Higher education and public good: the case of the UK

CGHE webinar 29 June 2023

Simon Marginson, University of Oxford

**[Higher education and public good: the case of the UK]**

What does higher education achieve beyond the provision of benefits for individuals as augmented earnings and opportunities for work, career and social position? How do we understand the public or common good, including effects of education that are experienced collectively as well as severally? How does higher education contribute to the public or common good, or as some would have it, public goods as distinct from private goods?

 These are not easy questions. The answers vary by political culture and policy history. In the Anglophone world, in the neoliberal era, policy on higher education is much influenced by Paul Samuleson’s economic paper ‘The pure theory of public expenditure’ from 1954.

**[Economic policy says that higher education is *either* public or private: it’s zero-sum]**

For Samuelson economic activity is normally realised as private goods and market transactions. If it is impossible to generate profit, goods or services take the form of public goods financed by government or philanthropy. The relation between private and public goods is zero-sum. The implication for higher education is that it should be produced in markets wherever possible. Tax-funded provision and cost should be minimised. This is never fully applied. Neoliberal governments supplement the market with financing for individual opportunity – that is, individual access to what is seen as a private good - through grants or student loans. Most also see basic research as a Samuelson public good and support its public financing. But otherwise neoliberal governments focus only on private earnings and ‘employability’ seen to be associated with higher education. These are emphasised to justify tuition fees and differentiate courses and institutions on the basis of the attributed value of graduate labour.

**[The collective social, economic, political and cultural contributions include]**

An abiding weakness of this policy framework is that under-plays all contributions, effects, outcomes and values in higher education that are not Samuelson private goods. This is a much larger domain than Samuelson’s residual category of minimum necessary public goods suggests. These goods include the non-pecuniary effects of education for individual students such as self-formation through engagement in knowledge and the augmentation of reflexive agency and sociability; and the impacts of the sector in collective social relations like the population-wide fostering of literacy and technological capabilities, public health, compliance with law and enhanced political connectedness; tolerance of difference and more engaged international relations; economy-building and society-building in regions and cities; and so on. There is much research evidence in all these areas. But despite episodic policy gestures towards ill-defined ‘third stream’ or ‘engagement’, Anglophone higher education institutions struggle to gain recognition for their contributions to the public, common or collective social dimension. This almost certainly leads to under-provision.

The present paper is part of an Economic and Social Research Council-supported cross-country study of approaches to the public good role of higher education. Research has been conducted in Japan, China, South Korea, France, Finland, UK and Canada and there have been parallel studies in Poland, Chile, Australia and Russia. This paper reports on the UK study. I first briefly review Anglophone political culture and notions of ‘public’, then outline the research underlying the paper, then move to the findings. Conclusions follow.

As in any country, approaches to the public good role of higher education in UK can only be understood in the context of Anglophone political culture and higher education policy, including the UK’s own discursive history of public good in higher education.

**[Euro-American political cultures normalise a limited liberal state and divided powers]**

Anglophone political culture has much in common with other Euro-American or ‘Western’ political cultures. Euro-American governance is rooted in multiple authority and relational spaces partly outside the state. Anglophone society is divided between government-as-state with coercive powers, often potent within its limits; the economic market; civil society in a variable relation to the state; and the individual with an ill-defined normative primacy. The state is divided between executive, legislature and judiciary. The boundaries between the state and other sectors are often tense and contested. The medieval university evolved with partial autonomy between church and state, creating space for univeralising scholarship and later for science. When modern government moved to build higher education systems and regulate institutional autonomy, the universities referenced the Humboldtian ideal, in which the university served the state on the basis of freedom to teach, learn and research.

[**Despite the four nations UK remains a highly centralised and top-down monarchical political system, especially in England**]

Within the Anglophone group, the UK is a constitutional monarchy governed by top-down sovereignty, which was transferred from monarch to parliament after the seventeenth century civil war. It is not governed by bottom up sovereignty from below, as in some European polities. Again unlike many European democracies, but akin to the two-party US, the ‘winner take all’ electoral system favours single party government. Politics is dominated by prime minister and cabinet. Public administration is centralised in Westminster. Government is essentially controlled by the Treasury which leads social as well as economic policy. In this highly centralised system a coherent policy approach to the public good, or its obviation, can be readily shaped and administered consistently across departments.

