Higher education and the public good

Santiago, Chile, 16 November 2023

Simon Marginson / University of Oxford

**[Higher education and the public good: Santiago, 16 November 2023]**

The topic today is ‘higher education and the public good’. There is no easy pathway through this topic. In societies in which economic capital colonises even our thought, and has long been the strongest influence in politics and the state in many countries, it is difficult to understand the public good, in higher education or elsewhere.

**[Higher education and the public good – *contents slide*]**

We need to reason this out step by step, if we are to build a meaningful idea of higher education and the public good. Let’s start with the building blocks. The individual and the collective, the state, civil society and the market.

**[What is society?]**

What is human society?

**[*Dots graphic*]**

 Is it a miscellany of separated individuals?

***[Web graphic]***

Is it a relational web?

***[Dots and web together graphic]***

Clearly, it is *both*. It is persons *and* their relationships.

***[Dewey quote]***

John Dewey said that it is meaningless to talk in terms of completely separated individuals. Individuals can exist only in society, while at the same time society is comprised of individual persons. It is no more meaningful to talk about individuals separated from society, or society without individuals, than to talk about letters of the alphabet that exist in separation from the alphabet itself.

**[Dominant western notions of relations between individuals, state, market and civil society]**

But the dominant Western political culture was formed in the eighteenth-century Enlightenment, which was determined, rightly determined I am sure, to escape the constraints of the church and the feudal state. And, unwittingly I think, the process of freeing people from feudal obedience led to a predisposition to a kind of autarkic individualism, in which the collective conditions of our existence were obscured. In liberal capitalist societies, the dominant form in the West, the social relational and moral conditions that hold us together are underplayed, and the gap is filled – unsatisfactorily, and sometimes also dangerously – by recurring appeals to national patriotism. This in turn means that Western political cultures, especially English-speaking cultures, struggle to make sense of the ‘public’ element in state and society. This is very apparent in some branches of economics, as we will see. It fosters deep difficulties in the debates about public and private in higher education.

**[Dominant western notions of relations between individuals, state, market and civil society – *division of powers graphic*]**

Enlightenment liberalism makes three moves. First, it imagines a fictional separation between individual people and their social conditions. Second, it constrains the feudal state by imagining separated spaces for both civil association and the economic market. The liberal tradition is one of divided powers. The boundaries between the state and other sectors are chronically tense and contested. The state is further divided between the executive, legislature and judiciary.

**[Dominant western notions of relations between individuals, state, market and civil society – *partly reintegrated graphic*]**

Third, liberalism partly reintegrates the individual with this fragmented picture of society, and gives the individual a nominal primacy. This arrangement is only partly coherent. The line between market and civil society is unclear and each overlaps with household/individual. The limited liberal state, which is the only location of the collective will, has a larger responsibility than the ideology and the diagram suggest, but understates its own responsibility and often defers to powerful actors in the market, especially in the United States. The ordinary individual is not the sovereign power the rhetoric suggests, either in markets or the state. Given liberalism is the leading political culture it is unsurprising that ideas and practices of ‘the public good’ are confused and contradictory.

**[In the Nordic model state and society are seen as equivalent, with the state guaranteeing equality, solidarity and individual rights]**

This is not the only possible picture. In the modern Nordic model the state and society are not positioned in opposition to each other but are seen as one. The individual is protected not by separation from the state and collective relations but by state guaranteed freedom, equality, solidarity, and personal rights. The state as such is not chronically contested as it is in the United States. Capitalist markets and private fortunes are not free to grow without limit but are restrained within a social democratic consensus on equality and human rights. Perhaps the government of Salvador Allende was heading in this direction. In some non Western societies, also, notably in East Asia, the individual is nested in a larger framework of collective relations, and in modern times has gained a greater freedom in that framework.

Be that as it may, I am talking today about the mainstream Western political cultures that have determined approaches to public good in higher education. In countries such as mine and yours there have been at least three different concepts of public and public good.

**[Western liberal ideas of ‘public’ and ‘private’]**

First, the normative notion of universal beneficence, virtue or prospect in the social realm, in which everyone is included, as in ‘*the* public good’. Second, the use of the term ‘public’ to mean open and inclusive communicative social relations, including all of us, as in ‘*the public*’, or ‘public opinion’, or the public media. In contrast, in the third approach there is the dualistic pairing of ‘public’ with ‘private’ as an analytical device, in which private and public are each zero-sum parts of a social or economic whole, so that each excludes the other.

