Five Somersaults in Enschede: Rethinking Public/Private in Higher Education for the Global Era[1]

SIMON MARGINSON

1. Introduction

The public/private divide is a distinction basic to higher education studies, one of the primary coordinates in the analysis of institutions and national systems, and central to liberal political philosophy. But higher education is undergoing multiple transformations amid the impact of global flows and relationships, new patterns of social demand, the changing role of the state, and the 'position-taking strategies' of institutions themselves within the field (Naidoo 2004). The qualities traditionally associated with 'public' and 'private' in higher education have become unstable and unclear. In the national dimension, higher education is first of all understood as 'public', aside perhaps from the USA where the prior concept is the market. But the 'private' aspect of higher education is growing in incidence and importance. At the same time, globalisation is impacting both public and private goods in higher education. Global, meta-regional, national and local changes blend in unfamiliar ways. This does not mean that the new public/private landscape in higher education cannot be defined; only that conclusive new definitions are yet to be devised; and if the terms 'public' and 'private' are not to be abandoned, they need to be used in new ways.

Following a preliminary statement of method and scope, the paper critiques two conventional approaches to public/private drawn from liberal political economy, noting also the tensions between them. These are

1 Grateful thanks to Jürgen Enders, Eric Beerkens and Gary Rhoades for their insightful comments on earlier drafts of this paper.

the statist approach, which rests on a juridical boundary between public and private ownership; and the neo-classical economic approach, where public and private are determined by the nature of what is produced. The paper then develops its own definitions of public and private goods and applies these successively to higher education in general, to national higher education systems, and to global relations in higher education. The conceptual leaps here create a better fit between analytical framework and empirical terrain. Perhaps a more precise term for these conceptual leaps is 'somersaults'. At five different points, the reader is asked to radically shift perspectives on public/private by inverting those terms, performing conceptual somersaults in which one's assumptions (and oneself) are turned upside down. Hence the title 'Five Somersaults in Enschede'. It is hoped that the reader finds herself/himself the right way up at the end!

2. Method and scope of the inquiry

10 points about method: Much depends on how public/ private in higher education are analysed. By setting out the method at this point, and thereby summarising part of the argument, it is hoped the rest of the paper will be easier to understand.

- The purpose of inquiry is to understand, explain and interpret higher education. This means that the conceptual and methodological tools of inquiry should be shaped by the purpose of inquiry and appropriate to the empirical terrain, rather than the inquiry being distorted to fit the tools. Also, any theories and methods that can enhance understanding have something to offer.
- Because in the first instance the purpose is explanatory, not normative, the test of concepts is how useful they are in illuminating realities, not whether they confirm a theory or a pre-given teleological narrative, or they sustain political or discursive authority. From the explanatory standpoint, neither theories nor configurations of power are the horizon: these are merely two inputs into the process of explanation. It is better to recognise policy values explicitly, not bury them implicitly in theories or (as is often the case) methods so as to surreptitiously prejudge the explanation.
- It is unhelpful to treat public and private as fixed or natural attributes. Firstly, these concepts shift and transform over time in response to two kinds of changes, not correlated in linear fashion: epistemological and historical.

- Further, even within a given historical context and using a fixed set of categories the teaching, research and the service functions of higher education are never intrinsically or 'naturally' public or private. They fall into either camp, depending on the social arrangements. Whether higher education is public or private, is policy sensitive, nested in culture (Calhoun 1998), and varies by time and place. Activities such as education are often shifted from the private sphere to public sphere, and from public to private.
- It is unhelpful to treat public and private as universal attributes: to describe whole institutions, or whole higher education systems, as totally public or private. This move obscures complexities that can be readily identified.
- As used here the public/private distinction is based on the social effects of the aspect of education in question. The paper uses an adaptation of Samuelson's (1954) neo-classical economic definition of public and private goods, with significant caveats. Here the public/private distinction is not identical to the core liberal dualism (Hayek 1960), the state/market distinction, based on the opposition between government and polity, and market economy and family.[2]
- It is possible for state-owned institutions to produce private goods, and privately owned and for-profit institutions to produce public goods. (Ownership does affect the potential for public or private goods though. Distinctions between state, private non-profit, and private for-profit, institutions are other and useful distinctions to make).
- Public and private do not constitute a unitary set, either by the absorption of one into the other, or by combining the two. Public and private goods are too different, too heterogeneous, to enable a neat mathematical reconciliation. Higher education has plural affiliations (Sen 1999) and diverse effects. It is not 'one thing'. The idea of a single logical set is tempting. But the price of this reduction, with its simplicity and clarity, is to block from view phenomena central to understanding higher education.
- Thus first, it is unhelpful to reduce the public goods produced in higher education (or its total 'public good') to the aggregation of all private goods, as in a utilitarian calculus in which the individual is prior to the social. One reason is that public goods include collective goods that cannot be individualised, such as the benefits of peaceful

2 Nor is it identical to the juridical distinction between government and private ownership; or the distinction between communal economy and market economy; or between civic space and private home.

association.[3] Second, it is unhelpful to treat public and private as *necessarily* zero sum. They are sometimes but not always mutually exclusive. The terms are commonly used dualistically (Dow 1990). In a dualistic framework, the more that higher education is private the less it is public, and vice versa. But this again obscures many cases in the real world. For example, growth in the number of individual benefits produced in higher education may lead to more spillovers to other individuals, and more collective benefits (these terms are discussed below). In this instance private and public goods are positive sum. In fact, public and private goods are often interdependent, in that the production of one kind of good provides conditions enhancing the potential for the other. But where higher education is reorganised into a competitive economic market with high tuition, the relationship is more zero-sum: private goods are enhanced while some public goods are diminished. Whether and to the extent that public and private goods are inter-dependent and feed into each other, or are mutually exclusive, is, like the public/private boundary itself, sensitive to policy and material limits. The normative bias of this paper is to maximise both public and private goods.

- It is unhelpful to use concepts of public/private that mean one thing in the national dimension and another in the global dimension. This is how the conventional notions work. Now that global effects have moved from the margins to the centre of societies, and the national and global dimensions constantly affect each other , it is essential to use concepts of public/private that work consistently globally, nationally and locally.

Scope of the inquiry: The conventional meanings of public and private are drawn from liberal political philosophy, law and political economy. In this tradition there is a long history of discussion about the 'public' or 'commons' (Powell and Clemens 1998), which turns on problems of liberalism including private legal identity, private and collective benefits, and the potential for markets. Despite its unorthodox character, this paper generally remains on that terrain. Because of its capacity to form self-altering agents (Castoriadis 1987, p. 372) and critical intellectual reflexivity's, and its fecundity in creating relationships across traditional boundaries, higher education is potentially potent in building democracy. This is explicitly recognised in some national policy traditions,

3 Further, private goods may be produced in a Hobbesian war of all against all, constituting a fractious and insecure world in which there are as many collective public 'bads' as public goods.

such as Mexico and Argentina (Ordorika 2003; Mollis, 1999/2000). An adequate understanding of higher education's contribution to democracy cannot be read from liberal political economy alone as some have tried to do (Friedman 1962; Hayek 1979). At best definitions of public/private taken from law and political economy can address the contribution of higher education to democracy only as a subordinate aspect of collective public goods. But the paper does not discuss the contribution of higher education to democracy except in relation to distribution. An investigation of public and private higher education in relation to democracy would complement the present paper.

