**Higher Education and the Common Good**

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**[title slide]**

In this paper I want to present some of the ideas in the book *Higher Education and the Common Good*. I will not provide a precis of the book but draw out certain elements, and also extend the argument further to discuss higher educaiotn in the context of the changes in the US and the UK associated with Brexit and the Trump ascendency.

**[book cover]**

In the book and in this paper the object of study is that of national higher education systems that are undergoing massification, globalisation though in varying ways, and in many cases but not all cases also marketisation. The English-speaking systems and some others are undergoing marketisation but other systems in Europe and Asia are not, or are being marketised in more modest ways. The paper moves between generic statements about system dynamics in higher education and reflections on the predicaments of relationality, inequality and higher education in United States, UK and Australia, the systems I know best empirically, with little said about the East Asian systems and societies which as you know often preoccupy me.

**[Assumptions]**

In the book and the paper an ideal form, the notion of the common good in relational society, is used as a template against which real education systems are tested. When making this normative argument it is proper that I acknowledge certain assumptions. I will not have time to justify these assumptions now but refer you to my published work, including the book itself.

1. In the political economy and sociology of higher education, it is important to retain a sense of higher education as a specific sector with its own partly autonomous dynamics, rather than solely reading it from general disciplinary templates. In other words we should approach the political economy and sociology of education in the manner of, say, learning theory in psychology, where a sub-branch of the parent discipline of pyschology developed that was tailored to the empirical site of education, rather than simply reading higher education terms of a generic political economy and sociology in which the ‘laws of motion’ are seens as the same in every social sector. They are not.
2. Higher education can be understood as a process of social formation—which is not to say that this is the only set of institutions shaping relaitonal society!—and for the student as a process of self-formation, or rather, socially nested self-formation.
3. In studying higher education I am especially interested in the dimension of, in Anthony Wilden’s term, ‘system and structure’; but only because of the implications for what Amartya Sen calls ‘agency freedom’. Agency freedom is socially positioned and positioning, as Bourdieu said, yet at times, when the brief window of opportunity appears, it can break through all social structures, with determined energy and courage. It seems to me that freedom, and what we make of our freedom, and making conditions for the freedoms of others, is the central problematic, and that is why equality is so important, but the limitation is not so much the will to freedom—which is never stilled—but the difficulty of finding, and for a moment enlarging, that window of opportunity.
4. More specifically, I reject what might be called the English scepticism about relationality, the notion from Hobbes, that emerged from the Wars of the Roses and again from the the 17th century wars of religion and in Britain the horrors of the Civil War, that society is a war of all against all. I agree with Adam Smith that humans have a natural will and capacity for sociability, that they need it and welcome it.

A lucid statement of the balance between personal and societal good is provided by Adam Smith in *The Theory of Moral Sentiments* (1759), which he wrote before *The Wealth of Nations* (1776). Adam Smith argued that for the most part we pursue the interests of ourselves and our families first of all. But we nest those interests in human society. We have a qualified sympathy for each other. We are little moved by the minor afflictions of others, and their great joys can often leave us cold, as likely to invoke our self-doubt and envy, as our admiration and selfless pleasure. But we enjoy and more readily share in the minor joys of others, and we care about their great afflictions.

 ‘All members of human society stand in need of each other’s assistance. Humanity, justice, generosity and public spirit are the qualities most useful to others’, said Adam Smith. ‘How selfish soever man may be supposed, there are evidently some principles in his nature, which interest him in the fortunes of others, and render their happiness necessary to him, though he derives nothing from it, except the pleasure of seeing it’.

**[Dog does not eat dog]**

Those who know of Adam Smith only through carictatures of the invisible hand thesis can be surprised to find that while Adam Smith strongly valued freedom of enterprise against the vestiges of the feudal state, he was equally strong in rejecting dog-eat-dog competition. Society, he said, ‘cannot subsist among those who at all times are ready to injure and hurt one another’.