**[The private realms contained and nurtured in the broad public realm (again the Nordic model)]**

These first two kinds of public are not opposed to or separated from the private sphere. The blue circle of the individual overlaps the yellow circle of society so that the circle becomes green. The state and society coincide with each other. When this arrangement is working well, as in the Nordic model, the state as public nurtures the private realms. When it is going badly, the state weakens or suppresses the private realms. There are also examples of this.

**[Zero-sum relation between public and private (as in neoliberal economics)]**

The third approach is different. The blue circle of the individual is completely separated from the yellow circle of society, and within the yellow circle of society there is a separation between on one hand the public state, on one hand the private market and civil society. The state is responsible for the legal regulation of markets and civil order, so it awkwardly overlaps with those two private realms, an overlap that is always contested, especially in the US. This public state does not guarantee private security for individuals and has a limited notion of social justice. This is the neoliberal state. It does not nurture the private individual. Yiu can see that the zero-sum approach is in tension with the other ideas about ‘public’.

The three notions of ‘public’ are applied to higher education in radically different ways.

**[The universal public good]**

The normative universal public good, *the* public good, suggests all-round prosperity, welfare, justice, or environmental sustainability. Everyone agrees that higher education institutions should contribute to the public good in this sense. What it means in practice is less clear. On one hand we can understand public good as the advance of shared democracy. Educational philosopher Gert Biesta argues that ‘public’ in education refers to ‘the achievement of a form of human togetherness in which … action is possible and freedom can appear’. On the other hand, not everything is common interest. ‘Public good’ does not settle all questions. The public good measured by the growth of GDP may conflict with ecological sustainability. Social justice might require redistribution of incomes or property from some to others.

**[The socially-inclusive communicative public]**

The second idea of public, as universal inclusion in social relations, had it origin in the broad popular assembly in the French revolution. It is a compelling vision. Sadly, it has come to be exploited by media and communication companies. More positively, it powers the strong commitments to rights of access to higher education and knowledge that are found in most countries across the world. There is also the notion of the ‘public sphere’, in which society talks critically to itself in a useful way. For Manuel Castells, the public sphere is ‘the space of communication of ideas and projects that emerge from society and are addressed to the decision makers in the institutions of society’.

**[The university as a critical public sphere]**

The university is one form of public sphere, a semi-autonomous adjunct of state that harbours constructive criticism of government, new policy ideas and transformative social movements. As you know, from time to time faculty and especially student activists provide crucial momentum for political and cultural change. The notion of the university as a critical public sphere incubating ideas for reform is not far from the classical reform model of the autonomous Latin American public university, as outlined in the Cordoba Declaration for University Reform in 1918, which was a very advanced idea in its time.

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

Third, there is the private/public dualism, which owes itself more to the British liberalism of Adam Smith than to French liberty, equality and fraternity. It takes two different forms. The first is universally known. That is the distinction between the ‘public’ as state or government, as in ‘public sector’, as distinct from the ‘private’ home, family, market and corporation. For example, in most countries national, state or public universities are distinguished by their legal ownership from private universities. Public universities are normally more completely and directly responsible to government and people than are private universities, even though in many countries, public universities have a large measure of operational autonomy.

The second dualistic meaning of public/private is the distinction used in neoliberal economics. This is more complex but it is crucial to the discussion about higher education.

**[Public/private dual: the economic version of public and private goods (Samuelson 1954)]**

The foundation in economics is an influential paper by Paul Samuelson from 1954. This paper had two starting points. First, all social activity, all social relations, was defined as *economic* activity. Second, the overriding purpose of the economy (and hence society) was to accumulate economic capital; so that wherever possible, economic activity is or should be realised as commodities that bought and sold in market transactions. Samuleson called these commodities ‘private goods.’ However, he noted, there is a category of goods that are subject to *market failure* because their production cannot generate profit. This is because the goods are non-excludable, meaning that the benefits cannot be confined to single buyers (for example, clean air regulation); and/or they are non-rivalrous, because they can be consumed by any number of people without being depleted (for example a mathematical theorem, which sustains its value indefinitely regardless of the number of times it is used). These non-excludable and/or non-rivalrous goods were ‘public goods’, and if they were to be produced at all had to be financed by either government or private philanthropy.

**[Public good can be a container of private good. They do not have to be zero-sum]**

Samuelson’s distinction between ‘public’ and ‘private’ goods takes as straight to the heart of the present dilemmas. It should be emphasised that public and private do not have to zero-sum. As the political theorist Nancy Fraser states: ‘‘a tenable conception of the public sphere would countenance not the exclusion, but the inclusion, of interests and issues’ labelled as ‘private’”. But the zero-sum approach has become embedded in neoliberal policy on higher education, undermining the broader ideas of the public good that I have outlined.