Likewise the notion that animates this paper, of higher education as producer of multiple and heterogeneous public and private goods; accessible to empirical observation, judgement, and sometimes measurement; is different to concepts in political theory such as the normative 'public good' (Mansbridge 1998) or historical-institutional 'public sphere' (Habermas 1989; Calhoun 1992). Again this is not to say that these notions of public are invalid for higher education. One way to conceive the public dimension in higher education is to argue that the sector constitutes – or could constitute – an umbrella 'public sphere' that makes the more narrowly defined public goods possible. The public sphere is discussed by Habermas is ideally articulated by discursive relations, rather than by the money economy or by relations of power. Potentially it is comprised by 'flat' social relations in which status differences are virtually eliminated (Habermas 1989, p. 36). For a review of the potential relevance of the aggregated or generic "public good" and "public sphere" to higher education, see Pusser (2004). However, such a notion of the 'public sphere' is heterogeneous to the explanatory project in this paper, in which higher education is understood in terms of articulations of money and social power not of discourse per se (Marginson 2005b).[4]

3. Conventional meanings of public/private

Two notions dominate the conventional liberal approaches to public/private. Both are shaped by the state/market dual on which orthodox liberalism turns. Both treat public and /private as mutually exclusive. The first notion is the definition of public/private arising from neoclassical economics, where the boundary is determined by the intrinsic

4 Marginson (2005b) discusses and compares the respective potentials for theorisations of higher education, of Samuelson's (1954) political economy of public/private goods, and Habermas' political theory of the public sphere (1989) and communicative action.

character of the goods, and particularly by whether they are accessible to full market production or not. Goods capable of full market production are 'private', while other goods are defined in at least some sense as 'public'. The second notion is the juridical definition of public/private where the boundary is determined by legal ownership. These two views reflect the respective political claims of economic liberalism centred on the market, which is equated with the private side of the dual; and a statist social democracy centred on governmental institutions, which are equated with the public side of the dual. Both notions are flawed.

3.1 The neo-classical economic notion of public/private

The neo-classical economic definition of 'public' goods is outlined by Samuelson (1954). Samuelson defines public goods (or services)[5] as goods that are non-rivalrous and non-excludable. Goods are non-rivalrous when they can be consumed by any number of people without being depleted, for example knowledge of a mathematical theorem. Goods are non-excludable when the benefits cannot be confined to individual buyers, such as social tolerance, or law and order. Few goods are both fully non-rivalrous and fully non-excludable but many have one or the other quality in part. Goods with neither quality are classified as fully private goods. As Samuelson sees it, 'public' and 'private' are intrinsic to the character of the good. Goods are normally private and open to private ownership and full market production unless they have qualities that prevents this. He also notes that public and part-public goods are under-provided in economic markets; for example it is unprofitable to pay for goods that can be acquired free as the result of someone else's purchase. Hence there is a case for state financing and/or provision of public goods. Samuelson's theorisation of public/private opens the way to argue for at least some government intervention but has a prima facie bias in favour of market organisation.[6]

Samuelson's notion of the public/private distinction holds a broad sway in policy circles, used by neo-liberal policy makers and UN development advocates alike (Kaul et al. 1999). Another relevant concept

5 In this paper the term 'goods' is used in a generic sense to refer to all forms of production including those industries conventionally characterised as 'services' such as education. 'Goods' refers to benefits obtained, which includes benefits that are intangible/ non-corporeal, as well as those manifest in corporeal commodities.

6 Samuelson believed that as the economy evolved technological change would allow some goods that were formerly non-rivalrous and or non-excludable to become market goods and hence produced more efficiently.

from economics is that of 'externalities' or 'spill-over' effects. Externalities are benefits not fully captured by the individual who pays for the costs of education. For example, the training of a manager may render not only her or his work, but the work of others, more profitable and productive.

3.2 The juridical notion of public/private

In the juridical definition, whether an institution and its outputs are public or private is determined simply by whether it is state-owned or non-state owned. 'Public' is necessarily associated with government or state. All else is private. This is the most common sense and commonly used understanding of public/private, and the categories used in policy analysis, except where it goes to questions of economic value.

At first glance the juridical public/private divide corresponds to the economic public/private divide. Public goods in Samuelson's economic sense benefit a broad citizenry, and are distributed in open and egalitarian fashion. Because of market failure, governments and publicly-owned institutions take responsibility for those public goods. These institutions exercise broad responsibilities on behalf of the whole people. Even when the public goods they produce are not accessible to all (like libraries) then they are valuable to all (like basic research) and worth paying taxes for. On the other side of the dual, private universities produce private goods such as scarce places in prestigious Law faculties. There is no reason why the government should pay on behalf of the community for these private goods. Private universities have a lesser compass of responsibility and greater freedom to engage in markets and otherwise pursue their own ends free of state intervention. The price is that they finance their own operation. The public/private symmetry seems simple and transparent. But it is not.

3.3 Problems with the traditional approaches to public/private

There are deep-seated difficulties with both the economic and the juridical definitions of public/private.

Samuelson's notion of public/private offers an outcomes-centred approach that focuses on measurable qualities. The concept of public goods as defined by non-rivalry and non-excludability, and the notions of externalities and collective benefits, take analysis into the difficult terrain of goods whose values are not market-determined. Used wisely Samuelson's notion enables recognition of a broad and heterogeneous

range of outcomes: market and non-market-produced, short-term and long-term, individualised and collective. Analysis comes closer to the complex and multiple social practices of the sector, and a broad range of policy options come into view. Mostly Samuelson's approach has not been used so wisely. It has been reworked to fulfil narrower projects such as attempts to devise a single number for the outputs or value of higher education, for example an aggregated private and social 'rate of return'; or has been interpreted selectively so as to focus on some outputs and not others. Lip-service is paid to the notion of public goods even while these are largely ignored.

The neo-classical economic version of public/private has two inherent limitations. First, the normative bias in favour of individualism and markets. Efficiency is always treated as primary and this predisposes policy makers to market solutions. There is a corresponding methodological bias in favour of that which is measured in money terms. It is comparatively simple to calculate the private earning power of degrees (though other kinds of private benefit might prove more elusive) but externalities and collective goods constitute a more formidable challenge. Mostly the challenge is avoided. It is difficult for the economist to imagine these qualities, especially collective outcomes such as community literacy or the contribution of education to social tolerance. Likewise it is easier for the economist to imagine the immediate exchange value of commercial intellectual property than the use value of basic research, which has an open-ended long-term potential. Calculations of externalities are assumption-determined and vary widely.[7] In the outcome externalities and public goods have been grossly neglected (Pusser 2002; Marginson 1997, pp. 27-50). In providing policy advice, the emphasis falls on private economic returns; for example the long tyranny exercised by private rates of return to education in World Bank lending programs (Taskforce 2000; Singh 2001); and most economists focus attention on policy options that extend the scope for market competition where feasible, while obscuring from view policy options that enhance the contributions of higher education to public goods.. Here the problem primarily lies in the commodity-logic of economics itself and its uses in education policy (Marginson 1997, pp. 92-130; Marginson, 2005a), including the typically narrow interpretation of human capital (Sen 2000, pp. 292-297).

7 Some neo-liberal economists even argue that the net value externalities created in higher education (Fane 1984) or vocational education (Friedman & Friedman 1980) is zero.

Second, the neo-classical economic definition is a historical in treating public and private as natural and universal qualities. There is nothing intrinsic about human needs for complex cultural and economic goods. Higher education, like health, can be organised either predominantly as the production of public goods in Samuelson's, sense, or as private goods. Whether universities are public, in the sense of producing non-rivalrous or non-excludable goods under-produced in markets, is determined not by nature but by public policy and social practices. Universities can be free, open to all and focused on research designed to solve problems such as ecological instability or international conflict. Or universities can be costly, closed and focused on the privately valuable degrees and technologies sold to the highest bidder. The nature of the goods does not determine the character of production. The character of production determines the nature of the goods. The public/private character of higher education is *always* open to social and cultural variation, it is multiple (different parts can be more or less public in relation to each other), and it is policy determined.[8] This has led to markedly different configurations of higher education around the world.

