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Essay Review

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THE ANGLO-AMERICAN UNIVERSITY AT ITS GLOBAL HIGH TIDE

Derek Bok, *Universities in the Marketplace: The Commercialization of Higher Education* (Princeton: Princeton University Press, 2003), xi + 223 pp., ISBN 0-691-11412-9

Roger King (with contributions from Svava Bjarnason, Kenneth Edwards, Michael Gibbons, and Yoni Ryan), *The University in the Global Age* (London: Palgrave Macmillan, 2004), xxiii + 192 pp., ISBN 1-4039-1130-4

Michael Shattock, *Managing Successful Universities* (Maidenhead: Society for Research into Higher Education and Open University Press, 2003), xi + 201 pp., ISBN 0-335-20961-0

Robert Stevens, *University to Uni: The Politics of Higher Education in England since 1944* (London: Politico's Press, 2004), xviii + 196 pp., ISBN 1-84275-102-6

Compared with the Firm, the Government, or even the Army, the University is under-theorized. Despite its extraordinary transformation since the Second World War, our tools of interpretation still rest to a surprising extent on the norms established by Wilhelm von Humboldt and Francis Newman. Nevertheless – whatever the truth of claims about the 'knowledge economy' – the University is clearly crucial to modern society. We need to understand it.

These books, all prepared by former university leaders, focus on the generality of higher education, with emphasis on research-intensive universities in the UK and the USA. In *University to Uni*, Robert Stevens – former Master of Pembroke College, Oxford, Yale Law Professor, and Chancellor of the University of

California at Santa Cruz – provides a lively narrative of British higher education since 1944. History always gives food for thought; and the story is well sustained up until 1997, when material on New Labour slides into summaries of newspaper articles and polemics for top-up fees. In *Managing Successful Universities*, Michael Shattock, formerly the Registrar of Warwick University, draws out lessons from Warwick's success, with observations on policy, community, and university. Former Harvard President Derek Bok's *Universities in the Marketplace* canvasses the influence of market forces upon American universities, particularly in the funding of their athletics programmes, and in the commercialization of their research.

Much is written on universities; and it is often didactic in tone, normative in project, and circular in argument. Bok, Shattock, and Stevens are better than that. They are interesting and readable, have valuable insights, and their exceptional careers give them extra weight. But these books are rather too closely bound to their biographies, and do not always see the wood for the trees. None seems to situate the Anglo-American research university in its larger historical, social, and cultural settings; nor does any offer an apparatus for interpreting its inner dynamics and systemic variations. Key assumptions and issues are often hidden.

By contrast, *Universities in the Global Context* – by Roger King, the former Vice-Chancellor of Lincoln University, and four distinguished fellow contributors – throws new light on the university as an institution – its trajectories, problems, and dilemmas. Although King *et al.* by no means settle all questions (and at times the book is rather dry, neutral, and unresolved), they do point us in useful directions, and take us part of the way. Noting that 'university systems are generally characterised by reputational hierarchy' (p. 122), King *et al.* rightly place status and globalization at the centre of their thinking, drawing out such issues as the effects of market competition, the implications of cross-border on-line education, and the tensions between diverse cultural forms and homogenizing institutions. Michael Gibbons includes his now familiar but lucid argument about 'Mode 1' and 'Mode 2', and about the impact of static and dynamic competition on different forms of research. Overall, King *et al.* are well placed to position Anglo-American higher education in its larger global setting. Indeed, this is the context in which we must understand the university today. For the domestic character of the modern university is intimately bound to its global role.

And it is in terms of its global role that the Anglo-American university can tell us something about universities everywhere.

AN IMPERIAL MARKET

Higher education now holds a social and economic position never imagined by von Humboldt or Newman. In 2002, 47% of young people who reached the normal age of school completion in OECD member countries were expected to participate in higher education, either at the end of schooling or at later stages of their lives; and 32% were expected to graduate. In just a decade, the proportion of those expected to reach tertiary education had increased by almost one-third.[1] This outward movement of the frontier of higher education is readily explained as the advance of educational credentialism, driven by the supply of opportunities and graduates, and by the demand for each. Individual rates of return to university degrees are at 5–20% in OECD countries, and the rate of unemployment among graduates is typically less than half that of non-graduates.[2]

Another sign of the centrality of higher education lies in its continuing capacity to prepare social elites. At the peaks of higher education (although not on the lower slopes), we can still find the models made fashionable by Newman and von Humboldt, whether in the cultivation of sensibilities by the better American liberal arts colleges, or in the 'doctoral' universities, where teaching and research are combined. At the same time, despite their manifold connections to markets (and despite regular alarms about government micro-management), 'doctoral' universities – especially in the English-speaking nations – exercise a high degree of self-government. While there is often tension between managers and academics,[3] the institution remains largely self-referencing and inner-directed.

This capacity of the modern university to combine universality of coverage with social leadership *and* institutional independence is truly remarkable. One wonders how long it will last. What is even more extraordinary is that, just as the 'doctoral' university has achieved both social primacy and global reach, its norms have become universalized around a particular national and cultural variant. This is an age of educational convergence. The dominant model is the Anglo-American research university, which now towers above all other forms of higher education. It is as strong in its domain as Wall Street and the City of London are in theirs; as dominant as American software platforms, as Microsoft in IT; and almost as universal as American film and television. Never since the establishment of the University of Berlin in 1810 has a single type of university been so hegemonic, or so widely imitated.

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[1] OECD, *Education at a Glance* (Paris: OECD, 2004), 69–70.

[2] *Ibid.*, 181.