**[The conceptual toolbox: Anglophone ideas of ‘public’ and ‘private’]**

The English-speaking discourse of ‘public’, and the pairing and contrasting of public and ‘private’, exhibits multiple, diverse and confusing meanings. The Shorter Oxford dictionary entry under the term ‘public’ is 45 centimetres long. Three meanings are primary: (1) the normative notion of a shared or universal beneficence across the whole social realm, as in ‘the public good’; (2) public as a descriptive adjective, not excluding private, that signifies open and inclusive social relations, as in ‘public opinion’; and (3) the dualistic pairing of public with private as an analytical device, so they constitute zero-sum parts of a whole.

**[Public vs. private good (zero-sum relation)]**

The private/public dualism takes two forms that are sometimes rather crudely combined. In one, the political meaning, ‘public’ refers to government or state, as in ‘public sector’, distinct from the private home, family, economic market and corporation – for example a national, state or public university is distinguished by its legal ownership from a private university. The other meaning is the economic notion of a zero-sum split between the private market domain, the dominant and favoured domain, and the public non-market domain, which is the state and perhaps also non market civil society. The more that higher education is understood as ‘private’, the less it is understood as ‘public’, and vice versa.

**[The UK case study]**

The UK study included review of a small number of major policy reports, and data from 24 semi-structured interviews. There were 13 interviews in universities (six in a London-based global research university, seven in a provincial research university not in the Russell Group), and 11 other interviews, including four current or former policy makers and/or regulators, three leaders of national organisations, one journalist in national media, and four academic experts on the topic. (One person was in two of these categories). The study incorporated a strong bias towards England within the UK. All 13 university personnel were England based, and while the other 11 interviewees had a UK wide remit all but one 10 worked in England.

**[Significant policy reports]**

We looked at the landmark reports by Robins 1963, Dearing 1997 and Browne 2010. Most policy reports do not matter much, but in the highly centralised English sector some take on great importance. The question was, what did the reports say about higher education and public good, or public goods? To bring the discussion up to the present we added the Augar report of 2019, less of a watershed but again, a window into the mind of government.

Through all political regimes, from the welfare state of1945–1975 to the high capitalism of the neoliberal era, the educational, social and economic weight of UK higher education has continued to grow, unevenly, but the shaping discourses and rationales have changed. Nevertheless, one constant is that ‘public good’ and ‘public goods’ appear in none of the major policy reports. The term ‘public’ is used sparing, mostly to refer to government funding, or the communicative inclusive public, or the state as locus of the public interest.

**[Robbins 1963]**

The Robbins Report normalised the socially inclusive principle that all qualified students who aspired to higher education should be able to enter, which ignited a latent idealism even at Treasury. The principle of growth driven from below became commonplace after Robbins, but it was new in 1963. Robbins rejected financing of the growing higher education system by fees and student loans. The objections to loans were that ‘it is a bad thing … for young people to emerge with a load of debt’; ‘the connection between higher education and earning power can be over-stressed’; and loans would discourage participation. The fact that higher education created private benefits did not mean it should be privately funded. The report noted that higher education, then 90 per cent funded by government, was ‘rightly of great public concern’, calling up the need for policy objectives and a system approach. However, it stated, institutions should enjoy ‘the maximum of independence’ compatible with a modest level of necessary central control.

**[Dearing 1997]**

The Dearing committee met after three decades of tightening regulation and the advent of neoliberal business and market models. Nevertheless, it conceived the sector in large terms. The purposes of higher education were to enable the development of individuals, to expand knowledge, ‘to serve the needs’ of the economy, and ‘to play a major role in shaping a democratic, civilised, inclusive society’. Higher education should ‘enable society to make progress through an understanding of itself and its world’. This suggested a broadly conceived mission to further the public good, but it was not named as such.