Private/public as defined in statist terms is more problematic. First, the dividing line is ambiguous. 'Private' is treated as the obverse of public; so that private variously refers to any non-state production, legally alienated production subject to private ownership, the market, and the home and family. Here usage readily becomes loose and eclectic and corrupted by symbolic politicking. Second, in the real world, the public/private distinction based on the economic character of the goods frequently conflicts with the juridical distinction. In the neo-liberal era governments and state agencies typically form and regulate competitive markets in higher education, steering these markets from the medium distance with tools such as output control, audit and licensing of market entry.[9] Such government-ordered markets often take in both publicly owned and privately owned institutions. But if public/state is understood

8 Often economists attempt to develop economic and policy analyses of education on the basis that it is intrinsically public or private or a fixed kind of intermediate case. For example some economists argue that education is a 'club good', meaning that is non-rivalrous in consumption but is excludable, like a film screening (Kaul et al. 1999, p. 509). However the concept of education as a club good does not do justice to the historically variable character and also the multiple character of higher education. For example basic research is not excludable, or at least not for very long. Education is potentially rivalrous or non-rivalrous, excludable or non-excludable.

9 The literature is briefly discussed below. See for example see the country chapters in Teixeira et al. (2004).

as fundamentally separated from and opposed to private/market, it is impossible to explain this state-driven marketisation though much of the politics of higher education lie there. Further, state ownership or funding alone do not guarantee open production or collective distribution; and most publicly owned universities produce private goods, in the form of scarce degrees conferring private income benefits. This happens even in systems where tuition is free or close to free, as in Germany, France or Mexico.[10] Likewise private universities can contribute to public goods in Samuelson's second sense, such as basic research and collective literacy. To further complicate matters, some public universities charge high fees, as do Australian universities in relation to many students; while many private universities are subsidised by governments so as to levy low or no fees, for example private universities in the Netherlands. Sector location and funding source matter. All else being equal, state-owned institutions are more directly accessible to policy makers from above and democratic politics from below; and state funding brings with it some state control, de facto or de jure. High fee private institutions tend to maximise the production of private goods vis-à-vis public goods. But clearly, a definition of public/private determined by legal ownership alone is not explanatory.

Finally, the juridical definition neglects the possibility of global public goods. This is a fundamental and crucial difficulty. Where 'public' is defined to mean state or government sector, "in the international sphere, where there is no government, how are public goods produced?" (Kaul et al. 1999, p. 12). So how then can common international benefits and cross-border effects be identified and discussed? A definition of public/private based on legal ownership treats higher education within the nation as a public and state matter, while cross-border higher education is a private and market matter. National higher education is seen as public; global higher education as private … the nation is intrinsically public, the global is intrinsically a market (?!!) Here the global environment as defined juridically by the statist, coincides with the global environment as defined by the neo-classical economist, even though the two parties disagree sharply about the national environment. But this is an impoverished view of the global. It retards understanding of higher education.

10 A comparative international study by the Education Policy Institute (2005) provides data on both price and accessibility. The data indicate some diverge between the two sets of rankings. Some expensive systems are medium on access, while some low price systems rank less well on access due to a high degree of student selectivity. In higher education there is more than one way to stratify value and form commodities.

4. A preferred approach to public/private

A working definition of public/private is one that can be readily and widely used. It draws on what is useful from inherited approaches, while adopting a non-dualistic and non-formalistic conception incorporating scope for historical relativity and policy choice. It is consistent and coherent and enables empirical purchase on the realities of the sector. It is not be asked to do too much, for example be a general economic model or comprehensive theory of democracy.

In this paper, public goods in higher education are defined as follows:

"Public goods in higher education as goods that (1) have a significant element of non-rivalry and/or non-excludability, and (2) are goods that are made broadly available across populations; and are inter-generational in that they meet needs in the present generation without jeopardising future generations. Goods without attributes (1) and (2) are private goods."

To repeat and summarise, higher education is intrinsically neither public nor private. It may be either. It may be predominantly private, or predominantly public, or achieve an (unstable) balance between them. Whether higher education is located in private- or state-owned owned institutions, whether it is produced and distributed as a market commodity, whether it is predominantly private or predominantly public: none are determined by its 'intrinsic nature' but are a matter of social and policy choice. Policy makers have the capacity not just to marketise higher education, but to expand the elements of non-rivalry and non-excludability, for example through the broader distribution of the benefits of degree programs and the findings of research. The public/private boundary is not identical to the boundary between public and private ownership, or the boundary between non market and market production (though it is nearer to the latter than the former). State-owned universities produce some private goods; private universities produce some public goods. Even fully commercial institutions produce public goods; such as the spill-over benefits to other employees created by the literacy acquired in professional university degrees. However Samuelson is right to point out that public goods are not produced, or are under-produced, in markets.[11]

11 It should be noted briefly (though it deserves a longer discussion) that non-rivalry and non-excludability are not in themselves unambiguous virtues; nor do they necessarily provide neat solutions to policy problems.

5. Public/private in higher education

This preferred approach to public/private is now applied to the outcomes of higher education.

The ownership of higher education can be exclusively public, or mixed, or exclusively private. Almost everywhere in the world, what is actually produced is a mix of public and private goods. Though the public goods and private goods are heterogeneous to each other, they are produced at the same time, often in institutions committed to all of teaching/learning, research, community and national service. The public/private mix is variable by time and place. Within each nation this mix is constantly in motion. Public/private mixes are one element that distinguish institutions from each other, and distinguish national policies and practices within world higher education. Some institutions and some national systems, especially those in which higher education is explicitly organised as a market, tend to place greater emphasis on private goods, than do other institutions and systems. To the extent that public/private are zero sum this reduces the potential for public goods.[12]

5.1 Private goods produced in higher education

The principal private good produced in higher education are individualised status benefits or positional goods, often but not always distributed in a competitive market of institutions (Hirsch 1976; Frank and Cook 1995; Winston 2003; Geiger 2004; Marginson 1997, 2004a, 2006. Higher education institutions allocate scarce places that provide students with opportunities to secure superior incomes and social satus. These opportunities are arranged in a hierarchy of value. Prestige universities allocate the highest value status goods. The production of status goods is integral to research universities in most of the world. Though revenues

There are often distributional issues, and potentials for public/private trade-off, in the case of public goods. The protection of the environment is a non-excludable and non-rivalrous public good that benefits everyone in common. At the same time it may disadvantage members of the community that benefit from environmentally damaging activities. Those persons might gain a non-exclusive and non-rivalrous public good (a pristine environment); while losing part of another public good that is non-exclusive but sometimes rivalrous (economic freedom); while also experiencing a 'private bad' zero-sum to the first public good (lost income). Policy actions to augment public goods can involve complex tradeoffs between one public good and another, and between public and private goods, in higher education as in other social sectors.

12 A comparative survey is beyond the scope of this paper, but would complement it.

are important for these institutions, revenues constitute not the ultimate ends but a means to those ends, which are academic and social prestige and power. The standing of prestige institutions as producers of high status goods helps them generate the revenues needed to reproduce their power.

It is essential to recognise that higher education distributes individual benefits of unequal private value on a partially or wholly selective basis, and thereby plays a pivotal role in the allocation of social opportunities, even when it is entirely state-owned and free of tuition charges. Egalitarian systems in which status and resources are relatively flat across the higher education sector, and relations between institutions are governed by cooperation and a managed division of labour, rather than competition, provide optimum conditions for the allocation of socially powerful opportunities (such as places in Medicine) on the basis of academic merit and/or social equity. Free universities might be associated with the broadening of access to private benefits and even the flattening of status distinctions, enhancing the elements of non-rivalry and non-excludability and reducing the role of private goods. Herein lies the democratic case for free education. Nevertheless, even in such an egalitarian regime, the private goods as such do not disappear.[13] Because private goods provided in higher education are subject to economic scarcity, and both production and consumption are subject to competition – students compete for access to status goods, universities compete with each other for the best students and for status leadership – the production of these private goods is readily turned into an economic market. Marketisation is attractive to governments in the neo-liberal era because it defrays fiscal costs.[14] It might be either a near-pure commercial market as in the education of foreign students in the UK and Australia, or a subsidised semi-market as in the higher education of domestic students in the USA. As noted the system-ideology of American system is that of a market, and status competition can be very fierce (Kirp 2004). Nevertheless the US system is heavily subsidised by governments and by universities from donor sources. The overall national ratio of tuition price to cost is about 0.4 (Winston 2003).