**[Milton Friedman and James Buchanan]**

Early on Samuelson was applied to education by the Chicago economist Milton Friedman, who argued for rolling back of the government role in higher education, and then by James Buchanan in public choice theory. It provided a rationale and a mechanism for reduced government spending and privatisation. It also provided governments with an indirect means of political control. Buchanan was concerned about the 1960s student activism in the US. He argued that treating higher education as a market based on high tuition fees would force students to value it in individual terms, and to focus on their studies so as to realise their private investment, rather than spending time at political rallies.

**[Samuelson’s formula leads to marketisation while minimising the costs to government]**

Samuleson’s formula is the ruling ideology in neoliberal economic ministries and has been directly applied in the extensive marketisation reforms to higher education in Australia, the UK and Chile. The neoliberal definition of public and private goods maximises the space for potential market production and exchange in higher education and other sectors, while reducing the state to a residual role. All other policy objectives, such as social justice in access to higher education, have to be shrunk to fit this ideological framework. It is a formula for minimising not just state financing but state responsibilities. No government has completely applied the Samuelson formula but some have gone a long way down the path.

Samuelson was right about one thing – there is a category of outcomes subject to market failure that must be funded by states or philanthropy. This is why basic research is financed publicly, all over the world. But the extension of Samuleson’s formula to teaching and learning, so that student places are distributed as private goods consumed in a market, is more questionable. Samuelson’s economics presents privatisation as ‘natural’ to education, but this is highly misleading. Teaching and learning can be organised either as exclusive private goods, or as accessible and shared public goods. It is a policy choice.

**[Marketisation changes educational behaviours and relationships]**

The real causal relation is reversed. Rather than the nature of higher education determining that it is a private good, as Friedman and others argued, it is the policy decision to render it as a private good that shapes its nature. When teaching, knowledge and learning are organised in economic markets, this alters their character, and also alters the actors and relationships Institutions move from being servants of the state and public to becoming self-interested corporations. Students move from being learners developing themselves through knowledge to consumers who acquire degree certificates at minimum time and cost. This starts to empty out the public good value of higher education. The public good as universal and comprehensive social benefits, and the public good as inclusion, communication, criticism and democratic debate, as in the classical Latin American model, drop off the policy agenda.

To emphasise the point, governments have a choice. Higher education can be organised as free access to education of good quality, moving towards universal access, as in the Nordic world. There higher education has private benefits, as it does everywhere, but these are seen as part of the public benefits that education provides to citizens. It is not either/or. This is the green circle in which the public and private realms are combined.

**[Societies, political systems, governments have a policy choice in higher education]**

Or higher education can be organised as market production and exchange, as in the US and England, as a quasi-market competition of institutions, ordered by price signals, high cost tuition fees, with all focus on the individual pecuniary benefits. Or higher education can be somewhere between. It is a policy choice.

As you know, the neoliberal framing of public and private goods has an ironclad logic for higher education financing. Neoliberal economics demands a tight nexus between the mission and activity in higher education, whether it is ‘private’ or ‘public’, and the funding, private or public. The neoliberal economist argues that the benefits of higher education are overwhelmingly private, as increased earnings and employability, so the individual should pay. The social benefits are ignored. Because higher education is a private good, says the neoliberal, government should not pay for it - regardless of the effects of reductions in spending on all of the other outcomes of higher education.

**[Modelling higher education as only a private good neglects its many contributions]**

Hence one abiding weakness of this policy framing is that it under-plays or obliterates all contributions, effects and values in higher education that are not Samuelson private goods. This domain is much larger than is suggested by Samuelson’s residual category of minimum necessary public goods. The contributions of higher education to society are both individualised and collective, and global as well as national and local.

They include the non-pecuniary effects of education for individual students such as their self-formation through engagement in knowledge, and the expansion of their personal agency and sociability. They include the many impacts of higher education in collective social relations, such as the fostering of literacy and technological capabilities in the population, better public health, compliance with law and enhanced political connectedness; greater tolerance of difference, and better international relations; the building of economy and society in regions and cities; and so on. There has much research on these effects of higher education and many of them have been measured. Walter McMahon has provided an excellent summary. But in neoliberal policy on higher education most of these outcomes are mostly not identified as policy objectives or even observed at all. These public good outcomes are real but they are under-recognised and under-provided.