**[Positional competition]**

At the same time—and this point can also be drawn from Adam Smith, as from Bourdieu and many others—social obligations and the needs of others are not absolute or self-negating, and we observe self-interest, expressed as the drive to positional competition, in every social order. Everywhere persons strive to better themselves. Everywhere families strive for the success of their children. Leading roles in the professions or business are in limited supply. Positional ambition means that all persons and all families compete with all other persons and families, at least some of the time; and even if they do not do so actively the positional reflexivity is still present in their minds.

So we are relational, and sociable, and also positional and individual. Sociable and also positional. The practical question is how education systems are configured in relation to this twin fact. We compete with each other but on terms which are socially determined and structured, a function of our history, policy, regulation and institutional practices. This opens a broad range of possible permutations in education systems. Education can relegate positional competition to a modest role and balance it with equal human rights, or it can intensify social competition, rendering social outcomes more unequal.

In positional competition some begin with a greater capacity to compete than others. They will always use unregulated competition to move further ahead. Competition, unchecked, not only reproduces but increases vertical stratification and inequality. For some would-be education reformers, the strategy is to ride the tiger, to turn the drive for betterment at the expense of each other into the whole motor of the system, without regard for the pattern of opportunity. Other reformers draw motor energy from channelling, limiting and also broadening the drive for betterment, without losing it, expanding the scope for win-win solutions while bringing more persons to self-realisation.

**[Broad scope for production of public goods]**

In a previous paper in this seminar series I critiqued the neoliberal model of higher education on the basis that by presenting education as primarily a private good naturally produced in competitive economic markets, it concealed from view the potential of education to produce public goods. ‘Public goods’ are here defined in both primary senses of the term, both as non-market rather than market goods—goods that cannot be produced profitably by in markets because of non-rivalry or non-excludability—and/or as state controlled rather than non state-controlled goods. Public goods in the economic sense and/or the political sense. There is overlap between economic public goods and political public goods. States are a principal producer of economic public goods in higher education, as well as shaping, subsidising and distributing private goods. In the OECD countries 69 per cent of all funding of higher education institutions is from government. The overlap is not complete. Public goods in the economic sense are also produced by households and in philanthropy; and states control the production of market and quasi-market goods in higher education, especially in teaching, as well as non-market goods.

 In sum, the political economic nature of higher education and research are determined by whether market competition is used for coordination, and/or whether activity is located or closely controlled in the state sector. Here the ‘state sector’ includes both legally owned state agencies and those nominally private agencies that are so determined by the state as to be here equivalent to state-owned agencies. The latter include regulated and government-funded private higher education sectors or institutions in some countries.

My point in the diagram is to show that the scope for public goods in one sense or the other is broad, in each of Quadrants 1, 2 and 3, and the pure market goods occupy a much smaller proportion of the social space—both actual and potential—than Hayek, Friedman and James Buchanan and the public choice theorists imagine.

**[Collective goods]**

Within the broad and heterogeneous family of public goods, there are some which are collective in character, jointly rather than individually consumed.

For example, higher education forms more literate, communicative and technologically competent societies. It also generates a more productive workforce, but much of the increased productivity is not visible in individual wages and salaries because the productivity of graduates enters into a combined process of production in each workplace. Higher education provides indirect and collective conditions of production as well as directly productive effects. Higher education is a principal employer and modernising force in cities and regions, providing conditions for many other developments. Its research has many often-unforeseeable applications in governmental, industrial and global problems. Here again, it is a broad resource with open potentials. And higher education helps to bring people, societies and nations together. It furthers common language and communications, inclusion, cooperation and equal respect, which are building blocks of sociability.

**[Common goods]**

Arguably, collective goods have been underplayed in economics, partly because they are difficult to observe empirically and measure. Common goods, goods that are not only jountly consumed but universally beneficial, are an especially neglected corner of the discipline. In 1968 Garret Hardin famously argued, in ‘The Tragedy of the Commons’, that when everyone pursues their self-interest common resources, such as communal grazing land, are inevitably used up—unless the state steps in to manage and limit use. In riposte Elinor Ostrom, the first woman to win the Nobel Prize for Economic Science in 2009, established that common resources such as water need not be congested and exhausted if viable cooperatives are developed.