**[Dearing combined a broad public perspective with neo-liberal financing]**

One likely reason was that the Dearing committee proposed the introduction of tuition fees financed by income contingent student loans in what had been a free system. To justify this it stated students’ obligation to pay in unambiguously neo-liberal terms:

[quote]

**[Browne 2010]**

In 1998 the then Labour government introduced a £1000 tuition fee without Dearing’s income contingent repayment mechanism, but in 2005 it applied that loans scheme and hiked fees to £3000. Labour subsequently established an inquiry into fees and funding which reported in 2010, after a Conservative Party led government had been elected.

The resulting Browne report (2010) proposed the largest transformation since Robbins. Like Dearing the Browne committee it began by couching the role of higher education in broad terms social and cultural terms though it avoided the words ‘public’ or ‘common’:

‘Higher education … helps to create the knowledge, skills and values that underpin a civilised society.’ Yet this broad role was no further defined, and the Browne report immediately followed this passage with discussion of the pecuniary benefits for individuals. This was joined to economic calculations of the value of those benefits.

**[The economic Public/private dualism is also a funding formula in a marketised system]**

Browne moved English higher education from a mixed private/public funded system to a universal quasi-market with full price tuition fees, supported by government-supported income contingent loans so the most students would not have to pay in the year of study. The logic of the report was that any and every broad-based outcome of higher education would have to be financed by individualised tuition payments. ‘With public resources now limited, new investment will have to come from those who directly benefit from higher education’, it stated. The shift from Robbins to Browne report reversed the private/public relation in funding. Robbins expected government to carry the cost of producing private benefits to graduates, along with the public benefits. Browne advocated the individualised private funding of what once were seen as public benefits. In the 2012 funding reform a modified version of Browne’s full-fee quasi-market was installed. Public subsidies for teaching were abolished except in some STEM disciplines. Government also carried the costs of former students whose incomes failed to trigger full loan repayment, but this was hidden by the ideological framing of the system as primarily generating private pecuniary benefits.

**[Augar 2019]**

The Augar committee usefully emphasised a combined tertiary approach across higher and further education. It was also asked to recommend on student tuition, and here the usual Treasury politic prevailed.

**[‘Assessing this wider value is very difficult’]**

The report did not begin with a broad-based statement of the contributions of higher education as Dearing and Browne had done. It noted the ‘considerable civic contribution of universities’. However, it had no proposal to finance public goods. It focused instead on ‘enhancing value for money’ in a system that ‘incentivises choice and competition’. Curiously, though, in one boxed paragraph the Augar committee showed itself briefly aware of the narrowness of the Treasury-determined policy framework:

[quote]

 That was as far as it went. The Augar committee knew higher education generated public goods and its ‘wider value’ should be recognised, but did not know how to do it. The report-length visions of Robbins and Dearing had shrunk to one paragraph left unresolved.

**[Questions in interviews]**

Now, the interviews. The data presented here derive primarily from answers to the following interview questions:

1. What do you understand by the term ‘public good’?
2. What do higher education and research contribute to the public good, or public goods?
3. What are the main roles of government in higher education? What should government do? What should universities do?

**[‘Transcends individual utility’]**

There was no single understanding among the UK interviewees of the ‘public good’, or ‘public goods’ as distinct from ‘private goods’. But the answers were largely not neo-liberal. More than half the interviewees developed an expansive, albeit ill-defined, domain of public action or public relations, sometimes linked to ideas of grass roots democracy.

[quote]

Here only a small minority defined ‘public’ using the private/public dual in economics.

**[Regulation shapes a narrow understanding]**

When it came to public and private in higher education, a typical response was the middle level manager who stated that higher education was committed ‘to serving society [and] making the world a better place’. But what did this mean? Understandings of the public good role of higher education seemed to be strongly influenced by government performance regimes, which highlighted some factors and not others. These performance regimes included the REF, TEF, and KEF, the Research Excellence framework which referred to impact, the Knowledge Exchange Framework, and the Teaching Excellence Framework:

[quote]

**[No single conceptual framework for measuring public good(s)]**

An executive leader in one national higher education organisations noted that it was very difficult to create more comprehensive measures of the contributions to public good:

[quote]

**[Individuals gain more than pecuniary benefits]**

However, interviewees emphasised that even the individualised outcomes of higher education were broader than private pecuniary benefits. There was a public good component in the education of individuals as capable, socialised and autonomous persons.