**[The moral problem: corruption of the mission]**

A second weakness in the neoliberal approach is the moral implications, the corroding effects on the educational mission, truth telling by universities, social values and professional behaviour. Traditionally educationists, including the leaders of universities and colleges, are committed to serving the public good, in the universal sense, by maximising the potentials and opportunities of their students, as well as serving the broader society. By that mission educationists and institutions are rightly judged. But the neoliberal formula says to institutional leaders, ‘you might pretend that this is what you do, but it is not your true mission. Universities and colleges are self-centred firms, in competion with all other institutions in the educational marketplace. Your real mission is to enhance revenues, market share and the prestige of the institution, like any other firm. Your core business is not to enhance students’ opportunities or development. It is to maximise their satisfaction as consumers, to keep the money flowing, while minimising unit costs. Neoliberal universities spend more on marketing than student support. But it is corruption of the mission and it drives a wedge between university leaders and faculty, and the university and society.

**[Public/private split of tertiary funding, OECD, 2019]**

To what extent is the neoliberal framework used across the world? It is propagated by the QS and Times Higher global university rankings. It is prominent in the Anglophone nations and has been a major factor in Chile. It is marginally significant in some countries, such as China, where higher education is competitive but the state pays most of the costs, and in countries where commercial fees are charged to foreign students but not to home students. It has no purchase in countries like Germany or Norway where tuition is almost entirely free and policy ensures that all universities are strong in their contributions to economic and social objectives, rather than creating a steep hierarchy of winners and losers as in the United States. There is also mixed provision in countries like Brazil, Mexico and India where the public and private sectors are grounded differently. The extent to which neoliberalism has been adopted in higher education varies according to the political culture.

**[Conclusions]**

Let me now move to conclusions. What are the practical implications of what I have said today for Chile under a socialist government? I can see four. You know more than I and they will be obvious to you, I’m sure.

First, to again underline the point, and as the international survey shows, there is a wide range of approaches to the public good in higher education. All nations have a *policy choice*.

Second, where Chile goes on this question will be determined by the larger political culture in Chile and especially by the state and the relations between the state and society.

Third, to broaden and transform the public good role of higher education is to focus on the first two meanings of ‘public’ – those of the universal public good, and the communicative and inclusive public – and to wholly reject the dualistic framework in which public and private are set against each other. Higher education creates both public and private goods, these are not in opposition to each other, they help each other, and we want it to create both. Both public sector and private sector institutions can contribute to the common good, though state intervention is needed to ensure that private education does so consistently.

Fourth, it is difficult to establish a broader public role for higher education, to move decisively away from the neoliberal framework, without broad-based public support. By its nature the public good requires a measure of consensus about a just and generous approach. In contrast, market-based approaches flourish amid political fragmentation, social division, fear and self-interest. And in Chile today there is as yet insufficient consensus.

I have no expertise on how to secure a new consensus about the public role of higher education in Chile. I will make a few observations. The nation is divided over tuition fees. It is a great symbolic issue because it touches the underlying question that is *more important*: the public good mission of higher education. Establishing higher education as public service and public inclusion, breaking with market competition, privilege and selective private benefit, that is what matters. Fees, student income support which is as important as fees, especially for students from poorer families, institutional funding, institutional organisation, the public/private mix, these are tools of system design. What matters is the mission.

If the public good character of higher education is primary, the university moves from a self-interested corporation to a core institution of society, in collaboration with the state and on the basis of global cooperation. This university not only nurtures the self-formation of the individual student, it builds communities and is an indispensable truth teller, the conscience and critic of society and the home of science. Only science can bring us home through the existential challenge of the climate-nature emergency.

This is about values. The universal and inclusive public good mission is a moral question. That is where the debate will be won. The crucial repository of the moral order is the state itself. Without a high-minded state, society cannot move forward. A more public approach in higher education rests on a state devoted to uplifting the conditions of life, in the context of social justice, not a state dedicated primarily to the accumulation of private economic capital. And a state irrevocably committed to ecological sustainability, or nature justice. These are the great issues of the world. If higher education is remade from top to bottom on the basis of social justice and nature justice, then we can say the public good is secured.

**[Higher education and the public good: Santiago, 16 November 2023]**

I hope this paper has not been boring. Thank you for listening!

[to be used in answering questions]

It must be said that is difficult to finance universal free tertiary education at 50 per cent participation or more unless the nation is rich, like Norway. Yet no one who cannot pay should pay, while more government support should be channelled into student living costs, so that students can study rather than working long hours to survive. This suggests the provision of free education for part of the student population, income contingent tuition loans for the rest – higher education is free at the point of entry and the loans are paid back only when graduate earnings exceed a threshold, like 150% of average earnings – and grants for living costs. This formula makes social access universal, while recognising that higher education generates both public and private outcomes, and those able to pay can share the costs. Common provision and shared funding might be a basis for a new public consensus.