[3] Simon Marginson and Mark Considine, *The Enterprise University: Power, Governance, and Reinvention* (Cambridge: Cambridge University Press, 2000).

According to a survey of research performance conducted in 2004 by the Shanghai Jiao Tong University, forty of the world's top fifty universities are American or British, and thirty-five are located in the USA alone. Of the top 200 research universities, ninety are in the USA and eighteen in the UK. Only twelve are located in East Asia, despite its economic dynamism; two are from Latin America; and none is to be found in South Asia or Africa.[4] When the World Bank advises Eastern Europe or Latin America on reconstructing higher education, the standard recipe calls for a mixed public/private system of higher education, financed by fees and student loans, and for a corporate university personality custom-built along American lines. Most governments do not need persuading, especially those staffed by PhDs from Princeton or LSE. Munich, the Sorbonne, and Melbourne are worthy, but their claims have been trumped.[5]

Anglo-American hegemony is measured not only by the proportion of worldwide research that the universities produce (in the long run this may diminish), but also by the manner in which their forms have come to dominate world practice. Western Europe has strong research universities. Germany has the third most productive research system in the world.[6] Relative to national economic capacity, the universities in Sweden, Switzerland, The Netherlands, and Israel do particularly well. But increasingly, European universities are operating on Anglo-American terms. When European systems move to change their credential structures, the models are British and American. One reason, as the Bologna Declaration suggests, is the need to compete with English-language universities in Asia. Increasingly, postgraduate programmes in Germany, The Netherlands, and the Scandinavian nations are conducted in English. Here is something new. An educational globalism is at work, with an Anglo-imperial bent.

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[4] The 2004 version of the Jiao Tong rankings used six indicators: alumni winning Nobel Prizes and Fields Medals; staff winning Nobel Prizes and Fields Medals; highly cited researchers; publication in *Science* and *Nature*; citations in the group of leading science and social science-based journals; and the first five indicators divided by the number of academic staff. See Shanghai Jiao Tong University Institute of Higher Education, *Academic Rankings of World Universities – 2004, http://ed.sjtu.edu.cn/ranking.htm,* accessed 10 April 2005.

[5] See Japan, where huge *kudos* is still associated with the Imperial Universities, and where Anglo-American degrees are not always privileged.

[6] This productivity is due not only to the universities, but also to the MPG Institutes, which drive research in most fields in Germany.

Global higher education might have been different. For example, France chose a different course. Rather than integrating teaching and research, it siphoned part of its scholarship, research, and leadership training into the *grandes écoles* and the CNRS. But in francophone countries, these approaches are losing ground. On the face of it, the logic of separating teaching and research is strong – they require different conditions, and specialization ought to facilitate both. Public research institutes are potentially attractive to government and capital, with their capacity for single-minded focus. Such a model might yet have its day. But it is losing salience at present.[7]

An illuminating case is the university in Argentina, itself an offshoot of the Bonapartist model in France and Italy, which influenced the development of universities in much of Latin America. Marcela Mollis provides an account of that tradition.[8] The university reform movement in Argentina, positioning the young as inheritors of the nation, and academic autonomy as a component of national identity, built students as well as staff into university governance, and installed an ethic of freedom from state interference. University autonomy was all too frequently breached, but, arguably, this was more a symptom of governmental pathology than a flaw in the idea. It might have become an alternative global model for the role of higher education in modernization and development. But higher education in Latin America has in general lacked the imperial authority of Great Britain or the USA.

The result is that the more than 200,000-student national universities in Mexico and Argentina – the Universidad Nacional Autonoma de Mexico,[9] and the Universita de Buenos Aires – are now under pressure from both international agencies with lending power and national governments driven by global economic policies to 'North Americanize' themselves. When measured against Anglo-American standards, the factors that distinguish them – a focus on teaching rather than research, coupled with relatively weak administrative systems – are presented by the World Bank as signs of institutional incoherence, cultural idiosyncrasy, and national deficit; or worse, as subjects of crisis in identity and purpose.[10]

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[7] Stéphan Vincent-Lancrin, 'Building Futures Scenarios for Universities and Higher Education: An International Approach', *Policy Futures in Education*, 2 (2), (2004), 245–262, at http://www.wwwords.co.uk/PFIE/content/pdfs/2/issue2_2.asp, accessed 26 April 2005.

[8] See. for example. Marcela Mollis, 'The Americanisation of the Reformed University in Argentina', *Australian Universities Review*, 42 (2), 43 (1), (1999/2000), 45–52.

[9] Imanol Ordorika, *Power and Politics in University Governance: Organization and Change at the Universidad Nacional Autonoma de Mexico* (Boston: Routledge, 2003).

Thus, in the Anglo-centric university market, the great national universities of the non-English speaking world are reduced to relatively minor players. Likewise, conversations in local languages are marginalized. In non-English-speaking countries, academics gain *kudos* when they publish in English, which is now the global language of research and scholarship – particularly in the sciences, but increasingly in the non-sciences as well.

The global dimension of higher education matters more than ever, because the major doctoral universities now form a single, worldwide market. Leading research universities in the UK and the USA, such as Oxford and Harvard, have always enjoyed worldwide reputations. But with cheap air travel and the Internet, the Anglo-American university is now a much more visible exemplar and attractor. Although students outside the USA and the UK mostly continue to be educated within their own countries, national borders no longer set a limit on opportunity or imagination.