[quotes]

**[‘We need to think of education as education’]**

There was a shared concern that the focus on individual pecuniary benefits had narrowed ideas of the sector’s mission. ‘We need to think of education as being education, not training for a job.’

[quotes]

**[But ‘it is creating social division’]**

Another much discussed public benefit was higher education’s role in facilitating social opportunity and mobility. This was seen as central to higher education’s public role. But several interviewees expressed doubts about its effectiveness in creating mobility, and there were concerns that it was creating barriers that reinforced social stratification, between those who received the private good and those who did not. In the absence of a perspective on the public benefits for those outside higher education, for them it was a negative.

[quote]

**[‘Public and private benefit are not necessarily antagonistic’]**

When it came to discussion of the Samuelson private/public dualism within higher education, there was curious variation. The economically-trained readily moved to the economic language. Others did not. But the approach also differed, across the whole interviewee group, between discussion of the *outcomes* of higher education, and discussion of the *financing* of higher education.

On outcomes, most argued that higher education generated a mix of individualised private benefits, pecuniary and non pecuniary, and collective public benefits. Economists understood this collective aspect in inclusive terms as did others, moving well beyond Samuelson’s limited idea of public goods. Zero-sum approaches were largely rejected.

[quotes]

**[One interviewee agreed with Treasury]**

Only one interviewee saw teaching as primarily generating private goods, with research predominantly a public good, a viewpoint consistent with UK economic policy.

[quote]

 This was exceptional. Other interviewees saw teaching as having both private and public benefits. Nevertheless, Treasury thinking had more influence than this suggests. While interviewees often saw the private benefits as contained within and consistent with the public benefits, the same people generally advocated a zero-sum approach to financing, and this often seemed to be determining. The idea of the Robbins era, which is still the Western European idea, that the individual contribution to financing is contained within collective financing – the notion the beneficiary earning higher incomes would necessarily carry part of the cost by paying higher taxation – seemed to have been discarded in the UK. Interviewees wanted Robbins public and private outcomes without Robbins financing.

**[Neo-liberal autonomy has attractions for universities]**

Why did the interviewees adopt this contradictory position? One reason is that the neoliberal corporatisation of institutions has left its mark. One expert saw mixed private and public funding as foundational for autonomy. ‘A university’s contribution that was only public good would be in danger of being suffocated by the state’. In the English system, institutional autonomy has long been fundamental and in the neoliberal era has become equated with financial independence. Several interviewees expressed themselves passionately about institutional autonomy. Here in the neoliberal era student tuition plays a double role, as both the privatisation of benefit, justifying reduced government funding, but also as one source of university controlled resources. Institutions gained financial power from the 2012 reforms and the £9000 fee, at least until inflation ate into the level.

In the domain of finances – not that of mission or outcomes – a practical boundary between state and institution could be policed. Interviewees were less strongly concerned about the privatisation of funding than their commitment to public good might suggest. Further, while some were clearly unhappy about the student-as-consumer model, this was not inconsistent with financial autonomy. Interviewees were more concerned about the way government was directly regulating autonomy through the Office for Students, and the potency of the REF and the TEF, their capacity to shape the inner life of the sector.

**[But where to draw the line between public and private cost?]**

Even so, where and how the public/private funding line was drawn was chronically unclear. What share was right? 70% private? 50%? 30%? No one knew, whatever their premises in other respects. Most interviewees saw the public/private split as essentially arbitrary. The uncertainty was shared by the economists in the group, partly because they too recognised the significant collective goods in higher education not acknowledged by the government’s notion of a privately funded market.