But, as Adam Smith pointed out, there is more to the common good than natural commons such as pasture or water. Equally important are the socially constructed common goods, that I referred to a moment ago as goods of socialibility—the systems and structures that encourage and enable equitable opportunity, tolerance and civility, and respect for the rights, capability and agency of individuals. Higher education, with its broad social coverage, its formative influence on individuals, and its cross-border role as the most internationalised of social sectors, has a special talent for producing common goods of the social kind. Above all, higher education has the potential to provide equitable frameworks of social opportunity, that are not wholly pre-framed by prior inequalities of power, economic resources, social networks and cultural capital. It can do by providing greater social inclusion and also by improving the odds. Not only can it widen the passages for social mobility, it has some potential to democratise the actual map of social positions. Which is not to say it always broadens opportunity and the scope for agency.

The role of higher education in producing common goods is the central focus of Higher Education and the Common Good. The book’s questions are ‘What are those common goods of sociability in higher education? How can that role be enhanced? What are the potentials and constraints on higher education’s role in sociability, that are set by the political economy? What is the potential of education to challenge and change the larger political economy in this regard? And more particulalry—and this is the main empirical component of the book—what is the problem of sociability in Anglo-American societies, why are they becoming more unequal economically and more riven by a gorwing divide between those who enter higher education and those who do not? Is higher education part of the problem, the solution, or both? What is the link between educational and social inequality?’

**[Higher education, the state and social allocation]**

I will not take you through all of the steps in the argument. The book finds that higher education’s scope to expand equality of opportunity is more modest than often claimed, but it has peaked at certain historical moments, usually when the size of the middle class has been growing rapidly, as in the United States in the 1950s and 1960s, or China in the last twenty years. The social allocation role of higher education is more effective in calibrating and distributing opportunities to middle class families, than for other groups.

 Higher education, and education in general, are not is the most powerful social sector in shaping patterns of equality and inequality. Arguably, taxation, transfers and social programmes in government, and wage determination at work, are more influential single sites than higher education. However, higher education has an important role within the overall processes of social reproduction and evolution, both as a set of mechanisms for allocation, reproduction and potentially, mobility, and as a process of legitimation of social outcomes. In formally allocating graduates to social destinations—or appearing to formally allocate them, some are more allocated by their family backgrounds than by formal education—higher education appears as less capricious than economic markets, and less arbitrary than governments.

However, around the world there is striking variation in the shape of higher education systems, and their financing, and in social outcome and use. While all countries with per capita incomes of more than about $5000 US dollars per head are moving towards or have achieved high participaiton higher education systems—and in that broad sense all systems are becoming more rather than less socially inclusive—this has not translated into a common tendency to more equal outcomes by social group, for two reasons. First, as I have argued in a previous CGHE seminar, the process of growth in itself carries a secular trend to greater inequality, in that the number of highly sought after places shrinks as a proportion of total places, competition for these places becomes more intense, and favours the middle class, and outcomes become more unequal in social terms—unless the secular trend is modified by government. Second, some systems have long been more egalitarian than others, in the sense of equality of educational outcomes by social group. These systems are usually situated in relatively equal soceties.

Societies vary markedly in the extent of social mobility from generaiton to generation. Mobility is relatively high in the Nordic world, South Korea, the German-speaking countries, the Netherlands and in the English-speaking world, Canada. It is relatively low in Mexico, the United States and the UK.