Families in China and India, tantalized by scholarships, want an Ivy League or Berkeley degree. Some succeed. Three years ago, *How to Get into Harvard* was a bestseller in Beijing. A global market has been formed in the collective imagination, driven not by abstract structures ('market forces'), but by flesh and blood agents with desires, interests, perceptions, and behaviours. As universities draw a growing bounty from cross-border teaching and research, direct competition intensifies, and the market seems to turn over automatically. One result is that an industry in global rankings has developed. As *The Times Higher* puts it, 'higher education has become so international [that] it is no longer enough for the leading universities to know if they are ahead of the pack in their own country'.[11]

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[10] See, for example, World Bank, *Staff Appraisal Report Argentina: Higher Education Reform Project* (Washington: World Bank, 1995), *www.worldbank.org*, accessed 18 January 2001. For further discussion of the positioning of the major Latin universities as in 'deficit', and of the imperial dimension of global comparisons in higher education, see Marcela Mollis and Simon Marginson, 'The Assessment of Universities in Argentina and Australia: Between Autonomy and Heteronomy', *Higher Education*, 43 (3), (2002), 311–330; Simon Marginson and Marcela Mollis, '"The Door Opens and the Tiger Leaps": Theories and Reflexivities of Comparative Education for a Global Millennium', *Comparative Education Review*, 45 (4), (2001), 581–615.

At bottom, this world market is a competition in the buying and selling of social and academic status. At the same time, it is also a money-making business, and much of it is fully commercial. As of 2002, $30 billion was being spent annually on international degrees. Of the two million students who cross borders every year to acquire higher education, 42% are bound for the USA or the UK, while another 14% enter other English-speaking countries whose universities were established in the British tradition.[12] Almost three-quarters of Asian students east of Afghanistan are enrolled in English language courses. Most end up not in leading doctoral universities, but in high-volume, standard-cost Master's programmes in business and technology. But they are one step closer to the dream. Meanwhile, local students and academics in the USA and the UK note that different folks are among them, shrug their shoulders, and go on as before. One wonders how long curriculum and pedagogy will remain unchanged in the face of this highly lucrative trade.

It is a new university world, one in which local, national, and global agendas jostle. Yet, surprisingly, none of these four books talks much about cross-border markets. Stevens and Bok are oblivious; Shattock largely neglects the global dimension. Only King *et al.* are alive to the policy implications (p. 2):

> If nation states lose their ability to influence directly, and predominantly fund, universities operating as increasingly independent commercial entities on a world wide scale – in pursuit of what they see as their own corporate advantage – then how are universities to be 'steered' in the interests of the country? Or is it possible, as we have seen in the business world, for governments to regard national advantage as accruing more from the successful economic activities of 'their'

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[11] 'World University Rankings', *The Times Higher Education Supplement*, 5 November 2004. *The Times Higher* initiative illustrates not only the new salience of global rankings, but also the manner in which rankings can be manipulated as part of a global marketing strategy. By determining only 20% of its index on the basis of research performance, 50% on subjective reputation, and 10% on internationalization, *The Times Higher* boosted the number of UK universities in the world's top 200 to thirty and reduced the number of US universities to sixty-two. The credibility of the exercise was undermined when, as a result of using the indicators of reputation and internationalization, *The Times Higher* placed eleven Australian universities in the top 100, but only three from the stronger Canadian system. One Australian institution, the Royal Melbourne Institute of Technology – a former polytechnic with a large vocational training function and high volume international enrolment, but scattered and fragmented research – was ranked fifty-fifth in the world, a finding greeted with incredulity in Australia. *The Times Higher* survey was conducted by the London-based company QS: the survey's questions and its mix of survey respondents were not revealed, although these must certainly have shaped the results.

[12] OECD, *op. cit.* note 1, 293–313.

independent transnational universities than from the exercise by these institutions of public authority, in the service of broad social objectives?

Following Hayek, some policy-makers believe that market competition, driven by self-interest, will maximize positive outcomes. This assumes that, by encouraging universities to chase international students, their global impact will be optimized. This involves nudging universities into productive alignments with nation-building strategies. King *et al.* emphasise that national governments are still very much part of the picture. In fact, governments have developed the knack of micro-managing more, while paying for less. This complicates the popular notion of a zero-sum relationship between national and global. Much of *The University in the Global Age* (especially pp. 67–95) is an extended reflection not on the withering away of the state, but on the new global and international regulators, and on such matters as the WTO/GATT negotiations on trade in educational services; competition as a driver of quality; mutual recognition regimes; and trade in intellectual property. Higher education, it seems, is simultaneously moving closer to both the nation-state and the global marketplace.

BRITAIN AND AMERICA

Within the Anglo-American *duumvirate*, British and American universities differ in important ways. This simple point is worth more reflection than these authors provide. Stevens could have explored this in *University to Uni*, given his life on both sides of the Atlantic. Unfortunately, he says little. There are also differences between the academic, economic, and social potentials of universities in the USA and the UK on the one hand, and universities in other English-speaking nations, such as Canada, Australia, and New Zealand on the other. However, the latter are not discussed in detail, and when they are mentioned – it is mostly by King *et al.* – they are treated as if they form a common set with the universities of the 'imperial' nations. But this is flattering rather than respectful, as it acknowledges neither their national specificities and achievements, nor their subordinate position within the world market.

By some international indicators, UK universities do better than American universities. For example, more than 10% of all students in British universities are international, as compared with only 4% in the USA. Like Canada and Western Europe, the UK has more high quality research universities than its 'national economic capacity' would predict.[13] The USA has five times as many universities in the Jiao Tong top 200 as the UK, but so it should: the USA commands 21% of world GDP, compared to only 3% in the UK.[14] Using a composite measure of national economic capacity based on GDP and GDP per head, and comparing each nation's share of global economic capacity with its share of the leading research universities, the USA ought to have eighty-five of the Jiao Tong's top 200 research universities: it has ninety. The UK ought to have nine of the top 200; it has eighteen. On this measure, the UK is the fourth leading research nation in the world, after Sweden, Switzerland, and Israel. A dozen nations perform better than the USA, in having a larger proportion of high quality research universities, relative to economic capacity.