13 Unless close to everyone receives a degree and all of the degrees have similar standing: this has yet to happen anywhere.

14 In policy, both public spending on higher education and reductions in public spending are variously understood as public goods. It depends on whether public spending is defined as a benefit-creating public investment, or as a cost to those taxpayers receiving zero private goods from higher education.

5.2 Public goods produced in higher education

At the same time higher education produces some public goods whether it has been marketised or not. Perhaps the classic public goods in higher education lie in its contributions to knowledge and to common literacy and culture; but its formation of human attributes and relationships, including social values and affects such as cosmopolitan tolerance and cultural awareness, are probably just as important.

Stiglitz (1999, p. 308) notes that knowledge is about as close as possible to a 'natural' public good. The mathematical theorem retains its value no matter how many times or how many people use it. Nor can its benefits long be confined to particular individuals. Knowledge become a temporary private good via intellectual property regimes, but does not stay so confined, especially in a networked environment. It is non-rivalrous and only temporarily excludable. It is more a collective than an individual good, and is always under-produced in markets. Literacy and cultural formation are both individualised and collectivised. Like knowledge, they have many and unforeseeable externalities, both short-term and long-term. Aside from specialised idioms, literacy is non-rival and in large part non-excludable. Cultural formation can be rivalrous and exclusive. Bourdieu (1986, 1988) notes that the cultural capital acquired by individual university students segments society in a vertical hierarchy and facilitates exclusive networking. Further, universities generate specific forms of academic and scientific capital which constitute socially recognised values, while being deployed by individual faculty in their private interests.[15] However cultural formation can also be democra-

15 Bourdieu's analysis of higher education in Homo Academicus (1988) is the most sophisticated and suggestive theorisation specific to the sector, as distinct from theorisations that are derived simply by importing disciplinary frameworks from outside the sector, from the generic parent disciplines, as in most applications of economic or sociology to education. Bourdieu's notions of the field and habitus have much to contribute to understandings of higher education (for a useful discussion see among others Naidoo 2004). Despite the fact that the empirical base of Bourdieu (1988) was 1960s France, prior to neo-liberal policy and to the last three decades of globalisation, it retains much of its power. Nevertheless this analysis is heterogenous to the Samuelson formula and cannot be effectively combined with it, and so plays a very minor role in this paper. This is not so much because Bourdieu works from sociology rather than political economy; rather it is because his conceptions of capital tend to occlude the distinctions between individualised and collective goods. By moving further to break down the public/private dual than does the present paper, Bourdieu opens up a different analytical terrain, bringing some new objects into view while suppressing others. All theorisations are only ever

tised; and even without that, a universal bedrock of collective common culture is acquired by all who pass through education, one that is underprovided in markets.

Although the social opportunities allocated in higher education often take the form of private goods, that actual function of social allocation is itself a public good. As suggested, equitable social access tends to be underprovided in markets. Mediation by private capacity to pay, competition between producers for status, and the fostering of student entry as an exclusive commodity, tend to increase absolute barriers to entry and/or stratify opportunities between high cost high value and low cost low value places. The provision of an equitable structure of opportunity is a principal driver of state regulation, financing and provision of higher education throughout the world; and the subject of on-going public debate in many nations (Pusser 2003, 2004; Ordorika 2003). Nevertheless, this structure of opportunity often brings with it complex distributional issues and political tradeoffs. For example, by improving the access of under-represented groups, affirmative action creates a more equitable system. But programs that create more places for some students also subtract places from other students. Affirmative action is ambiguous: it has both a common public good aspect (it contributes to fairness) and a private good aspect subject to rivalry and excludability (access to scarce university places). There is also contest about which aspect of the public good, fairness, is more important: the principle that higher education should representative of the population, which favours affirmative action; versus the principle that all applicants should be subject to identical treatment. In the USA there have been intense debates around these issues, for example in relation to the University of California system (Pusser 2003). In themselves conceptions of public/private goods cannot solve distributional issues. However, they can contribute to policy frameworks in which the issues are identified, negotiated and resolved.

5.3 Implications of state ownership and of markets

While juridical ownership does not determine the public/private mix of goods, state-owned institutions are more amenable to the broad distribution of public benefits, than are private institutions. Democratic values are more readily brought to bear on agencies subject to democratic accountability. Whether this happens is a matter of practical politics. There

partial theorisations. But the potential for reconciliation of political economy, Marx, Bourdieu, Habermas, Foucault etc. in the analysis of higher education is a matter for another paper.

is no *guarantee* that state-controlled production will be more accessible to the community. All that can be stated is that all else being equal, public ownership is more conducive to public goods production than is private ownership.

What is decisive in determining the character of the goods produced is not ownership as such, but the purposes of the institution or unit. Purposes are closely affected by the mode of production (Marginson 1997, 2004a), whether for-profit market competition, non-profit market competition in a classical university status market, or non-market production. In the case of for-profit markets the primary goal is the accumulation of revenues. In the case of non-profit market competition it is maximisation of the competitive standing or prestige of the institution. In the case of non-market production the agenda is open-ended. The different purposes are associated with distinct incentives and behaviours; for example in research. Commercial research want to maximise the length of time knowledge remains excludable, confined to private ownership and accessible to exploitation, before entering the public domain. Likewise, if the purpose of teaching is exclusivist – the reproduction of an elite profession, or interpolation of cultural capital in the heads of a favoured few – this enhances the private character of the goods. Generally marketisation renders the goods more private in character in Samuelson's sense. For example it may increase the value of superior status goods by driving up cost and exclusivity, and it may diminish access to the goods; that is, diminish equal educational opportunity to acquire those goods. Equal educational opportunity is a public good that is readily lost in the transition from state-run systems to markets.

Policy moves in the other direction, for example steps to the democratisation of planning and production of higher education, provide favourable conditions for enhancing the relative role of public goods compared to private goods, and enhancing their 'publicness' by rendering them more transparent and encourages a broader distribution (Kaul et al. 2003, p. 73). Democratisation is achieved by making public goods more explicit and involving the range of state and non-state agencies, and actors in the institutions, in policy discussion and formation. Of course ownership, mode of production, policy and the mix of public/private goods are only some of the inputs that determine the social character of higher education. Other relevant inputs include legal structures and regulation, economic/ financial flows and systems, democratic relations with localities and nations, knowledge economy relations with business and industry, disciplinary networks, interface with the learned professions, internal cultures organisation and management; its technologies, and last but not least, international networks.

5.4 In sum

Public and private goods are particular rather than universal attributes. Higher education is potentially rivalrous or non-rivalrous, excludable or non-excludable. It produces a complex and variable mix of public and private goods. Though public and private are not necessarily zero-sum, all else being equal a move to market production augments rivalry and exclusion in the products, and reduces the incidence of goods characterised by non-rivalry and non-exclusion. Thus marketisation furthers the zero-sum element in relations between public and private goods: note that the incidence of 'zero-summism' is not intrinsic but is policy variable. Pro-market ideologies and policies tend to conceal the potential for public goods. But under-recognition and under-production do not eliminate public goods altogether.