**[Positional competition and the counter-frame]**

Higher education in all societies is framed within the logic of positional competition, but there are structural variations in the forms and the intensity of competition, and in the scope for agency and mobility that these variations create. This is because there is a counter-logic at work and it intersects with the logic of positional competition in ways that vary from society to society. In this counter-frame, education is produced as a common good in which the internal system relation, between families, and between HEIs are solidaristic, essentially cooperative and without distinctions of status or other differentials such as economic cost. Elementary education is often produced primarily as a common good, though the Anglo-American countries use socially divided school systems in which the families that gain invest in selective private schools secure private goods, relative advantage in the passage to higher education, especially to elite HEIs, and later in work and careers. But this is not a universal norm in schooling. And in some countries, there is also strong common good element in higher education, notably in the Nordic world.

States are in an immensely important position here, because they can regulate both the type and intensity of competition (and hence the potential for private goods) and the extent and nature of common good production as for example in equity policy and programs (the potential for public goods). The more the scope for private advantage through selective investment in education, the more competitive becomes higher education and more that its commanding heights become opened to middle class capture. When outcomes are more unequal in value, their distribution tends towards inequality also. That is the fallacy in the present UK government commitment to improving social mobility within a highly stratified education system, with an extra vertical layer on top in the form of re-introduced grammar schools. The strategy is internally contradictory.

**[Systemic stratification]**

What then are the primary factors that determine the intensity of competition, and the scope for commonality and broad-based social mobility? Most of the public and political discussion is about tuition fees. It is more or less automatically assumed that demand for higher education is economically elastic and calibrated by its private economic cost. However, while the extent of demand elasticity varies by society, according to political culture and educational culture, I would argue that neither assumption is true as a universal law. Financial barriers matter, but not as much as generally believed. In a high participation era, it is difficult not to participate in higher education. The larger structural influence in shaping competition and inequality is the shape of the institutional map in each system—the extent of stratification. It is above all this that determines the scope for private investment in private goods, and hence middle class capture.

 The longest chapter in the book, chapter 9, is devoted to these issues. In considering institutional diversity and stratification, it is important to distinguish between horizontal and vertical diversity.

 Following Ulrich Teichler, vertical diversity distinguishes HEIs by ‘quality, reputation and prospective status of graduates’. Horizontal diversity refers to ‘the specific profile of knowledge, style of teaching and learning, problem-solving thrust’. Horizontal diversity may also relate to mission, governance or internal organisational culture. I now use the term ‘diversity’ to refer to horizontal variety in higher education. ‘Stratification’ is used for the vertical dimension. Teichler also notes that the weightiest distinction between different HEIs derive from comparisons of research intensity, which are vertically differentiating. Research standing affects mission, and is so important in higher education and so readily measured—for example in competitive funding rounds, and rankings—that the research/non-research distinction always has positional implications.

**[Competition and stratification]**

All else being equal, horizontal diversity in higher education is an unambiguous public and common good, providing it is not turned into a hierarchy of value, so that diversity is a means of domination/subordination. The public good is enhanced by the enlargement of the range of choices of institutions with different missions or specialisations. In contrast, vertical stratification is attuned to the production and consumption of private goods. It is unclear whether vertical stratification of HEIs in itself has any common good features--unless scarcity of value is seen as intrinsically beneficial, or the installation of a competitive market in itself is seen as a collective good. Of course, some economists and policy-makers would argue that this is so.

Through their role in regulation and funding, states can either foster horizontal institutional diversity or suppress it, and the same is true of vertical stratification. The market is less ambiguous—beginning with Riesman in 1958, research into higher education has shown that competition in higher education decisively tends towards homogenisation rather than diversity, and leads to greater inequality in value over time. Competition and stratification feed directly into each other, in a self-reproducing circle.

**[Quasi-markets]**

Here we move closer to the specifics of Anglo-American higher education. The combination of expanding participation and enhanced competition in neo-liberal quasi-markets is associated with specific effects in relation to diversity. These are increased vertical differentiation of HEIs (or stratification), reduced horizontal differentiation (or diversification), greater convergence of missions through isomorphistic imitation, and growth in the role of private HEIs, especially for-profit institutions. This enhances the downward pressures on equality of outcomes by social group. Steep stratification narrows the number of student places that carry real social status and provide high value for graduates (places increasingly subject to elite capture), while it tends to empty out value in mass higher education institutions.