Nevertheless, at its peak, the American system is extraordinarily strong. Of the Jiao Tong top twenty research universities, the USA has seventeen, led by Harvard and Stanford. The Ivy League and the leading State universities have an unequalled capacity to concentrate status, power, and resources. Moreover, the higher education 'market' attracts greater subsidies from public and private sources than is generally realised. The price to cost ratio in American higher education is estimated at only 0.35,[15] and is now lower than that in Australia. High student aid, especially through Federal student loans, but also through scholarship financing, underpins student mobility, creating one single national competition for student places in the elite institutions, while also rubbing the raw edges off unequal access, and elevating the high demand institutions above the rest. American doctoral education is what Robert Franks and Philip Cook call a 'winner-take-all' competition,[16] in the production of 'positional goods'.[17]

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[13] Here, national economic capacity is calculated by compiling a composite index for each nation that takes into account both absolute national economic size and the relative income of inhabitants (total GDP multiplied by GDP per head). See *http://www.worldbank.org/data/wdi2005/pdfs/Table1_1.pdf*, accessed 26 April 2005. Each nation's share of the global total composite index is then mapped onto its share of the top 200 research universities.

[14] World Bank, *op. cit.* note 13.

[15] Catherine Hill, Gordon Winston, and Stephanie Boyd, 'Affordability: Family Incomes and Net Prices at Highly Selective Private Colleges and Universities', Discussion Paper Number 66, Williams Project on the Economics of Higher Education (Williamstown: Williams College, 2004), *http://www.williams.edu/wpehe/DPs/DP-66r.pdf*, accessed 28 April 2005.

[16] Robert Frank and Philip Cook, *The Winner-Take-All Society: How More and More Americans Compete for Ever Fewer and Bigger Prizes, Encouraging Economic Waste, Income Inequality, and an Impoverished Cultural Life* (New York: Free Press, 1995).

[17] Fred Hirsch, *Social Limits to Growth* (Cambridge, MA: Harvard University Press, 1976). See also Simon Marginson, 'Dynamics of National and Global Competition in Higher Education', *Higher Education* (in press). For an account of American higher education as a segmented competition, see Roger Geiger, *Knowledge and Money: Research Universities and the Paradox of the Marketplace* (Stanford: Stanford University Press, 2004).

High fees underpinned by greater resources enable the Ivy League to milk the seller's market in the upper reaches of national and international competition for the best students and staff. Academics concentrate where high academic status meets capacity to pay for prestige-building investments in facilities, although the (arguably) inflated star salaries paid to a small number of professors do not flow through to Ivy League academic communities as a whole. The Ivy League and the major State universities, such as UC Berkeley and Michigan, provide the best platforms from which to launch leading works of scholarship, even in cases where the originating ideas came from lesser institutions. In the centripetal, winner-take-all market, philanthropy, Federal research funding, high-scoring students, and high-performing academics tend to follow each other with mutually reinforcing effects.

The astonishing global presence of the top American institutions, coupled with the favourable career opportunities they provide, ensure that the USA is the dominant partner *vis-à-vis* the UK. Surveys of Asian families consistently report the USA as the preferred destination for their children. Here the global 'exchange' is very lopsided. The American doctoral sector absorbs talent from all over the world, on its own terms, scarcely blinking, and exports academic knowledge and institutional blueprints in return. More than three-quarters of all American-educated doctoral students from China and India stay in the USA after completing their degrees, a passage facilitated by American immigration policies. Among UK-born doctoral graduates from American universities in the fields of science and engineering, the rate of retention in the USA is 50%.[18] There is no equivalent movement in the other direction, from the USA to the UK. As Stevens notes, American universities have achieved 'cult status'.

The subordinate role of other English language providers can be seen in the choices students make. Thus, students enter Canadian universities in transit to careers in the USA. In Australia, the number of international students has increased by ten times since the early 1990s, to 210,000 in 2003 – 10% of the world market. Yet, Australia has only 3% of the Jiao Tong 500 research universities and just two of the top 100. The expansion in Australian enrolments from East, Southeast, and South Asia has been driven by fiscal policy. Between 1995 and 2001, public spending on tertiary education in

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[18] OECD, *Internationalisation and Trade in Higher Education* (Paris: OECD, 2004), 281, 286.

Australia fell by 11%, much the largest fall experienced during this period by any member nation of the OECD.[19] Global strategies are today focused on revenue raising in high volume, standard cost teaching programmes in business studies and computing.[20] Apart from the Australian National University (ANU),[21] the cross-border success of the Australian universities is dependant less on their research strength than on their business acumen, student servicing, Asian location, and on a price edge *vis-à-vis* the USA and UK.[22]

Unfortunately, too many Australian universities have privileged executive drive and entrepreneurial zeal, at the cost of academic capacity.[23] Only 5% of international students are taking research degrees, compared to 17% in the USA and 10% in the UK. It would seem that Australia's expanding market in international education has developed a low glass ceiling. Mass production has become decoupled from elite production. Australia may, ironically, be positioning itself as the global polytechnic.

FLEXIBILITIES OF THE ANGLO–AMERICAN UNIVERSITY

What makes the Anglo-American university system tick? Why has it become so successful? What are its strengths and weaknesses? Can its hegemony last?

