutions of higher learning by globalization processes are both urgent and often conflicting, there has been little discussion either about goals or the appropriate means to attain them—except perhaps where the urgency is more obvious, again, for example, as in China. In contrast to the US, for example, one senses an absence of nostalgia for the ideals of the "traditional" university. Indeed, in the US and Europe, the debate over goals has hardly started (May, 2005). The upshot is an unreflexive reproduction of long-

established classroom habits, across the board cuts, and, overall, an impoverished effort to be all things to all people. Karelis (2004) offers a telling story: As Director of the Fund for the Improvement of Postsecondary Education, he traveled the US talking to groups of undergraduates. Rarely could he find a student who could even parrot the goals and rationale of their general education requirement; still less, could he find one who could speak intelligently about it. As a consequence of their disdain for market logic, Karelis remarks, rightly, that faculties have simply fallen down on the job of creating an *informed* market for higher education.

But there is no requirement that all the many different *kinds* of institutions of higher education should all serve the same goals, or that there are not ways to both preserve what is valuable about "liberal education" and still make institutions more flexible in meeting both "national" needs and the needs and demands of students.

Higher Education as a Business.

A good deal of the foregoing could be summarized by saying that globalization is increasingly and everywhere making the university a "business." But this misses the main problem: it is not merely that the modern university is now increasingly being run as a business but that it is a poorly run business. This is best seen in the American system—often taken, as noted, as the model to be realized. While American institutions of higher education have many virtues, they also display "a luxury of inefficiency" which, under conditions of globalization, they cannot afford. Thus, there is a high-priced, bloated administration, there is insufficient accountability and within the institution, too little transparency, costs are not seen as opportunity costs, almost no attention is paid to demand, and there is too little attention paid to the "product," in part because, as noted, it is not clear what the product is. Thus, there is waste, no consensus on priorities, programs are invulnerable to assessment, students are run through bureaucratic mazes and poorly advised; graduate requirements are merely squares to be filled, professors who win teaching awards are not awarded tenure.

Examples of "the luxury of inefficiency" are not hard to find. In the US, one regards the place of athletics in the institution. Thus, most NCAA division I institutions, public and private, lose money on what are admittedly, quasi-professional athletic programs. These losses are not always transparent (as a function of accounting mystification), and programs are justified as necessary to sustain alumni support for the endowment. But as noticed, except for the handful of high prestige privates, endowments contribute preciously little to revenues.

Another, far more sensitive among faculty, regards "research" as a condition for promotion and tenure. Given the replication, narrowness of concern, and structure of review, it is hardly clear that research across the curriculum, funded and especially unfunded, produces much in the way of either new knowledge or better teaching—especially in the social sciences and humanities (Manicas, 2003). To take one example: economics is often considered the most sophisticated of the social sciences and an indispensable asset to policy formation. But according to one study, "a majority of AEA members" who responded to a survey conducted by William Davis (2004), admitted, "at least privately, that academic research mainly benefits academic

researchers who use it to advance their own careers and that journal articles have little impact on our understanding of the real world and the practice of public policy."

But putting aside the genuine problem of determining what counts as "good research," institutional imperatives shape the activities of even the best intentioned faculty. It begins with the reward system of faculty, starting with the socialization built into the constraints on the goals of the PhD as the condition for employment. One hundred years ago, William James complained of the "PhD octopus." What would he say now? It includes the tenure system, which, whatever its value as regards academic freedom—and this is not obvious (Ruch, 2001), permits irresponsibility (Coleman, 1973), and has led to the creation of two classes of faculty. In his 1991 report, Harvard's Dean Henry Rosovsky noted that the senior faculty too often act as if they were in business for themselves, "making their own rules." Alongside them is the junior faculty struggling to publish, and exploited part-timers who, teaching six courses at four institutions to keep a roof over their heads, have little time to do anything but to work on their dissertations and stay one day ahead of the awful textbooks. Remarkably, part-timers now do some 44% of *all* the teaching. And it includes departmental specialization which serves very well not only to isolate faculties from the concerns of students but from one another *and* the larger community (Manicas 2003; Karelis, 2004).

The American model of higher education surely has much in its favor, but globalization has produced anxiety about its future in part because it is forcing governments and faculties to confront some serious yet largely unacknowledged problems. Nor is it obvious that its better features can be replicated elsewhere, even if there is the will to do so.

The Ideology of Globalization and Higher Education

The critics of the effects of globalization on higher education have focused on privatization, managerialism, and the reduction of its products to commodities. It is fair to say that these are globalization tendencies, but it is much less clear whether the critics—like those who see this as both inevitable and desirable, have not succumbed to a distorted picture of both globalization and its effects on the institutions of education.

A central feature of this ideology regards the idea that globalization is about the inevitable liberalization and global integration of markets (Steger, 2005). On this view, the integration is inescapable, but since markets are "efficient" only when they are "free," standing in the way of "liberalizing" them is destructive. This ideology is accepted as fact by large numbers of decision-makers everywhere. It is used by governments to justify "privatization," by administrators to justify the "commercialization of research," by educational entrepreneurs who market their "products" as they would market television sets, and perhaps, as important, it is assumed by faculty who strenuously oppose its application to their idea of an autonomous university, dedicated to the knowledge and learning for its own sake.

Remarkably, "free market" ideology fails to notice that there can be no markets without a state-enforced body of rules. Thus, property rights are surely critical as regards exchange. Indeed, Coase (1995) argued that "rights to perform certain actions are what is traded." As a result, "the

legal system will have a profound effect on the working of the economic system and may in certain respects be said to control it.” And as the Chinese, Indians and Russians are discovering, there are a host of ways to constitute a market. The question, then, is not whether the state *should* act in *constituting* markets; the question rather is, what is the character and what are the consequences of widely varying forms of that constitution, of who benefits and who (and what) does not. For many people today, "a free market" is a market constituted so that *entrepreneurial* actors are not hindered by laws or regulations aimed to protect employees, consumers, the environment, or public goods—including education. It is not that "free market ideology" fails to have application to educational matters, but that it fails to have application in *any* context. Governments have critical roles to play and while markets have distinct virtues (Manicas, forthcoming), no government in any society can today justify a "free market" which generates 19th century conditions of work and the destruction of the natural environment, a condition that would make unnecessary all worry about education or anything else!

Similarly, it is true and important that students are not (merely) "customers" and that the "products" of the university are not reducible to commodities. But this means that the production and distribution of its "products" needs to be constrained by clarity regarding its goals. We need to be clearer about this and to make up our minds, if, indeed, we are to be in a position to shape the future of education in an increasingly globalized world (Delanty 2004).

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