6. Public/private in national higher education

This definition of public/private in higher education is now applied to national higher education, followed by global higher education. The reader will be asked to perform five conceptual somersaults, in order to obtain new perspectives on public/private.

6.1 Putting private goods into the nation

Among national systems of higher education there is a worldwide though not quite universal trend to growth in the absolute and relative production of private goods through the extension and intensification of market mechanisms, and the associated development of positional competition. Marketisation has several aspects: increases in the incidence and size of tuition charges, the sale of other services as private goods, re-organisation of systems as competitive quasi-markets, growth in the role of private institutions, and the rise of for-profit education including on-line (Marginson 2004b). In many nations state and institutions have become semi-autonomous corporations. These tendencies, which are readily investigated empirically, are enhanced by globalisation: for example full fee places for international students may cut across national policies on equitable distribution. The vast recent literature includes the theorisations in Shumar (1997), Meek (2000), Marginson (1997, 2004a, 2006), Naidoo and Jamieson (2005). The American case is addressed by Bok (2003), Kirp (2004), Geiger (2004), Slaughter and Rhoades (2004)

and Washburn (2005). Teixeira et al. (2004) provide a compilation of varying national cases.

These tendencies are not universal. They are manifest and understood differently according to national system. Both the material starting points are different, and the prior notions of public/private are different. (The epistemological variation is related to but not in linear correspondence with the historical variation). In most of Western European, traditional analysis is statist. This imposes a limit on perspective. Because higher education is typically placed in government sector institutions it is assumed, reading off the formal juridical structure, the outputs and processes of higher education are universally 'public'.[16] But this preconception (1) obscures the actual role of private institutions, and (2) neglects the incidence of private goods within the outcomes of all higher education. It is important that private goods in higher education are recognised, whatever the policy purpose: expansion of the number or weight of private goods, enhancement of their value, more equitable distribution of those private goods, a narrowing of the value differentials, and so on.

This suggests Somersault 1, the first necessary change in perspective:

Somersault 1
"National higher education is not universally or overwhelmingly public in character. In all national higher education systems, regardless of formal ownership or fee systems, a substantial part of the goods produced are private goods."

National policy making and data collection should make transparent the incidence and value of private goods, including variations by institution and type, and field and level of study, and for students of different social and cultural groups, nationalities, ages and genders.

6.2 Putting the public goods back into the nation

The starting position is different in the English-speaking countries where marketisation is now relatively advanced, especially the USA, Australia, New Zealand and the UK. The idea of higher education as a producer of private benefits is entrenched in national policy and in economic studies of higher education. In the UK, Australia and New Zealand Somersault

16 This was also the preconception in the Westminster system nations, the UK, Australia (Marginson 1997), New Zealand and Canada, prior to the emergence of neo-liberalism in policy in the mid 1980s.

1 took place some time ago. In the USA it was never needed. In these nations, also, perspectives are limited but in the opposite way to most of Western Europe. Instead of private goods being downplayed, they receive the main emphasis. The policy focus on private goods is often designed to provide rhetorical support for a partial shift from taxpayer financing to student fees; and/or a shift from state-funded basic research to industry-funded commercial research. Data collection tends to focus on private benefits such as the private rates of return to degrees. With the analytical framework closely congruent to a one-sided policy, the claims about predominantly private benefits become self-fulfilling. Policy neglects public goods, both collective benefits and externalities, such as the long term contributions of basic research and advanced literacy.[17]

So having made Somersault 1 to invert the existing perceptions in Western Europe, it becomes necessary to make the opposite movement, Somersault 2, to invert the existing perceptions in the Anglo-American nations:

Somersault 2

"National higher education is not universally or overwhelmingly private in character. Regardless of formal ownership or fee systems, a substantial part of the goods produced are public goods."

National policy and data collection should make transparent the incidence and value of public goods, including variations by institution and type, and field and level of study, and for students of different social and cultural groups, nationalities, ages and genders. Public goods pose more difficult problems of identification and measurement than do private goods. A single combined number for 'the public good' is a chimera. Some public goods are open to cardinal measurement; though the numbers for different goods are often heterogeneous. Others are not capable of cardinal measurement but may be capable of ordinal measurement: for example it may be possible to say if the incidence of a particular collective public good such as equity of access has increased or decreased using an umber of different measures and judgements. Other public goods can only be assessed using complex synthetic judgements. Despite these difficulties it is vital that public goods are made as transparent as possible.

17 Following Friedman (1962) on public/private there is a tendency to focus on the cost to the taxpayer without acknowledging the benefits to the taxpayer.

6.3 Putting private sector agents back into national public goods

Responsibility for the production and distribution of public goods extends beyond state agencies and publicly-owned institutions. Private institutions and organisations also contribute, both incidentally and deliberately. An example of the latter is the support of philanthropic organisations for basic research programs or access scholarships allocated to students from poorer communities. In some nations this contribution of private sector organisations to public goods in higher education is recognised and encouraged through state subsidies such as tax concessions (tax expenditures). Such mechanisms do not always reach all relevant agents.

Somersault 3
"In addition to governments and other public sector agencies, the identification and measurement of national public goods in higher education, and policies designed to augment such goods, should encompass the role of civil and private sector agents including autonomous education institutions, disciplinary communities, professions, philanthropic organisations and relevant market actors."

6.4 In sum

National higher education institutions and systems produce a mix of public and private goods, regardless of fees or ownership structures. Both state-owned and privately-owned agents contribute to each of public and private goods. The mix is highly variable and policy sensitive. In some nations private goods are under-recognised. In other nations public goods are under-recognised. In both cases the public and private goods need to be made more transparent, with greater attention to identification and measurement, as necessary conditions for the evolution and implementation of policies designed to enhance both kinds of good.

7. Public/private in global higher education

Globalisation is "the widening, deepening and speeding up of world wide interconnectedness" (Held et al. 1999, p. 2). In the world-wide and meta-regional dimensions, the latter including the European Union, growing cross-border flows of people, communications, knowledge, ideas, policies and money (Appadurai 1996; Marginson and Sawir 2005)

are forging 'thicker' and more fecund relationships and convergences (Held et al. 1999) that impact nations and local institutions. Globalisation is often associated with enhanced cross-border production and trade liberalisation in relation to private goods. But globalisation also creates capacity for more and additional kinds of public good. Global interdependence increases the potential for cross-border externalities; whereby actions in one nation create benefits or costs for people in another nation; for example better public health, or pollution with downstream effects. There are also tendencies towards world-wide systems; for example in finance and communications.

Questions of public/private in the global dimension are discussed in two collections prepared under the aegis of the UNDP: *Global Public Goods* (1999), and *Providing Global Public Goods* (2003).[18] This work is particularly helpful in focusing on the distributive aspect of 'public' and exploring policy mechanisms for providing global public goods.

7.1 Global private goods in higher education

Global private goods are neither non-rivalrous nor non-excludable, are subject to the transfer of benefits across national borders, and have value in more than one nation. In higher education one set of private goods is generated in commercial research and intellectual property. However the main global private goods are degrees obtained by crossing national borders. About 1.8 million students do so each year, either by travelling to study in a foreign country or via programs offered by a foreign institution and accessed in the home country either as distance education or face-to-face teaching. The largest export nations are the English-language providers, especially the USA, UK and Australia; and Germany and France (OECD 2004a; OECD 2004b). Foreign education is largely self-financed. Most cross-border students pay tuition fees, and about half are unsubsidised. Educational capitalism plays a larger role in the markets in global mobility and status goods in education, than in the national markets in status goods, with the UK and Australia the main commercial providers (Marginson 2004a). In the US doctoral sector much of international education is part financed by universities themselves, donors or one or another state agency. The incidence of commercial provision is greater in the two and four year higher education institutions than in the doctoral institutions.