The answer to all these questions lies partly in its flexible deployment of four key elements. First, there is the system's architecture, which binds elite and mass education within a common frame. Second, it enjoys a mutually reinforcing nexus of teaching and research, which can take varied forms. Third, it has shown great diversity, enabling it to develop multiple competencies, across spaces and cultures, and to be effective globally, nationally, and locally. Fourth, its modes of governance, drawing upon academic community, executive leadership, and external inputs can be arranged in different ways to meet the changing needs of mission and circumstances.

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[19] Only two other OECD nations experienced declining public spending on tertiary institutions over this period: the UK and Norway cut their higher education budgets by 4% and 2%, respectively. See OECD, *op. cit.* note 1, 229–232.

[20] This is even true of the stronger research universities in Australia's equivalent of the UK's 'Russell Group', the 'Group of Eight', which includes the Universities of Sydney, Melbourne, Queensland, Western Australia, Adelaide, and New South Wales, Monash University, and the ANU. See Marginson, *op. cit.* note 17.

[21] The ANU specializes in international research linkages and has a strong presence in the Asia-Pacific region.

[22] Simon Marginson and Grant McBurnie, 'Cross-Border Post-Secondary Education in the Asia-Pacific Region', in OECD, *op. cit.* note 18, 137–204.

[23] For a more extended analysis, see Marginson and Considine, *op. cit.* note 3.

These four books throw light on each of these elements. First, while the American hierarchy is not flexible in itself – the same institutions stay on top for very long periods – it does promote an undeclared division of labour, in which the dynamic of high status institutions plays out with diminishing degrees of exclusion down the table. As King *et al.* put it, 'university systems are generally characterised by reputational hierarchy' (p. 122), shaped by history, and by the modes and distribution of research capacity, and are mediated by success in specialist markets. Given their relatively high 'sticker prices', especially in the private sector (and now also in Australia), there is a surprising level of social access via student loans, grants, income contingent fees, and a layer of cheaper institutions. A recent survey by the Education Policy Institute in Canada ranked all the systems directly patterned along Anglo-American lines as the least affordable internationally (based on their relatively high tuition costs), but at the middle level in terms of their accessibility.[24]

Second, there is the inner engine, the teaching/research nexus. What ties these together is not the alleged positive effects of research on teaching but the dynamics of *status*, the coin of the university realm. Teaching and research reinforce each other in status. Strong research universities attract the best students. Sought-after universities attract endowments and scholars who, in turn, sustain and improve returns. Economic commentators may point to the economic benefits of specialization, and demand the unbundling of its different functions. Everywhere, however, the benefits of status aggregation are more attractive than the gains from specialization. These authors are from inside the higher education sector: they are not strangers to markets, but none of them argues for unbundling!

In relation to the third element, the Anglo-American university has run into certain problems. While doctoral universities couch their missions in similar terms, there are wide differences in standards. ‘Quality’ is an overcrowded noun, pulled between cultural canon, student-centred teaching, the buying-power of credentials, and market leadership. In the end, ‘quality’ slips back into ‘status’ and always seems centred on leading universities so that the ‘quality’ of mass institutions seems to be always in doubt. There are also tensions between competitive hierarchies and notions of formal equivalence and social justice, and the level playing fields so often promised by market ideology never seem to materialize.

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[24] The national systems with the optimum combination of affordability and accessibility were The Netherlands and Finland. See Education Policy Institute, *Global Higher Education Rankings: Affordability and accessibility in comparative perspective, http://www.educationalpolicy.org/*, accessed 17 April 2005.

Diversity can be constrained by this ‘reputational hierarchy’. As King puts it in one of his own chapters, diversity in higher education is ‘a remarkably elusive concept’ (p. 116). In Britain, as also in Australia, the abolition of the binary system has had some flattening effects, opening opportunities for horizontal diversity, and for broadening the categories of institutions whose degrees can be marketed globally. But these gains have been countered by the normalizing effects of research assessment, which (like market competition) tend to produce diversity in rank and resources rather than in mission. The Research Assessment Exercise in the UK has been instrumental in sustaining British global research, but at the price of disadvantaging the less research-intensive universities, and limiting their horizons. Moreover, whether government-imposed or market-driven, competition tends to reduce diversity. Why? Simply, because the market leaders set norms and everyone else becomes an imitator. Particularly in unitary systems, intensified competition is associated with tendencies to isomorphism, that is, imitation of competitors, no less among academics than among executives.[25]

This is a vital insight in King’s contribution. Competition does not necessarily drive out diversity in other industries, *but it does in the higher education sector*. King notes: ‘The problems experienced by UK governments in seeking to facilitate institutional diversity are in part largely of their own making .... Rather than sustaining diversity, market forces encourage institutional uniformity’ (p. 139). The main explanation for institutional convergence, he argues,

> may lie in the systems of competitive realism that are found in the ‘managed markets’ that now characterise higher education sectors. These orders of competitive

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[25] Marginson and Considine, *op. cit.* note 3. Many others have discussed the point: for a lucid example, see Oliver Fulton, ‘Differentiation and Diversity in a Newly Unitary System: The Case of the UK’, in V. Lynn Meek, Leo Goedegebuure, Osmo Kivinen, and Risto Rinne (eds.), *The Mockers and the Mocked: Comparative Perspectives on Differentiation, Convergence, and Diversity in Higher Education* (Oxford: Pergamon Press, 1996), 163–187.

> realism are formed from the self-interested actions and interactions of their individual units – the universities – and especially their leaders. The dispersed and largely autonomous efforts of such leaders, in an age of increased executive and corporate responsibility for the well-being of universities, are not undertaken to create a university system with particular features, but to advance the interests of universities (for survival, for higher status) by the most effective means possible (p. 136).