 When the stratification between HEIs of value and resources is sufficiently ‘stretched’, and social competition for higher education as a positional good is intense, this shrinks the space for higher education as a common good resting on social solidarity. The differentiation of value between different student places—between differentially ranked institutions, and between fields of study—more than any other factor, fragments the common good in higher education. It positions families in a war of all against all. It provides all families with the ‘opportunity’ for private investment, but that opportunity is not equally possessed, so that the interests of the affluent families are elevated above and set against all others. Positional war trumps the common good.

**[The Anglo-American problem]**

More than 50 per cent of the current cohort of school leavers in the UK, Europe and North America will attend university during their lifetimes. This is an unprecedented level of inclusion and social reach. But is it associated with increasingly integrated societies, which is mass education’s promise?

The UK and United States become more economically unequal by the day. American income inequality is the highest on record, it’s actually worse than before the American Civil War and the slave states. In the UK, local government cuts have bitten deeply into the welfare and housing services crucial to alleviating low pay and unemployment.

*Higher Education and the Common Good* makes three points about Anglo-American higher education. First, while its cultural bridging role is strong it is fails at economic and social bridging. We know that graduates are more cosmopolitan, tolerant and comfortable with global connections (as shown by their rejection of Brexit and to a lesser extent, their rejection of Trump), though more could be done to fashion this tolerant sensibility into a constructive force in the community. But the sector no longer counter-balances income inequality with sufficient social mobility. Especially, there are huge inequalities in resources and status in US universities. The Ivy League are flourishing while public education is being run down in a low tax regime. US higher education perpetuates and legitimates gross social inequality.

 Second, the neoliberal economics of education hides the common good from view. This is discussed in critical chapters in the book on the ultra-individualist reading of human capital theory in which higher education is a solely private good, the model of higher education as a winner/loser market, and university rankings that steeply stratify the sector.

 Third, it often seems that the US and Uk higher education systems focus on maximising rates of return to graduates in individual instutitons to the exclusion of all other objectives, and do so by rendering the value of the goods on offer as high as possible, not primarily by enhancing the use value of what people learn, but on enhancing its exchange value by stratifying it. But as I have argued, when scarce private goods of high value are on offer in education, they become the subject of intensive social competition, in which middle class capture is inevitable, and a braod-based outcome is impossible.

University rankings. Competition between institutions, and between families. Rising tuition. All carry the same message. Life is a frenzied contest moving faster and faster, and so is higher education. Its value is concentrated at the top, decisively positioned the sector as an elite playground for the top 1%. Upper middle class families that invest in education as a private good, via high fee secondary schools or private coaching, increasingly dominate the best university opportunities. Meanwhile, as the system expands, other degrees no longer create automatic entry into professional jobs. The returns to graduates are more dispersed, by institution attended and field of study.

Nordic and German-speaking country systems, in which vertical differentials between institutions are more modest than in the US and UK and all university degrees from all institutions confer substantial value, serve the 1% less well and the common good better.

**[Brexit and Trump]**

Let me now briefly move ahead of the book to draw out some implications of these educational dynamics for our current political predicament.

On top of the divided economy there’s the divided and angry polity. Public ‘discussion’ has become intensely toxic with no end to the angst in sight. In the Brexit referendum in the UK last June, and the US Presidential election in November, two elements were especially powerful shapers of choice: whether voters had entered higher education or not, and whether voters lived in large cities or not. Note that location and education are connected. Higher education institutions are concentrated in cities. Both the UK and US electorates have been split down the middle, and deliberately so, as a matter of deliberate political intent. Not on class or income lines, so much as on cultural lines—polarised between city-dwellers relatively comfortable with migration and plural cultures, and blood-and-soil nationalists in small towns and rural districts who backed Brexit and Trump. In the rust-belt states where Trump won the electoral college, he did so not in cities where manufacturing had been located, but in the rural districts that lie beyond those cities.