18 The implications of globalisation for the definition of public/private are specifically discussed (Kaul et al. 1999, pp. 2-19; Kaul et al. 2003, pp. 22-23).

Foreign degrees are global goods in two senses: they are obtained in border-crossing, and they can be utilised in more than one nation. The principal growth of global private goods is in globalised fields of employment such as business studies, information technology and research, where reputable foreign degrees open opportunities in many nations. The education of foreign students, including commercial provision, can also constitute global public goods in those importer nations where offshore places significantly extend national educational capacity and individual student choice. However, high private costs tend to reduce this potential distributional 'publicness'. Note also that in those nations where a foreign degree carries higher prestige than degrees obtained at home, a growing incidence of global private goods obtained by student nationals may also be associated with a process of devaluation of value of the private goods obtained from institutions within national higher education.

7.2 Global public goods

Global public goods are defined as follows:

"Global public goods are goods that have a significant element of non-rivalry and/or non-excludability *and* made broadly available across populations on a global scale. They affect more than one group of countries, are broadly available within countries, and are inter-generational; that is, they meet needs in the present generation without jeopardising future generations." (Kaul et al. 1999, pp. 2-3)

Global public goods include collective global goods, and positive or negative global externalities. Negative externalities are known as public 'bads'. Collective global goods are obtained by nations and/or institutions from cross-border systems common to the world or a meta-national region, via regulation, systems and protocols; such as the Washington Accords in Engineering, and the Bologna Declaration of a common European higher education space. Global externalities arise when higher education in one nation affects significant numbers of people in other nations; either for better, for example some research; or worse, for example 'brain drain' of national faculty. Global public goods are underprovided in markets while global public bads are over-provided in markets. Governments can also constitute public bads. Multilateral forums can directly create global public goods, particularly collective goods.

7.3 Global public goods in higher education

The potential for both global public goods and 'bads' is enhanced in internationalised sectors such as higher education that are extensively and intensively networked. In higher education there are many cross-border externalities and collective goods. There is knowledge in its different fields, and the consequences flowing from movements of ideas and knowledge, and cross-border research collaborations. There are systems and processes for facilitating cross-border recognition of universities, qualifications and individuals. There is cross-cultural exchange, and augmented international understanding and tolerance. Often doctoral universities are cosmopolitan communities, with spin-offs for both the nation of education and all nations ultimately affected by the transformation of individual sensibilities. Higher education is a fecund site for global association. Like business, it links not just members of kinship and affinity groups but erstwhile strangers. To borrow a term from the social capital literature, it is effective in creating 'bridging' relationships (Woolcock 2001) across traditional divisions. It also provides infrastructures and resources that assist economic production, marketing and international trade; and supplement the foreign relations practices of national governments, for example expertise in languages.

It is useful to distinguish between intermediate global public goods and final global public goods (Kaul et al. 1999, p. 13). In higher education final global public goods include such outcomes as the spread of knowledge and of cultural understanding. Intermediate global public goods make these outcomes possible, such as protocols that sustaining people mobility, including recognition of qualifications and institutions; and the systems for transmitting, publishing and codifying academic ideas and knowledge. Along with communications and finance the knowledge system is a primary global system. Final global goods are produced by both public and private intermediate goods. The global market in degrees generates institutional revenues, and leads to private careers and international understanding. Intermediate global public goods facilitate final global private goods. Recognition protocols are essential to global markets in higher education. All of this underlines the point that far from being always zero sum, public and private goods are often inter-dependent.

Global externalities are not singular or universal goods, even in the case of world-wide systems such as those for academic publication. Global networks are inclusive but can also be exclusive. The effects of globalisation vary substantially by nation and also according to the region within the nation. As noted some nations, and regions, experience

global public bads as a result of net brain drain of students going abroad for study. Many cross-border students do not return. This net brain drain is maximised in those developing nations with the least capacity to attract inward flows of students and graduates to compensate for outward flows. On the other hand, for some developed nations the cross-border people flows generated in higher education constitute positive externalities. The USA retains a high proportion of foreign doctoral graduates as migrants. They play a significant role in national research effort both during study and after graduation (OECD 2004b).[19] However, empirical tracking of brain drain issues is more complex than it first appears because some graduate migrants eventually return to their nation of origin, or collaborate with institutions in it, or invest economic capital in it. Analysis refers to not just 'brain drain' but 'brain gain' and 'brain circulation'. Some other forms of global public good/bad are still more difficult to quantify. Communications and knowledge flows are dominated by the English language and the English-speaking nations, particularly the USA. The global spread of knowledge in English creates negative externalities where it displaces academic conversations in other languages. For nations with developed academic cultures of their own, such as those in Spanish and Arabic, the present world-wide extension of academic discourse generates substantial public goods *and* public bads. Global externalities are nationally, regionally and culturally specific. The relevant question always is *whose* global public goods/bads are they?

In general, developed nations have a superior capacity to access both global private and global public goods in higher education. They contain more people with the ability to pay for global private goods as foreign degrees or commercial intellectual property. They contain better research infrastructures and more trained personnel able to utilise research knowledge and turn it into technology transfer. Less developed nations benefit more from the potential for global public goods than global private goods. As noted, access to international education is often associated with brain drain; while PhD graduates who return often lack opportunities to continue work in their area of training. International education is less valuable to those nations than is growth in higher education capacity at home. This more than foreign education augments the pool of

19 Among 1996 PhD graduates from US universities in Science and Engineering, more than 90 per cent of those from China and more than 85 per cent of those from India stayed in the USA in the 1997-2001 period. The US also retained more than half of the PhD graduates from some developed nations, such as Canada, New Zealand and the UK (OECD 2004b, p. 281).

professional skills and the capacity of national research and knowledge infrastructures, with multiple long-term potential for national private and public goods.

7.4 Under-recognition of global public goods

In some respects global relations in higher education have become more visible and their effects for better or worse are more widely acknowledged. Universities in most countries are more transparent to global knowledge and recognition systems. The effects of global 'brain flows' are discussed in policy circles (OECD, 2002). Overall, however, global public goods are not well understood and are under-recognised in comparison with global private goods. A key difficulty is that public goods can only be effectively considered and regulated in a policy space. But there is *no* global policy space in higher education. Higher education institutions are located in a world that is increasingly inter-dependent, but is also defined by a zero-sum legal and geographical alignment, a Hobbesian world of autarkic and contesting nation-states with no integral necessity to cooperate. With the important but limited exception of Europeanisation, global forums such as the United Nations and the International Court of Justice have marginal influence. International agencies and protocols have a larger role than does global governance, but remain marginal except in those developing nations where state structures are weak. The problem has been defined as a 'jurisdictional gap'. There is a "discrepancy between a globalised world and national, separate units of policy-making" (Kaul et al. 1999, p. xxvi).

7.5 WTO/GATS

In the absence of a global policy space where global public goods can be considered, international higher education is treated as predominantly a trading and market environment where the only recognised global goods are tradeable private goods. Where public goods are considered, these are confined to the category of national public goods, and typecast as sectional national 'interests' which retard the common global interest in open flows of trade and financial capital. In the principal and only global instrumental forum in higher education, the negotiations concerning trade in services within WTO/GATS (2005), global higher education is understood in exactly the manner suggested by both neo-classical economics and juridical statism: the nation is seen as the terrain of public goods, the global as the terrain of private goods. The open normative policy agenda is to extend the scope for global trade as far as possible.

Little consideration is given to the common value of free flows of knowledge, or of the need to align national recognition protocols, except to the extent these structures may augment or inhibit global trade. Nor is there recognition of the dangers of generating public goods/ private goods trade-offs, or of the need to configure a positive-sum relation between global private and public goods, or of the educational asymmetries between developed and developing nations. Within the framework of WTO/GATS there is no way to consider such public bads as the unevenness between national education systems in capacity, resources, cultural power and opportunities for individual citizens that inhibit human development. These matters are side-lined to the non-instrumental talk in UN forums.