King cuts through decades of platitudes about diversity. However, his solutions are unpersuasive. Following Gibbons, he wants to substitute 'innovation' for diversity, and dynamic for static competition. But these suggestions are under-theorized, and tendencies towards competitive uniformity surely remain. In the USA, institutional diversity is provided by formal segmentation between research universities, liberal arts colleges, four-year institutions, and two-year community colleges. In fact, tendencies towards competition-driven isomorphism are not abolished but segmented: instead of one set of norms, there are four. Meanwhile access from community college to doctoral programme, while plausible in theory, is limited in practice. At the top end, the leading 'doctoral universities' are in a different league, prone to tuition inflation, and driven by the policy logic of the 'winner-take-all' market.[26]

THE CASE OF WARWICK

The third element is explored further in Shattock's engaging account of Warwick. An informed and situated study such as this is far superior to the standard management text, with its keyword abstractions, 'how to do it' checklists, and superfluous examples. Shattock notes that 'all universities are being drawn into contributing to regional agendas' (p. 120), and that, in some cases (e.g., Stanford and Cambridge), they create these agendas themselves. From the university's viewpoint, the purpose of innovations such as science parks is less to generate revenue than to 'extend the boundaries of university activity into the external world of exploitation and innovation' (p. 115). Location is crucial. Gone are the days when a new university wanted a 'green field' setting. Warwick has had to work hard to overcome its location. It helps to be near a major centre, preferably a global city.

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[26] Frank and Cook, *op. cit.* note 16.

There will be much interest in Shattock's book because of Warwick's success. Here there is an irony. Warwick's foundations were laid between 1945 and 1980 by government policy, not by local entrepreneurs. By treating all universities as equal, and by the operation of the dual-funding model, the University Grants Committee enabled Warwick and York to achieve great things by themselves at a later date. The newer universities created in Britain since 1992 have been, in some respects, less fortunate. Warwick has also made the best use of the hand it was dealt. Shattock suggests that its success derived partly from a firm sense of the elements needed to build a strong reputation: a clear and compelling mission; an executive steering core that co-opted the faculty deans; internal transparency and collegiality in decisions; academic units implicated in the need to build the institution; an entrepreneurial spirit that became pervasive; and financial prudence. But Warwick also had an organizational culture sufficiently flexible 'to stand the test of time, [one] which does not need to be reinvented to cope with sharp changes in the external environment' (p. 11).

Shattock is sceptical about mergers and partnerships, and emphasizes the need to integrate management-led systems with academic cultures. This might seem obvious, but is contrary to much advice from management specialists. In this respect alone, his message is salutary. Equally welcome is his emphasis on the need for 'self-directed autonomy' rather than 'derived autonomy'. He says that most British institutions have the latter (p. 147). It would be interesting to see how he rates American universities on this score.

Shattock does not overplay the importance of management, leadership, and governance. However, there are tensions that he could have explored further. The 1970's challenges to Warwick's entrepreneurial turn, for instance, are passed over. More subversive is the contrary example of Cambridge. As *Managing Successful Universities* notes, Cambridge's high status and strong performance are associated with unusually weak central management, and with competitive sensibilities that are spontaneous and discipline driven, and not sown from above.[27] Shattock's response is to imply that, while decentralization may have served Cambridge in the past, it will not do so in the future. But perhaps Shattock here moves too far from the historical and sociological nuance that is his strength, to normative speculation that might prove unfounded. Cambridge might just keep muddling through at number one!

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[27] James Watson, as quoted by Bok, offers a partial explanation: 'to encourage real creativity, you need to have a good deal of slack' (p. 31).

This is not to say that the Cambridge recipe is a guarantor of success, any more than Warwick's approach can be freely exported. Rather, we should be wary of deriving general principles from single cases. A university's strengths are relative to its history, location, and resources; and also to its place within the national and international community. Cambridge and Harvard have broader options and greater prospects of leveraging their resources. The key to Warwick's success was a strategy that worked for Warwick – and leaders, like Shattock, who made good decisions. A Cambridge approach would not have worked at Warwick; nor can a Warwick or a Cambridge strategy create a doctoral university out of a two-year community college in Canada.

If there is a single element common to all successful doctoral institutions (though not community colleges), it is that they build capacity in scholarship and research. Correspondingly, poor capacity in scholarship and research is the core problem of higher education in the developing world.[28] One possible limit to the hegemony of the Anglo-American university lies in the potential for global research capacity to become more widely distributed. China has declared its intention to sustain 100 world class research universities. Shattock emphasises that universities – as distinct from commercial conglomerates that shift willy-nilly from one product line to another – must draw upon their core academic functions. Burton Clark calls it the 'academic heartland'.[29] When university executives lose sight of this, Shattock argues, their institutions are in trouble:

> In earning income, the university should not be seen to go downmarket, that is to employ stratagems which are not consistent with the university's character, or to enter into activities which could lower the university's reputation; even more important the proceeds must be seen to benefit the university's core activities of teaching and research. In other words, a university should not be seen as generating resources for the sake of the resources, but only because the resources are necessary to build a more academically successful university (p. 55).

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[28] See, for example, the report of the 'Taskforce on Higher Education in the Developing World', prepared in 2000 by the World Bank: *http://wwwwds.worldbank.org/servlet/WDS_IBank_Servlet?pcont=details&eid=000094946_00041905492367*, accessed 7 May 2005.

[29] Burton Clark, *Creating Entrepreneurial Universities: Organisational Pathways of Transformation* (Oxford: Pergamon Press, 1998).