 Interviewees were aware of an actual disjunction between on one hand, the full cost tuition fees and the rhetoric about wholly individual pecuniary outcomes for teaching, and on the other hand, the ideal and reality of mixed public and private outcomes. Yet the economic policy starting points, that a private/public split of funding ought to correlate with a private/public split of benefit or mission, and this was the basis for a just financing system that also underpinned autonomy, continued to prevail in their minds. These premises were contradictory and pulling in different directions. Hence the confusion, the lack of clarity, the wholly arbitrary nature of public/private funding split.

**[‘It’s absolutely necessary for universities to pay more attention to the public good’ - policy maker]**

Still, there was a shared recognition across the study, among the policy makers as well as the professors and university leaders, that the balance had tipped too far to the private side. One policy maker even remarked that in the framework of economic policy, in which institutions focused primarily on their self-interest as corporations, a stronger orientation to the public good could be an important corrective. That is, the public good, rather than private tuition fees, could be used to protect autonomy.

[quote]

**[In conclusion]**

In sum, in higher education in England there is an acute shared understanding of the private earnings and employment rates seen to be associated with graduation. But there is no consistent and coherent understanding of outcomes of higher education seen to be ‘public’

These interviews indicate broad awareness of and enthusiasm for both the non-pecuniary individual benefits and the collective benefits of higher education, in sharp contrast to the UK Treasury led government thinking. Many interviewees provided examples of such ‘public’ goods. Most rejected the idea that public and private benefits are opposed. Three of the four former and present policy makers in this study, as well other interviewees, emphasised higher education’s public good role and saw that role as wrongly neglected. However, there was no consensus on the definitions, measures or relative importance of public outcomes, undermining the potential for a forward move on public good.

When it came to the binary question of ‘who pays?’ no interviewee could decouple judgments about the funding system from judgements about the nature and purpose of higher education. It should be possible to plan for a range of non market outcomes, whatever the public/private mix of funding. However, the Dearing, Browne, Augar and Treasury notion that the private character of the benefits determines the private and market character of financing blocks a more expansive approach to public and collective goods. This is distinctly odd in one respect, because policy has actually been driven by the reverse logic – the shift to private financing led to the idea of predominantly private benefits, not the other way round, as the policy reports show. But no one thinks this through.

**[Stuck in the mud]**

The public role of UK higher education is stuck in the mud. A number of factors contribute. The power of Treasury economics within the centralised Westminster system. The consistency between an ideology of privatised funding, corporate autonomy and institutional financial power; though it is a devil’s bargain given the growing central government influence in the content of education and research. But above all, the UK has no shared policy language for talking about higher education outcomes other than individualised economic benefits. A larger policy language was emptied out successively in the passage from Robbins to Augar and the corresponding ministerial discourse. Because the policy vision became hi-jacked by Treasury’s need to advocate tuition fees.

Private costs have been increased by successive governments against much resistance. The economic argument about largely private outcomes has been used to naturalise an entirely political decision. Successive UK ministers have tightened the discursive link between the definition of benefit, and the balance of funding. Governments determined to shift costs onto students and families have been unwilling to acknowledge the broad-based public benefits because this might bring taxpayer financing back onto the agenda.

**[No stable basis for financing]**

But while the private/public structure of financing might appear to offer definition, it provides no stability. Just as the boundary between private and public good is incoherent, as is the boundary between the powers and responsibilities of government and institutions, so is the boundary between private and public costs. All three of these boundaries slip and slide and feed each other’s instability. Without a clearcut position on the private/public shares of tuition (either free education, a pure private market with no subsidies, or a firmly policed 50/50 split to underpin share funding), the financing of tuition will remain politicised and volatile. In the regulated market system tuition policy is vulnerable to continuous tweaks for short-term political and fiscal reasons as the post-2012 reform period has shown.

**[The way out]**

By driving the whole of higher education policy with a funding formula, government imprisons public goods within attenuated economic concepts of market spill-overs and externalities. Yet many collective benefits of higher education are not economic but social, cultural and political. By breaking the nexus between funding policy and judgments about provision and activity, as the Robbins report was able to do, UK government and institutions could focus openly on the potentials of individual non-pecuniary outcomes and the many and diverse possibilities for collective goods.

**[sign off slide]**

Thank you for listening. I look forward to questions.