But this policy framework is sustained only by denying certain realities. For example, universities that are public non-profit institutions at the national level become categorised as private providers in another nation's space, indistinguishable from for-profit providers.[20]

7.6 Putting the nation-state into the (private) global

To supplement this impoverished and deceptive analytical and policy framework it is necessary to factor back in the global role of the nation-state. First, whereas the notion of the global environment as a trading environment suggests the market constitutes the main development path for emerging national systems, governmental provision is a viable strategic alternative for development. Higher education should be provided as public goods in situations where there is market failure; and/or in order to increase the elements of non-rivalry and non-excludability in the production and distribution of the goods; and/or to evade the opportunity costs and direct costs of marketing and competition.[21] In some cases non-market state provision is unambiguously superior to market provi-

20 It is true that universities from the UK, Australia and the USA operating off-shore often work through a private university-controlled company; but that is a symptom of the discursive construction of global higher education as global trade, rather than the cause. Even when foreign universities operate in their normal national-public legal guise they are treated as private providers.

21 As Pusser notes: 'The fundamental arguments for public supply [i.e. non-market production by government agencies] are that it offers the most direct utilisation of public subsidies, and that it is the organisational type best suited to the rapid expansion of higher education… there is no diversion of the public subsidy to profit, hence more of the subsidy goes to the production of preferred goods' (Pusser 2002). The argument is stronger if the 'preferred goods' are externalities or collective goods.

sion, regardless of one's political preconceptions, for example in the most impoverished nations (Taskforce 2000; OECD 2004b). Second, "governments must assume full responsibility for the cross-border effects that their citizens generate" (Kaul et al. 1999, p. xxvii. Global externalities affect national system for good and for ill. Global collective goods can facilitate both global flows, and the growth of local/national higher education.

This suggests two kinds of initiative are required. First, creation of an inter-governmental global space focused on higher education where the costs and benefits of global externalities are defined and managed, encouraging national governments to incorporate cross-border externalities and prices into their routine national decision-making; and enabling collective goods to be negotiated and developed, for example recognition and quality assurance systems and other means of lowering barriers to global mobility. Second, units within each national governmental enabling them to account for and take responsibility for positive and negative externalities, negotiated cost sharing, and identification of optimal cross-border flows. The common global policy space would consider issues of balanced global development in higher education, including national educational capacity in the developing world, and cultural diversity in educational and linguistic contents. The Bologna common higher education space constitutes such a global policy space in embryonic form. Specific institutions and programs of the United Nations, the World Bank, OECD and regional agencies such as the Asian Development Bank currently provide forums suggesting the potential for a collaborative global approach to higher education: for example UNESCO's discussions of quality assurance and the OECD (2005) project on internationalisation in higher education. Equally important, however is the reciprocal evolution of global perspective, national responsibility and instrumental capability within national governments. This is the key change that would give international negotiations 'teeth'.

But to develop the required perspective it is essential to perform Somersault 4, which puts public goods, and the nation-state as agent of global public goods, into a marketised, private goods producing, GATS-determined global educational sphere:

Somersault 4

"In the global environment, higher education involves not just the production of private goods in a trading environment, but the production of significant public goods. It is necessary to create an inter-governmental space in which global public goods are recognised, negotiated and facilitated and global public bads are minimised."

7.7 Putting the private sector into the (public) global

Higher education is located in a world of plural identities and affiliations (Sen 1999). Neither the nation as imagined community, nor the state as governmental machine, constitute the horizon of interest or identity. Non-government associations and institutions, including education institutions and commercial companies, have claims on people's loyalties. They often operate across borders and can be meta-national and global in form. Higher education institutions are increasingly important global actors in their own right, particularly the research-intensive universities. Research is the quintessentially global aspect of university life; and the free flow of knowledge and communications depends crucially on the exercise of self-restraint by governments. As noted, like higher education public goods are not state bound. Governments are not the only source of public goods; and they should not block other sources of public goods.

Thus Somersault 4 (which put the nation-state's role in public goods into a global picture hitherto dominated by private good) must be followed by one more public/private inversion. Somersault 5 adds the private sector into the responsibility for those global public goods:

Somersault 5
"In addition to national governments and international agencies, global negotiations concerning global public goods in higher education should also take in civil agents, including autonomous higher education institutions, disciplinary communities, and professions, and also the relevant market actors given that their production of private goods can also create public goods."

7.8 In sum

In the global dimension also, higher education produces a mix of private and public goods. Potentially, globalisation enhances both kinds of goods. It can also enhance global public bads. The mix is policy sensitive, but there is an absence of forums for global policy making. Global private goods are broadly understood, but global public goods/bads, and the potential contribution of inter-governmental forums and non-government agents to the production of those goods, are not. To manage global public goods/bads it is necessary to develop both national governmental machinery for data collection, monitoring, pricing and compensatory transfers; and global forums and protocols. Global public goods need the same level of attention hitherto given only to private trading goods in the WTO/GATS framework.

8. Conclusions

Higher education studies is trapped in dualistic concepts of 'public' as state, versus 'private' as market; and global versus national. But states and markets are only means to the end that matters, which is the multiple social contributions of higher education. Further, in a globalised environment, analytical concepts that work consistently across all geo-spatial dimensions (global, national and local) are needed. To arrive at a more useful notion of public/private in higher education, it is necessary to invert traditional perspectives to (1) acknowledge both private and public goods at the national level; (2) factor in global public goods, which hitherto have been largely ignored, so higher education is no longer understood solely as a trading environment; and (3) acknowledge the role of non-government agents in public goods.

The paper argues that it is more fruitful to apply the categories public/private not to the legal identity of institutions, but to the outcomes of higher education as public or private goods, using a modification of Samuelson's (1954) idea of public goods as non-rivalrous and non-excludable. Otherwise the approach is realist rather than nominalist and owes more to global sociology and political economy/ sociology than to neo-classical economics. Public and private goods are treated as particular rather than universal attributes; as multiple and partial in coverage; as variable by time and place, and policy sensitive; as heterogeneous to each other; as partly capable of numerical measurement and partly observable via synthetic judgement; and as both zero-sum and positive-sum in relation to each other, depending on the conditions. Market forms of higher education tend to enhance the zero-sum element. But policy should optimise 'win-win' interdependencies between public and private goods.

"Whether – and how – global public goods are provided determines whether globalisation is an opportunity or a threat" (Kaul et al. 2003, p. 2, p. 73). Global public goods are *the* key to a more balanced and positive sum worldwide higher education environment. Analytical tools are needed that will facilitate the logging of cross-border externalities (positive and negative) and for the assessing of the value of global collective goods. In governance what is needed is dedicated national machinery focused on global transfers in higher education, and inter-governmental global spaces for multilateral negotiations on public and private goods. Finally, the democratisation of planning and production of national and global public goods can render them more transparent and encourage a broader distribution. Democratisation enhances their 'publicness'. Democratisation is achieved by making public goods more explicit, by en-

couraging policy discussion, and by involving the range of non-state agencies and actors.

References

Appadurai, A. (1996). *Modernity at Large*. Minneapolis: University of Minnesota Press.

Bok, D. (2003). *Universities in the Market-place: The commercialization of higher education.* Princeton: Princeton University Press.

Bourdieu, P. (1986). *Distinction: A social critique of the judgment of taste*. London: Routledge & Kegan Paul.

Bourdieu, P. (1988). *Homo Academicus,* trans. P. Collier. Cambridge: Polity Press.

Calhoun, C. (1992). 'Introduction: Habermas and the public sphere', in Calhoun, C. (ed.), *Habermas and the Public Sphere*, Cambridge: The MIT Press, pp. 1-48.