GOVERNANCE

This brings us to the fourth factor in the success of the Anglo-American university, the matter of governance. In all universities, there is a tendency for institutional identity and managerial professionalism to put pressure on the academic heartland.[30] In governance, university managers have many advantages *vis-à-vis* academic staff, on the one hand, and their governing bodies, on the other. They move quickly. They frame agendas. They control information, communication, and, above all, budgets. These can well be limiting factors, cutting off the potential for important academic initiatives.

The historical experience of Anglo-American universities captures many forms of governance appropriate to their diverse missions. However, the independence of the university is by no means secure. The old political settlement between internal constituencies, motivated by public mission and external public good, has gone, knocked away by public choice theory. Paradoxically, in becoming quasi-private corporations with the encouragement of governments, universities have invited both under-funding and micro-management. Perhaps they have cleverly decided to become smaller political targets with fewer obligations. Perhaps. But it is more likely that they have simply become more exposed and isolated, despite the ever-growing levels of student participation.

The university's shift to the quasi-private corporation suggests the need for new linkages. This is a main theme of Gibbons, who rightly argues that, in a system dominated by comprehensive universities, functional specialization will develop only through relationships in which the external partner is sufficiently strong to dictate terms. Too many university-community links operate as little more than functions of university marketing departments.

Gibbons' argument conflicts with Shattock's warnings about alliances that move the university away from its core academic functions. More fundamentally, if the Anglo-American research university becomes genuinely 'other-referenced', as Gibbons suggests, then its constituent features – its status, its teaching-research nexus, and its balance between executive/entrepreneurial and academic cultures – will be open to fragmentation. In other words, the reproduction of the Anglo-American university is in jeopardy.

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[30] See Marginson and Considine, *op. cit* note 3. For examples of the weakening of the incidence of tenured academic labour, and the displacement of academics from key decisions about curriculum development, see Rhoades' study of collective bargaining agreements in the USA: Gary Rhoades, *Managed Professionals* (Albany: SUNY Press, 1998).

So how can the University continue to sustain itself, and its capacities, while connecting with the public good? This is a key problem for contemporary institutions. However, after Thatcherism and public choice theory, what does the 'public good' actually mean? There is a moral lacuna, not just in institutional strategy (the domain of Shattock and Bok), but also in political philosophy. In the USA, the 'public' is defined by an eclectic combination of State legislatures, Federal funding, civic ties, and sport; but policy is becoming less high-minded. Consumer rhetoric is beginning to displace citizenship.[31] The growth of the 'for-profit' sector, with its commercial functions, has generated an uneasy and unresolved debate about public purposes.[32] Private funding preserves scope for independence in the public interest, but donors are attaching tighter strings; and, where public purposes are university – rather than government-inspired, they are open to erosion.

In recent years, outside the USA, the 'public' has usually been defined in terms of the interests of governments. But, King asks, as research universities gain global influence, must not their bonds with individual governments necessarily weaken? In the global environment, is there still a role for the notion of the 'nation-building' university?[33] Is it not simpler for governments to stand back and let commercial markets have their way with higher education?

There is always the danger that governments will compromise autonomy, but there is also another danger. If self-regulating universities are pulled apart, it will not be by anti-elitist, populist democracies, but by market forces. The Anglo-American university is at its national and global zenith. Its shrewd, effective combination of modernity and tradition – along with global mobility and hierarchy of place, money, and status – is nurtured in a world where global markets rule. There is always the potential for those markets to assert themselves more strongly. Where will the 'Idea of a University' then stand, if it is overtaken by the tsunami of global capitalism?

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[31] Brian Pusser, 'Reconsidering Higher Education and the Public Good: The Role of Public Spheres', in William G. Tierney (ed.), *Governance and the Public Good* (Albany: SUNY Press, in press).

[32] See the website of the University of Virginia's Curry School of Education research project on 'for-profit education', *http://curry.edschool.virginia.edu/forprofit/start.htm*, accessed 29 April 2005.

[33] Peter Scott (ed.), *The Globalisation of Higher Education* (Buckingham: Open University Press, 1998); Simon Marginson, 'Nation-Building Universities in the Global Environment: The Case of Australia', *Higher Education*, 43 (3), (2002), 409–428.

COMMERCIALIZATION

For all the current talk about university corporatization and 'academic capitalism', internal business models, and revenue options,[34] prestigious research universities are not driven by market share, and still less by 'shareholder value' – a conception which is meaningless in the university context. They need revenues and assets to function (and these are among the signs of prestige). But their bottom line remains academic standing and social power. Status logic still holds sway over commercial logic.

Nonetheless, commercial capital is colonizing more and more sectors of society, and it would be unwise to assume that it will remain marginal to higher education. The 'for-profit' University of Phoenix is now the largest private institution in the USA, with branches in the Americas and Europe.[35] This has coincided with the growing presence in American equity markets of Phoenix's parent company, the Apollo Group, and other commercially driven operators. Hypothetically, it is possible for a commercial operator to mount the infrastructure needed to break into the doctoral mainstream. Never before has 'for profit' education had the potential to operate on this scale. So far, however, for-profit education has been concentrated in teaching-only institutions, such as Phoenix, where libraries and research facilities are absent; and in corporate universities, such as Motorola. Comprehensive teaching/research 'for-profit' universities are yet to appear.