**[Brexit and educational level, June 2016]**

Research by Kirby Swales for NatCen Social Research in London, jointly with the UK in a Changing Europe project, finds that Brexit was supported by 26 per cent of those with a degree but 78 per cent of those without educational qualifications. Exit polls showed that four in five of those currently in education and eligible to vote were opposed to Brexit.

**[November 2016 US Presidential election: the college education factor in voting]**

In the US Nate Silver finds that in 48 of the 50 US counties with the highest proportion of college educated voters, Clinton increased Obama’s 2012 vote by an average of 9 percentage points. These counties were diverse by state, income and ethnic composition. Many had high proportions of white voters. Correspondingly, in 47 of the 50 least educated counties in the US,Clinton’s vote collapsed compared to Obama’s in 2012, with an average slide of 11 percentage points.

In contrast, support for alt-right populism seemed to cut across class and income lines, though in different ways in each country. In the UK, Remain voters had higher average incomes than Leave voters, but there was much middle class support for Leave outside the cities. In the US, white males were Donald Trump’s strongest support base, so that the average income of Trump voters was higher than that of Hilary Clinton voters. But these were predominantly non-college educated males. Just one category of white voters gave majority support to Clinton. That was college educated women.

The growth of mass higher education has enabled the divide between degree holders and others to be mobilised as a political factor. When only 10 per cent of people enter higher education it is impossible use this polarisation to secure political advantage. When participation reaches a third of people or more it is another matter. In the UK and US the lifetime rate of degree enrolment is well above this. Across the world total participation in tertiary education included 208 million people in 2014, one third of each age cohort.

 Politicians have long sold educational opportunity as an enticement to voters. In 2016 the equation was flipped and those outside higher education could dignify themselves by pushing back, not against lack of opportunity but against the very system of value that in defining education as an opportunity, and placing it nominally within reach, made them feel like failures. The great growth in participation means that the disadvantages of those without degrees are acute, with stable full-time jobs for non graduates in decline. But the path to degree completion is fraught. For voters, especially older voters from less educated generations, higher education is a game they cannot win or even play, an elite sector (unnaturally cosmopolitan and threatening) that has closed them out twice, once in education and once in the labour markets.

**[Conclusion]**

Anglo-American higher education has become more accessible at the bottom, especially in the UK, yet it is dangerously positioned as an anti-popular force.

The key to this paradox is that in those two leading countries, the role of higher education in producing state-led non market public goods has slipped—especially goods that augment social inclusion and solidarity on the basis of equality and human rights, common goods. For Anglo-Americans, especially outside higher education, the sector is more about competition than solidarity—and without solidarity, public goods are merely someone else’s abstraction. Clearly, many UK voters in rural districts and small towns did not buy the abstract rhetoric of the higher education organisations, which campaigned for EU membership on the basis that higher education is working for everybody. Brexit saw strong votes for Leave in the hinterland around university cities in the Midlands and North.

Brexit and the US election confirms that people prepared in higher education have greater personal agency in the face of economic, social and technological change, and are more tolerant of mobility and multiple cultures that are inevitable in a turning, converging world. The continuing expansion of higher education broadens the base of personal confidence and capability, spreading the attributes of sociability itself. But to sustain the ongoing process of expansion it is essential that mass higher education is not emptied out of value in a highly stratified setting, so it continues to draw growing first time participation from those whose parents were excluded.

The more higher education operates as a common good, the greater its social, economic and democratic contribution can be. Though higher education is not the primary driver of inequality, it has a role to play in rebuilding social solidarity and mobility in what have become fractured societies.

So this is my main conclusion. If policymakers in US and UK want to turn higher education into a sector that reduces in equality rather than making it worse, and a sector that non-educated people can identify with because it provides genuine hope, rather than a steeply vertical system that has low value at the base and thereby shuts them out, they must reduce institutional stratification. Stratification should be reduced not by levelling the top down, which is not going to happen, but by levelling up—by lifting the resources and social standing of the second and third tier universities and colleges.

**[book slide]**