Calhoun, C. (1998). The public good as a social and cultural project, in Powell, W. and Clemens, E. (eds.), *Private Action and the Public Good*, Yale: New Haven, pp. 20-35.

Castoriadis, C. (1987). *The Imaginary Institution of Society*. Cambridge: Polity.

Dow, S. (1990). 'Beyond dualism', *Cambridge Journal of Economics,* 14, 143-157.

Education Policy Institute (EPI) (2005). *Global Higher Education Rankings: Affordability and accessibility in comparative perspective*. Accessed on 17 April 2005. http://www.educationalpolicy.org/

Fane, G. (1984). *Education Policy in Australia.* Canberra: Economic Planning Advisory Council.

Frank, R. and Cook, P. (1995). *The Winner-Take-All Society*. New York: The Free Press.

Friedman, M. (1962). The role of government in education, in *Capitalism and Freedom* (ed.)*,* Chicago: University of Chicago Press, pp. 85-107.

Friedman, M. and Friedman, R. (1980). *Free to Choose.* Melbourne: Macmillan.

Geiger, R. (2004). *Knowledge and Money.* Stanford: Stanford University Press.

Habermas, J. (1989). *The Structural Transformation of the Public Sphere: An inquiry into a category of bourgeois society*. Cambridge: The MIT Press.

Hayek, F. (1960). *The Constitution of Liberty.* London: Routledge & Kegan Paul.

Hayek, F. (1979). *Law, Legislation and Liberty, Vols. 1-3*. London: Routledge & Kegan Paul.

Held, D. and McGrew, A., Goldblatt, D. and Perraton, J. (1999). *Global Transformations: Politics, economics and culture.* Stanford: Stanford University Press.

Hirsch, F. (1976). *Social Limits to Growth.* Cambridge, Mass.: Harvard University Press.

Kaul, I., Grunberg, I. and Stern, M. (1999). *Global Public Goods: International Cooperation in the 21st century.* New York: Oxford University Press.

Kaul, I., Conceicao, P., le Goulven, K. and Mendoza, R. (2003). *Providing Global Public Goods: Managing globalisation.* New York: Oxford University Press.

Kirp, D. (2004). *Shakespeare, Einstein and the Bottom-line: The marketing of higher education.* Cambridge: Harvard University Press.

Mansbridge, J. (1998). 'On the contested nature of the public good', in Powell, W. and Clemens, E. (eds.), *Private Action and the Public Good*, Yale: New Haven, pp. 3-19.

Marginson, S. and Sawir, E. (2005). 'Interrogating global flows in higher education', *Globalization, Societies and Education*, 3, 3, November, 281-309.

Marginson, S. (1997). *Markets in Education*. Sydney: Allen & Unwin.

Marginson, S. (2004a). 'Competition and markets in higher education: a 'glonacal' analysis', *Policy Futures in Education,* 2, 2, 175-245.

Marginson, S. (2004b). 'Don't leave me hanging on the Anglophone: The potential for online distance education in the Asia-Pacific region', *Higher Education Quarterly,* 58, 2/3, 74-113.

Marginson, S. (2005a). 'Education and human capital', in Saunders, P. and Walter, J. (eds.), *Ideas and Influence: Social science and public policy in Australia.* Sydney: UNSW Press [in press].

Marginson, S. (2005b). 'Putting the 'public' back in public universities', *Thesis Eleven,* December [in press].

Marginson, S. (2006). 'Dynamics of national and global competition in higher education', *Higher Education,* 52, 1-39.

Meek, L. (2000). 'Diversity and marketisation of higher education: incompatible concepts?', *Higher Education Policy,* 13, 1, 23-40.

Mollis, M. (1999/2000). 'The reform university in Argentina', *Australian Universities Review*, 42, 2, & 43, 1, 64-69.

Naidoo, R. (2004). 'Fields and Institutional Strategy: Bourdieu on the Relationship between Higher Education, Inequality and Society', *British Journal of Sociology of Education,* 25, 4, 446–472.

Naidoo, R. and Jamieson, I. (2005). 'Empowering participants or corroding learning? Towards a research agenda on the impact of student consumerism in higher education', *Journal of Education Policy,* 20, 3, 267-281.

Ordorika, I. (2003). *Power and Politics in University Governance: Organization and change at the Universidad Nacional Autonoma de Mexico*. New York: Routledge.

Organisation for Economic Cooperation and Development (OECD) (2002). *International Mobility of the Highly Skilled.* Paris: OECD.

Organisation for Economic Cooperation and Development (OECD) (2004a). *Education at a Glance*. Paris: OECD.

Organisation for Economic Cooperation and Development (OECD) (2004b). *Internationalisation and Trade in Higher Education: Opportunities and challenges*. Paris: OECD.

Organisation for Economic Cooperation and Development (OECD) (2005). *Website of OECD project on the internationalisation of tertiary education*. Accessed 11 September. http://www.oecd.org/document/47/0,2340,en_2649_34859749_31392495_1_1_1_1,00.html

Powell, W. and Clemens, E. (1998). *Private Action and the Public Good*. Yale: New Haven.

Pusser, B. (2002). 'Higher education, the emerging market and the public good', in Graham, P.A. and Stacey, N.G. (eds.), *The Knowledge Economy and Postsecondary Education: Report of a Workshop*. National Academy Press: Washington, D.C., pp. 105-126.

Pusser, B. (2003). 'Beyond Baldridge: Extending the political model of higher education organization and governance', *Educational Policy,* 17, 1, 121-140.

Pusser, B. (2004). 'Reconsidering Higher Education and the Public Good: The role of public spheres'. *Draft paper*, Charlottesville.

Samuelson, P. (1954). 'The Pure Theory of Public Expenditure', *Review of Economics and Statistics,* 36, 4, 387–389.

Sen, A. (1999). 'Global justice: beyond international equity', in Kaul, I. Grunberg, I. and Stern, M. (eds.), *Global Public Goods: International cooperation in the 21st century*, New York: Oxford University Press, pp. 116-125.

Sen, A. (2000). *Development as Freedom.* New York: Anchor Books.

Shumar, W. (1997). *College for Sale: A critique of the commodification of higher education.* New York: Falmer Press.

Singh, M. (2001). 'Re-inserting the 'Public Good' into Higher Education Transformation'. *Paper to conference on 'Globalisation and higher education – views from the South',* Pretoria.

Slaughter, S. and Rhoades, G. (2004). *Academic Capitalism and the New Economy: Markets, state and higher education.* Baltimore: The Johns Hopkins Press.

Stiglitz, J. (1999). 'Knowledge as a global public good', in Kaul, I. Grunberg, I. and Stern, M. (eds.), *Global Public Goods: International cooperation in the 21st century.* New York: Oxford University Press, pp. 308-325.

Taskforce on Higher Education and the Developing World (2000). *Peril or Promise*, report. Washington: World Bank.

Teixeira, P., Jongbloed, B., Dill, D. and Amaral, A. (2004). *Markets in Higher Education: Rhetoric or reality?* Dordrecht: Kluwer.

Washburn, J. (2005). *University Inc.: The corporate corruption of higher education.* New York: Basic Books.

Woolcock, M. (2001). 'The place of social capital in understanding social and economic outcomes', in Human Resources Development Canada and OECD, *The Contribution of Human and Social Capital to Sustained Economic Growth and Well-being*, International Symposium Report, September, pp. 65-88.

Winston, G. (2003). 'Towards a Theory of Tuition: Prices, peer wages, and competition in higher education'. *Discussion Paper Number 65, Williams Project on the Economics of Higher Education*, Williamstown.

WTO/GATS (2005). *World Trade Organization website on negotiations on the General Agreement on Trade in Services (GATS) in relation to educational services*. Accessed 11 September 2005. http://www.wto.org/english/tratop_e/serv_e/education_e/education_e.htm