However, another set of market impulses is already at work. In *Universities in the Marketplace*, Derek Bok works through the implications of commercialization in research, online teaching programmes, and athletics. Prior to 1970, commercial activities in American universities were largely confined to athletics and correspondence schools. In 1980, the Bayh-Dole Act made it easier for universities to develop patents from federally funded research, to acquire commercial research personalities, and to develop partnerships with business. Markets now exert a wide influence over research programmes. This has come about through increased direct funding, and closer relations between industry and academia. Conflicts of interest are widespread but rarely disclosed.[36]

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[34] Marginson and Considine, *op. cit.* note 3; Sheila Slaughter and Larry Leslie, *Academic Capitalism: Politics, Policies and the Entrepreneurial University* (Baltimore: Johns Hopkins University Press, 1997); and Sheila Slaughter and Gary Rhoades, *Academic Capitalism and the New Economy: Markets, State and Higher Education* (Baltimore: Johns Hopkins University Press, 2004).

[35] See the special issue on 'The Frontiers of Borderless Education', *Minerva*, 39 (1), (2001), 1–141.

Meanwhile, in commercial teaching, especially in relation to online courses, 'the profit motive shifts the focus from providing the best learning experience that available resources allow towards raising prices and cutting costs as much as possible, without losing customers' (p. 108). Attempts to mount global online universities are premised upon dubious assumptions about unsophisticated markets.[37] Moreover, argues Bok, the profit incentive 'does not always produce results of the highest quality. What it does, is give customers what they want. The two may not be the same' (p. 162).

In this context, Bok tackles commercialized athletics – currently the main field of engagement between universities and communities in the USA. They drive revenue raising. They give middle-level universities a 'merit'-based opportunity within the higher education market. Yet, argues Bok, they bear no necessary relation to the mission of the university. Worse, the 'arms race' of athletics is often associated with corrupt practices, lowered admissions requirements, cheating, and 'under the table' payments to attract and hold star players. The grade gap between athletes (especially male athletes in football and basketball) and other students is growing. 'Many coaches do not want to have their athletes too distracted by coursework' (p. 44). The best solution might be to professionalize college sport; but, if players were no longer students, then public and alumni support would fall away. Meanwhile, expenditures mount and efforts to regulate competition and isolate corruption are defeated. Not all universities play the game, but most do. 'Well over a hundred institutions, including almost all of the major public institutions, do engage in high-pressure collegiate athletics to an extent that seriously conflicts with academic principles', claims Bok. 'Most of the rest will bend their normal standards to some extent, in order to win, or at least keep up with, the competition' (p. 41).

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[36] For two recent case studies of these issues, see Maryann P. Feldman and Pierre Desrochers, 'Truth for Its Own Sake: Academic Culture and Technology Transfer at Johns Hopkins University', *Minerva*, 42 (2), (2004), 105–126; and Mary Soo and Cathryn Carson, 'Managing the Research University: Clark Kerr and the University of California', *Minerva*, 42 (3), (2004), 215–236.

[37] Students have proved to be more sophisticated than the would-be global on-line universities might have hoped. See Simon Marginson, '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), (2004), 74–113.

As Bok sees it, the benefits of commercialization tend to be exaggerated, and its downsides underestimated. At worst, commercialization 'threatens to change the character of the university' by limiting its freedom, sapping its effectiveness, and lowering its social standing (p. 207). Bok acknowledges that 'many academics are afraid that commercially oriented activities will come to overshadow other intellectual values' (p. 16).

Bok's book is a major statement. At the same time, its reach is limited. The particular problems he pinpoints become less relevant as we move farther away from the Ivy League. Commercialization is an issue throughout the world. If Bok had situated his case in a deeper discussion of market capitalism, academic freedom, and the public good, his thesis might have taken on a much more universal resonance. This might seem uncharitable – Bok's courage and public values should not be taken for granted – but *Universities in the Marketplace* is an opportunity missed. It is also symptomatic of one of the shortcomings of the Anglo-American university – viz., its tendency to speak to local communities, while remaining oblivious to the rest of the world. This limitation blinds not only Bok, but also Stevens and Shattock. In a global environment, such institutional myopia should not be permissible.

Bok's presentation is also rather ambivalent. His argument is strident and unresolved by turns. For example, he says that the universities can hardly be faulted for earning money from scientific discovery, on the grounds that this is within the law and encouraged by Bayh-Dole. Yet, although much of the commercialization of sport is also within the law, Bok would sweep it away, if he could. It is not clear why he is harsher in his criticism of commercialization in sport than in science. And his solutions need work. He relies hopefully on self-regulation: 'Of all the major constituencies in a university, faculty members are in the best position to appreciate academic values and insist on their observance' (p. 189). But academics are already implicated – and, if presidents dance with biotech companies, as Bok points out, how can he then expect professors to behave differently? A more promising suggestion looks to voluntary agreements between universities concerning rules of disclosure, conflicts of interest, and the sharing of materials (similar to Ivy League pacts not to admit or award scholarships to athletes with grades below their classmates). However, in the absence of a consensus, there is always the danger that a university may ignore such agreements, in order to gain a competitive advantage.

And the most interesting question about commercialization and its long-term implications remains unexplored by Bok and the other authors. Will we see the emergence of full-blooded 'university capitalism'? If so, it will happen either in the form of commercial surrogates of the doctoral research university; or by the floating of universities as profit-making enterprises listed on the equity markets. A new commercial model may also offer economies outside Anglo-America – not least in India and China – the opportunity to become global educational leaders. Time will tell whether we see truly 'capitalist universities' – institutions that combine high academic status and strong research performance, with the drive towards greater market share, higher profits, and limitless expansion.

Will universities eventually become just another branch of commerce, like communications, air transport, and banks? Banks, after all, were once instruments of social policy, as most universities are today. Or will higher education continue to be led by the ever-modernizing, ever-traditional Anglo-American concentrations of status, where the driving force is not economic capital, but social and global power? These four books do not answer that question, but they do help to further our thinking about where the 'Idea of the University' is heading.

About the Author

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